

# \$17b worth contracts for gas compression in South Pars

*Pezeshkian: Major gains expected in energy sectors*

**Minister hails pressure boosting deals as new era for SP**

## Economy Desk

A contract for the pressure boosting project of the South Pars gas field was signed on Saturday in the presence of the Iranian president and senior oil industry officials, with four domestic companies taking the lead.

The project, aimed at compensating for pressure decline, maintaining maximum gas production, reducing gas and gasoline imbalances, and preventing gas migration to Qatar, will involve engineering, procurement, construction, transportation, installation, and commissioning of pressure boosting platforms.

The project will include the construction and installation of 420,000 tons of equipment and structures—twice the current offshore equipment in the South Pars field—and the laying of 600 kilometers of subsea pipelines.

It is expected to create at least 17,000 direct jobs as well as 50,000 indirect jobs, while also enhancing the knowledge and capabilities of Iranian companies and supporting domestic production.

Estimates indicate that the project will require an investment of approximately \$17 billion, with projected revenues reaching \$780 billion by the Iranian year of 1430 (2051).

The contract is divided into seven sections and will be executed with the participation of four major companies in the oil industry. Petropars will handle hubs 1 and 7 with a total investment of \$4.798 billion, Oil Industries Engineering and Construction (OIEC) will manage hubs 2 and 5 with \$4.767 billion, Khatam al-Anbiya Construction Headquarters will oversee hubs 3 and 6 with \$4.931 billion, and Neyr Perse, a subsidiary of MAPNA Group, will take on hub 4 with an investment of \$2.367 billion.

## Major gains expected

During the signing ceremony, President Masoud Pezeshkian stated that the on-

going projects and large-scale initiatives will lead to significant transformations in the electricity, oil, and gas sectors.

He highlighted efforts to optimize energy consumption, such as preventing gas flaring in Khuzestan, where nearly 40 million cubic meters of gas have been captured in one phase and another 40 million cubic meters in a second phase. He expressed hope that an additional 40 million cubic meters would be controlled by May.

Pezeshkian emphasized the impact of these measures on reducing pollution and increasing efficiency, noting that if this trend continues, gas flaring, which causes widespread pollution and national capital loss, will be eliminated by the end of next year. He praised the efforts of those working tirelessly in the energy sector, which have led to increased production of crude oil, natural gas, diesel, and gasoline.

The president stressed the need to reform consumption patterns and optimize energy resources, stating that moving away from traditional methods and increasing efficiency are essential for a sustainable future.

He pointed out that a significant portion of energy resources is currently consumed inefficiently, but with proper investment and the development of new technologies, this trend can be corrected. Pezeshkian also highlighted government programs to reduce energy waste, particularly in the oil and gas sectors, where measures are being taken to prevent the loss of national capital.

He noted that millions of cubic meters of gas, previously flared, are now being recovered and utilized efficiently. This trend is expected to continue, ultimately eliminating the burning of valuable resources.

The president emphasized the importance of developing renewable energy, stating that increasing the use of clean energy is a fundamental way to enhance efficiency.

Plans are underway to generate 30,000 to 40,000 megawatts of energy through solar and wind power plants, he added, noting that optimizing domestic consumption and reducing reliance on fossil fuels will allow Iran to export oil and gas under better conditions, increasing foreign exchange earnings and contributing to economic stability.

Pezeshkian called for cooperation across all sectors to achieve these goals, expressing determination to pursue development with a scientific and forward-looking approach.

He criticized the lengthy decision-making processes in the country, urging faster administrative procedures and quicker decision-making to avoid delays in project implementation.

## New era for South Pars gas field

Prior to the president's remarks, Oil Minister Mohsen Paknejad provided a detailed report on the signed contracts, describing the pressure boosting project as a significant step toward realizing a long-standing goal for Iran's oil industry. He stated that the \$17 billion investment marks a new era for the South Pars gas field, the largest gas field in Iran.

Paknejad emphasized that the project is crucial for achieving the targets set in the Seventh Development Plan (2024-28), which aims to increase the country's natural gas production to 1.34 billion cubic meters per day.

He noted that developing gas fields and implementing production maintenance plans are essential to prevent production decline.

The minister estimated that the development and maintenance of production capacity will require an investment of approximately \$75 billion, with \$53 billion allocated to new gas field development and \$22 billion to production maintenance projects, including the South Pars pressure boosting project.

He stressed the need for precise planning



Head of the National Iranian Oil Company Hamid Bovard (R) shakes hands with the representative of MAPNA company after signing a pressure boosting contract in Tehran on March 8, 2025.

