

Economy Desk

Tehran, Ashgabat bent on expansion of energy ties

Iran's Oil Minister Mohsen Paknejad and Turkmen Foreign Minister Rashid Meredov emphasized deepening cooperation between the two countries in the fields of oil and gas as well as exploring avenues to expand collaboration.

During a meeting on Tuesday evening in Tehran, Paknejad expressed optimism about strengthening bilateral ties, stating, "In the foreign policy of the Islamic Republic of Iran, constructive engagement with neighboring countries, especially Turkmenistan as a friendly and brotherly nation, holds significant importance."

Paknejad highlighted that during the 14th Iranian administration and following the election of President Masoud Pezeshkian, the development of economic relations, particularly in oil and gas, became a priority.

He noted that this focus was reiterated during discussions between Iran's president and Turkmenistan's national leader during the summer visit to Ashgabat, as well as in recent phone conversations between the two leaders. According to Shana, Paknejad canceled his Wednesday trip to Bushehr Province and Asaluyeh, where he was scheduled to accompany the president and members of the cabinet.

The cancellation was due to the presence of Meredov, and his accompanying delegation in Iran as the decision was made to follow up on discussions with the Turkmen delegation.

Iran as Turkmenistan's second gas partner

During the meeting, Meredov



congratulated Iran on the anniversary of the Islamic Revolution and noted the historically strong ties between the two nations.

He stated, "Iran and Turkmenistan have always enjoyed good relations, and in recent years, these ties have taken on a new dimension, with both countries eager to expand cooperation in various sectors."

Meredov referenced the recent phone conversation between Turkmenistan's national leader and Iran's president, underlining that the strategic issues for expanding cooperation, including in electricity, gas, and transportation, were discussed. He added, "These discussions can help deepen bilateral cooperation."

The Turkmen FM underscored the success of negotiations with Iran's Oil Ministry, stating, "I always emphasize that Iran has been Turkmenistan's second

partner in gas cooperation since our independence."

He pointed to the start of gas cooperation between the two countries in the 1990s, noting that approximately 107 billion cubic meters of gas have been exported from Turkmenistan to Iran during this period.

"These figures and projects reflect the depth of relations and the growing gas ties between Iran and Turkmenistan. Both countries have valuable experience in this field, and I believe we can take further steps to expand relations based on this positive experience," Meredov concluded.

Tehran's Caspian Sea meeting

Meredov on Wednesday met Iranian president during which Pezeshkian reiterated Iran's commitment to fostering good neighborly relations and ex-

pressed the Islamic Republic's desire to strengthen ties with neighboring countries, including Turkmenistan.

During the meeting, Meredov conveyed warm greetings from Turkmenistan's national leader and president to Pezeshkian.

He pointed to existing agreements and joint projects between Iranian and Turkmen companies in various fields, including transportation and energy, and called for further development of bilateral cooperation in all areas.

Meredov expressed hope that the upcoming joint economic cooperation commission between Iran and Turkmenistan would lead to stronger economic ties.

"Relations between the two countries are of great importance to the government of Turkmenistan, and we seek to expand relations in all fields,"

he added.

The Turkmen foreign minister also invited Pezeshkian to attend an international conference on peace and trust in Turkmenistan and announced that Turkmenistan would send a high-level delegation to the Caspian Sea littoral states' summit in Tehran.

Pezeshkian, for his part, emphasized Iran's principled policy of maintaining positive relations with its neighbors, stating, "The Islamic Republic of Iran has always sought to expand relations with its neighbors, including the friendly and brotherly nation of Turkmenistan, and welcomes the development of cooperation in various fields."

The president referenced a recent phone conversation with Turkmenistan's national leader, noting that necessary directives had been issued to relevant authorities to explore further

areas of cooperation with Turkmenistan and to address obstacles hindering the acceleration of joint projects.

Pezeshkian also highlighted the upcoming Caspian Sea littoral states' prime ministers' meeting in Tehran, underscoring Iran's desire to enhance relations among Caspian nations based on peace, friendship and good neighborliness.

He added that this approach would be underscored at the forthcoming Caspian summit, with a focus on achieving practical solutions to expand cooperation.

Fruitful talks of FMs

In another meeting on Wednesday, Meredov discussed developments with his Iranian counterpart, Abbas Araghchi, who said that "good consultations" were held with the Foreign Ministry of Turkmenistan regarding Afghanistan.

Speaking at a joint press conference with his Turkmen counterpart, Araghchi noted the long-standing cultural, civilizational and historical commonalities between Iran and Turkmenistan.

