

would be enough to get Iranians through the winter without issues.

He reported that the production of sweet gas in South Pars reached over 143 billion cubic meters in the first nine months of the current Iranian calendar year (started March 20, 2024), adding that all efforts are being made to keep producing gas sustainably and send it to the national grid. Hosseini stated that there was a 1.2 billion cubic meter increase in production over the first eight months of the calendar year compared to the same period the year before and noted that the country's energy basket is 90% dependent on gas.

He mentioned that the time needed for major repairs at the gas refineries has been reduced from 45 days to between 18

and 25 days and that planning for next year's repairs has been done.

The CEO emphasized the need to pay special attention to gas consumption and manage it because Iran's energy consumption intensity is 3.3 times the global average. He pointed out that the main reason for the recent gas imbalance was the high energy consumption in the country.

South Pars's 70% share in gas production

An official with the National Iranian Gas Company (NIGC) stated on the sidelines of a press visit to South Pars: "The share of gas in the country's energy basket is around 75%, with South Pars producing about 70% of the country's total gas." The majority of the country's gas is produced from the 22 phases

of South Pars in Assaluyeh and Kangan.

Mohammad-Reza Joulaei added that the current gas production exceeds the committed amount. He, however, emphasized that having alternatives to gas in power plants are essential. The middle manager maintained that the priority for gas supply is the household sector, followed by power plants and industries. Joulaei also mentioned that Iran's gas extraction from the shared South Pars field is currently higher than Qatar's and once again stressed the need for power plants to use other energy sources and invest in them.

Necessity of consumption management

An energy expert told Mehr that "unfortunately, energy consumption in [Iran] is very high,"

assessing the situation as unfavorable compared to other countries.

Mehdi Musapour emphasized that managing natural gas consumption is of particular importance due to the growing population and increasing energy needs, and that appropriate measures must be taken to achieve this goal.

Musapour further stressed the need to raise public awareness about the importance of energy conservation and methods to reduce consumption, adding that implementing new technologies to increase energy efficiency in industries and buildings is essential. He highlighted the crucial role of people in consumption management and suggested adopting laws and regulations that control energy consumption and provide in-



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centives for reduction. South Pars not only supplies the main source of natural gas for industries and power plants in Iran but also plays a significant role in its energy security. Given the country's high dependence

on fossil fuels, continued production from this field can help reduce reliance on energy imports.

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Iran's bid to reconnect with India
Renewed oil trade, strategic partnerships, and regional stability

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PERSPECTIVE

Iran is making a concerted effort to strengthen its ties with India, particularly in the areas of trade, oil, and regional connectivity. Under President Masoud Pezeshkian, who assumed office in August 2024, Iran has prioritized resuming oil exports to India, while also seeking to enhance cultural and economic exchanges. This renewed push for deeper engagement with India comes at a crucial juncture, as both countries navigate the complex geopolitical landscape of the Middle East, with broader implications for regional stability.

Iran's strategic move to reconnect

The cornerstone of the India-Iran relationship for decades has been energy trade, particularly crude oil. However, since the US imposed heavy sanctions on Iran in 2018, India, one of Iran's largest oil importers, was forced to halt its purchases under pressure from Washington. This had a devastating impact on bilateral trade, particularly in energy sectors.

Iran is now pushing to resume oil exports to India, acknowledging the difficulties posed by the sanctions but stressing the need to revive this critical trade. "We used to have good economic ties with India before the sanctions were imposed in 2018. We understand why India has to follow the sanctions, but trade is falling year-on-year, which is not good," stated a senior Iranian official. The official expressed regret, adding, "It is a pity that Indian refineries, which operated for decades on Iranian oil, had to adjust to crude sourced from other countries."

Despite these setbacks, Iran aims to resume its oil exports without burdening India. "We will not create hardship for India, but we need to resume oil trade," the official affirmed. In addition to oil, Iran is keen to explore non-energy sectors for trade expansion, particularly in agricultural goods, which could offer a fresh pathway for growth in the relationship.