● SHANA

and the optimal use of financial resources, including the National Development Fund and investments from energy-intensive industries and petrochemical companies.

Paknejad highlighted that the South Pars gas field accounts for 70% of Iran's gas production, supplying households, small and large industries, and power plants. He noted that after three decades of joint extraction by Iran and Qatar, the field is experiencing pressure decline, which could reduce production.

The minister warned that Qatar's pressure boosting efforts, expected to be operational within two years, could divert some of Iran's gas due to pressure differentials. He estimated that without pressure boosting, Iran could lose the equivalent of one phase of South Pars production by 2027 and 1.5 phases by 2029.

Paknejad also pointed out that 40% of Iran's gasoline is produced from South Pars gas condensates, and failure to implement the pressure boosting project could exacerbate gasoline shortages. He recalled that four preliminary contracts were signed during the previous administration to familiarize contractors with the project, but no funds were spent.

The minister expressed hope that the project would enhance Iran's technological capabilities, particularly in the design and construction of heavy pressure boosting platforms.

## Expediting financing for project

Paknejad emphasized the need to expedite the finalization of the financing agreement with the National Development Fund and its approval by the Economic Council to accelerate the project's implementation.

He expressed hope that the project's goals would be achieved within the specified timeline, contributing to national interests, the prosperity of the oil and gas industries, job creation, and improved public welfare.

Following the minister's remarks, Hamid Bovard, Deputy Oil Minister and CEO of the National Iranian Oil Company, signed the pressure boosting contracts with Petropars, Khatam al-Anbiya, OIEC, and MAPNA on behalf of the ministry.

With the signing of these contracts, Iran's oil industry enters a new phase of sustainable exploitation of the world's largest gas field, playing a crucial role in ensuring stable gas supply and economic development.



## First transit sugar shipment crossing Iran reaches Afghanistan

### Economy Desk

The director-general of the Eastern Railway of Iran announced the transportation of the first transit shipment of sugar from Bandar Abbas to Afghanistan via the Shamtigh rail border.

Ali Hokami-Qassemi announced the above stating that the shipment,

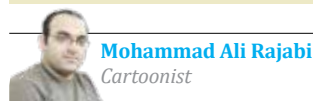
consisting of 20 railcars and 40 containers carrying sugar, was transported by the Sepahan Rail Rasa Forwarding Company and sent to Afghanistan via the Shamtigh border, Mehr News Agency reported. Highlighting the significance of the shipment, he added that the arrival of this train not only demonstrates the high capacity of the Eastern

Railway of Iran network in transporting transit goods but also marks an important step in expanding trade relations between Iran and Afghanistan.

The official emphasized that this operation has enabled the movement and unloading of railcars carrying food supplies to Afghanistan, which could lead to an increase in the vol-

ume of essential goods transit via the rail route from Iran to Afghanistan.

Hokami-Qassemi also stressed that the development of rail transport along this route will not only reduce transportation costs but also accelerate the transfer of goods and enhance economic interactions between the two countries.



Mohammad Ali Rajabi  
Cartoonist



## Iran, Turkmenistan establish economic consortium to increase trade

### Economy Desk

The head of the Iran-Turkmenistan Joint Chamber of Commerce announced the formation of a specialized economic consortium aimed at boosting exports and trade between Iran and Turkmenistan. The consortium, supported by the joint chambers of both countries, seeks to strengthen economic cooperation.

Ramezan Bahrami, speaking on Saturday, stated that the establishment of the Iran-Turkmenistan Economic Consortium has been widely welcomed by economic stakeholders, IRNA reported.

He emphasized that the consortium provides a valuable opportunity to organize trade, facilitate investment,

and remove trade barriers between the two nations.

Bahrami highlighted the consortium's role in fostering sustainable trade relations, describing it as an effective tool for increasing exports, attracting investments, and easing economic interactions.

He added that the consortium offers a cohesive platform for targeted economic activities in the Turkmenistan market and will create new opportunities for expanding bilateral cooperation.

Bahrami noted that the new mechanism, launched with private sector participation and within the framework of the Iran-Turkmenistan Joint Chamber, is expected to increase trade volumes, reduce commercial



● IRNA

costs, and enhance regional economic interactions.

He welcomed the active involvement of economic stakeholders in the initiative, stating that the participation of Iranian companies in the consortium will pave the way for sustainable growth in bilateral trade and facilitate entry into Central Asian markets.