The Iranian foreign minister stated that the Turkmen FM, during his visit to Tehran over the past two days, had held intensive talks with Iranian officials.

Araghchi, said the Turkmen foreign minister was accompanied on this trip by his country's ministers of roads and energy.

Describing Iran-Turkmenistan relations as "very deep," Araghchi said the Islamic Republic of Iran was among the first countries to recognize Turkmenistan's independence, as well as its status as a neutral country.

Iran hosts first rail transit from India to Afghanistan

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For the first time, a commercial rail route between India and Afghanistan has been established through Iran, with the debut transit train carrying oil seeds to Afghanistan.

According to ILNA, the train arrived at Roznak Station in Herat on Tuesday as the shipment, consisting of oil seeds, was initially transported by ship to Bandar Abbas and then moved via Iran's rail network to Roznak Station in Afghanistan.

The transit marks the beginning of a new era in transit cooperation between India and Afghanistan via Iran. Managed by the Afghanistan Railway Development Consortium and supported by Iran's Ministry of Roads and Urban Development and the Islamic Republic of Iran Railways, over 30,000 tons of goods have been transported by rail between Iran and Afghanistan since the Khaf-Herat rail corridor became operational earlier this year.

The corridor has enhanced trade security between the two countries and is expected to reduce transportation costs for traders and producers.

The Khaf-Herat rail corridor, which connects Iran's rail network to Herat in western Afghanistan, plays a key

role in regional connectivity.

Additionally, the corridor is part of the East-West global rail network, creating a 2,000-kilometer route linking China, Kyrgyzstan, Tajikistan, Afghanistan, Iran, Turkey, and Europe.

This rail line not only improves the security of cargo transportation but also reduces costs and transit times by 10%, making it more attractive to regional traders.

Mostafa Rezaei, CEO of the Afghanistan Railway Development Consortium, stated that the first rail transit shipment from India entered Afghanistan through the Shamtqi rail border in Khaf, Khorasan Razavi Province, on Tuesday evening.

"The shipment included six containers of almonds and oil seeds, which were transported from India by ship to Bandar Abbas and then via Iran's rail network to Roznak Station in Herat."

The Shamtqi border customs checkpoint between Iran and Afghanistan opened in 2020 in Khaf, a border city in southeastern Khorasan Razavi Province. Located approximately 50 kilometers from Khaf, Shamtqi serves as the official customs checkpoint along the Khaf-Herat railway. Khaf, a city of 150,000, is situated 267 kilometers south of Mashhad.

New record set in Iran's natural gas production



Iran's natural gas production set a new daily record of 1.106 billion cubic meters, with 716 million cubic meters (mcm) sourced from the South Pars joint field, according to Shana. Currently, raw gas production exceeds 1.1 billion cubic meters per day, while the volume of gas delivered to the National Iranian Gas Company has set a record of 1.021 billion cubic meters daily.

Gas production in South Pars, the heart of the country's gas output, has reached a record high of 716 mcm per day, an unprecedented achievement.

This volume is extracted from 37 offshore platforms, over 300 wells, and 13 refineries across 24 phases, supplying more than 70% of the country's gas consumption.

According to the report, South Pars contributes to over 40% of gasoline

production capacity and nearly 50% of feedstock for petrochemical industries and power plants.

To address the gas shortage crisis caused by rising domestic consumption and declining pressure in South Pars wells, the Oil Ministry has implemented a comprehensive plan.

The report also added that in the coming days, \$17 billion in contracts for pressure boosting in South Pars will be signed with four domestic contractors, leveraging 70% local capacity.

These contracts aim to mitigate pressure decline and production drops in the major gas field, significantly reducing the gas and gasoline imbalance.

The first phase of the pressure-boosting project is expected to become operational by the Iranian calendar year 1407 (2028-29).

The Iranian Central Oil Fields Company (ICOFC), a key player in onshore gas production, has achieved a record output of 248 mcm of gas, added the report.

Currently, about 25% of the country's gas is produced within the company's operational area, with some stored in the Sarajeh (Qom) and Shourijeh (Khangiran) reservoirs for use in the second half of the year.

In the Khangiran region, the only gas field in the northeast, approximately 8% of the country's daily gas production meets the needs of six provinces: Khorasan Razavi, North Khorasan, South Khorasan, Golestan, Mazandaran, and parts of Semnan. The ICOFC, responsible for about 80% of the country's oil production, has also made significant efforts in gas production, currently supplying a portion of the nation's gas needs.