Enhancing visa policies

Cultural and people-to-people connections also figure prominently in Iran's outreach to

India. The Iranian government has stressed the importance of relaxing visa restrictions to make travel easier for both Indians and Iranians. The goal is to foster deeper cultural exchange, which could in turn help strengthen diplomatic ties.

"We need to talk to India on the visa issues. Iranians want to come to India, but they need visas. Similarly, we want more and more Indian tourists to visit Iran. As neighbouring countries, we should be attractive to each other," said the Iranian official. Simplified visa processes could significantly boost tourism and academic exchanges, deepening mutual understanding and fostering stronger ties between the people of both nations.

Chabahar Port, regional connectivity

A major part of Iran's vision for enhancing its ties with India involves the strategic Chabahar Port, located in southeastern Iran. This deep-water port on the Arabian Sea offers a critical trade route for India to Central Asia and beyond, circumventing Pakistan and opening up markets in Eurasia.

India has already made significant investments in developing the Chabahar Port, which is also key to the International North-South Transport Corridor (INSTC), a multimodal trade route linking India, Iran, Russia, and Central Asia. "India should utilize the Chabahar port to its full potential and create a connectivity corridor from India, passing through Iran, and finally accessing the Central Asian and European

markets," the official noted. This would not only benefit both countries economically but also enhance their strategic and geopolitical standing in the region.

Bilateral trade has room for growth

Despite the challenges posed by sanctions, India remains an important trading partner for Iran. According to the latest data, Iran exported goods worth \$1.2 billion to India in the first eight months of the current Iranian calendar year (March–November 2023), with non-oil commodities playing a significant role. However, the total

value of trade between the two countries fell by 26 percent in 2023 compared to the previous year, primarily due to a sharp drop in the export of petroleum products.

"Iran's trade with India was strong before the sanctions and has been falling year after year. But we are optimistic that this can change, and we hope to increase trade in sectors beyond energy," the Iranian official explained. India continues to export a variety of goods to Iran, with rice, pharmaceuticals, and machinery remaining top exports, although exports of some items, like tea and rice, have seen a decline.

Iran's strategic shifts: China, Afghanistan, and Russia

As Iran seeks to reengage with India, it is also reorienting its broader foreign policy, including a pivot towards China and Russia. Iran has lauded China's efforts to bring stability to the region, particularly through the recent normalization of relations between Iran and Saudi Arabia. "China's efforts to bring some kind of stability to the region are appreciated, especially in improving Iran's relationship with Saudi Arabia," said the Iranian official.

Additionally, Iran has made clear its stance on Afghanistan,

where the Taliban continue to exert control. Iran, while acknowledging the reality of the Taliban's rule, has emphasized the importance of a broad-based government in Afghanistan that includes all ethnic and political factions. "The Taliban are a reality in Afghanistan; we need to work together with them," the official noted. However, Iran has also criticized the Taliban's treatment of women, emphasizing that the deprivation of girls' right to education should never be justified.

On the geopolitical front, Iran is moving closer to Russia, with discussions underway for a strategic partnership, which is expected to be formalized in mid-January 2024. This partnership has significant implications for both countries' foreign policies, particularly in the context of their shared interests in countering Western influence.

Path forward: opportunities, challenges

The Iran-India relationship faces challenges but also presents significant opportunities. Iran's focus on resuming oil trade, diversifying into non-energy sectors, and expanding regional connectivity through Chabahar provides a solid foundation for bilateral cooperation. The Iranian official remains optimistic, stating, "We are committed to working with India to rebuild our economic and cultural ties, and we believe there is great potential for cooperation in the years ahead."

The article first appeared on The Financial Express.



The map compares the long standard route between Mumbai, India, and Moscow, Russia, with the shorter route offered by the International North-South Corridor (INSTC) through Iran's Chabahar Port. railfreight.com