

Iran, Iraq ink deals to enhance joint energy ties

Economy Desk

Iranian Oil Minister Mohsen Paknejad and Iraq's Deputy Prime Minister for Energy Affairs Hayan Abdul-Ghani al-Sawad signed on Monday agreements and memorandums of understanding (MoUs) to enhance their countries' cooperation in the fields of oil and gas.

Paknejad and Sawad inked the documents in an official meeting in the Iraqi capital of Baghdad as they discussed the prospects of the development of joint cooperation in energy sectors between the two sides and the exchange of expertise and investment.

"There are favorable grounds for cooperation between the two countries of Iran and Iraq. In the oil sector, considering such commonalities, we have started activities. Some of these activities relate to the memorandums of understanding that were pre-

viously signed between the two countries, and during this visit, we took steps to implement these memorandums," Paknejad said on the sidelines of the meeting, pointing to cultural, religious and historical commonalities between the two neighbors. The Iraqi deputy minister, for his part, said his country has promising gas investment projects and is working to achieve self-sufficiency in petroleum derivatives.

"Iraq strives to achieve self-sufficiency in the production of oil derivatives and seeks to develop technical and investment cooperation with the Islamic Republic of Iran," Sawad said.

Paknejad expressed his gratitude for the warm welcome and visit to Iraq, as well as the deep cultural relations between Tehran and Baghdad.

The Iranian minister underscored the importance of con-



Iranian Oil Minister Mohsen Paknejad (L) and Iraqi Deputy Prime Minister for Energy Affairs Hayan Abdul-Ghani al-Sawad pose for a photo after a meeting in the Iraqi capital Baghdad on April 14, 2025.

● SHANA

tinuing relations between the two countries in all fields.

The Iranian side also secured a contract to convert flare gas from Iraqi oilfields into feedstock for petrochemical plants located near its border with the Arab country.

Paknejad started his two-day visit on Monday at the invitation of his Iraqi counterpart.

He is scheduled to meet the Iraqi ministers of oil and electricity, in addition to the prime minister.

Upon arrival, Paknejad paid tribute to the memorial site of General Soleimani, commander of the Quds Force of Iran's Islamic



Revolution Guards Corps (IRGC), and Abu Mahdi al-Muhandis, the second-in-command of Iraq's

Popular Mobilization Units (PMU). Soleimani, Muhandis and their companions were assassinated

in a US drone strike near Baghdad's International Airport on January 3, 2020.

ISPA warns unprecedented power curbs could leave scars on steel industry



Economy Desk

The secretary of the Iranian Steel Producers Association (ISPA) announced on Monday that the unprecedented restrictions on power supply in the new Persian calendar year (started March 21) are taking heavy toll on the strategic industry across the country.

Rasoul Khalifeh-Soltani raised the alarm as he pointed to the grave consequences of power shortages for various sectors of the Iranian economy, not

least production, employment and the domestic market.

"In less than 20 days since the beginning of the year, steel industries have faced severe and surprising electricity restrictions. These restrictions have led to a 30-50% decrease in the supply of electricity to the units, and in some cases, it even reaches 80%," Khalifeh-Soltani said.

"Such conditions, which have been unprecedented in recent years, have caused serious problems for the pro-

duction and continued activity of this industry."

The official underlined that steelmakers were facing serious problems in gas and electricity supply until the end of last year, but they expected to pass at least one month of the new year without energy restrictions.

"Since the onset of April, they suddenly faced warnings from the regional electricity authorities and had to reduce their electricity consumption," he said, adding, "This situation has not only disrupted the production process, but has also increased concerns about its impact on employment and domestic markets."

Touching on ISPA's reports from the major steel companies, such as Mobarakeh Steel, Khuzestan Steel, Hormozgan Steel, South Kaveh Steel and other steel manufacturers, Khalifeh-Soltani said, "Since April 1 of the new year, steel companies have been forced to reduce their electricity consumption by at least 30%, a measure in stark contrast with the motto of the year — investment for production."

Speaking at the inauguration of the 6th National Iranian Steel Festival and Exhibition in January, ISPA chief Bahram Sobhani said the country's annual steel

production capacity stands at 50 million tons, but due to energy shortages, only 30 million tons are being utilized. Sobhani highlighted that production limitations and the failure to maximize capacity stem from energy supply challenges, particularly shortages and disruptions in gas and electricity during various seasons.

Sobhani emphasized the localization of the steel industry, stating that domestic companies and producers have reduced reliance on imports by manufacturing components and equipment locally.

Sobhani stressed that despite sanctions and energy imbalances, the steel industry generates approximately \$8 billion annually in foreign exchange earnings.

He underscored the need to increase the industry's share of non-oil exports to over 20 million tons, noting that steel accounts for 16% of Iran's non-oil exports and plays a significant role in the national economy.

Iran's steel production capacity exceeds 55 million tons, and over the past two years, despite cross-sectoral challenges in the energy sector, it has managed to produce over 32 million tons, ranking among the world's top

10 steel-producing countries. At times in 2024, Iran even climbed to the ninth and seventh positions globally in steel production.

According to data from the World Steel Association, Iran produced 32 million tons of crude steel in 2024, a 5.5% increase compared to 2023. Meanwhile, global steel production in the previous year stood at 1.882 billion tons, showing a roughly 1% decline compared to 2023. In December 2024, global steel production reached 144.5 million tons, marking a 5.6% increase compared to December of the previous year. Nevertheless, Iran remained the world's tenth-largest steel producer by the end of 2024.

However, Iran's steel production in 2024 also recorded a noticeable decline, primarily due to energy shortages. Despite this, with the production of 2.6 million tons of crude steel in December and 3.1 million tons in November 2024, Iranian steelmakers once again surpassed Brazil, Germany, and Turkey to secure the seventh position globally. By increasing production of this strategic product and accounting for 56% of crude steel production, Iran has claimed the top spot in the West Asian region.

Arab states rally behind Oman talks, eye peace over provocation

ANALYSIS

The first round of Iran-US negotiations held Saturday in Muscat, kicked off with upbeat statements from both sides and was widely welcomed by Persian Gulf Arab states who hailed the diplomatic effort as a chance to shore up regional peace and stability.

In a region already on edge from mounting tensions between Iran and the West, such diplomatic engagement plays a crucial role in keeping a lid on conflict. For Persian Gulf countries with deep reliance on trade and natural resources any escalation in hostilities is seen as a direct blow to their national interests. As calls for de-escalation grow louder, diplomacy has increasingly been held up as the only viable path to head off full-blown war. Qatar's Prime Minister Mohammed bin Abdulrahman Al Thani sounded the alarm in a March interview with Tucker Carlson, warning that a strike

on Iran's nuclear facilities could set off an environmental catastrophe, threatening the Persian Gulf's water sources.

His remarks struck a chord, underscoring a shared Arab concern that one misstep could spiral into a crisis endangering not only national security but also the region's economy and environment.

Arab states are backing talks for a series of reasons. First, Persian Gulf Cooperation Council (GCC) members are determined not to let their backyard become a battleground for global powers again. With bitter memories of Iraq still fresh, they know the devastating toll war can take. Second, diplomacy gives them a chance to step in as mediators and push back against the kind of militarization that could choke already fragile economies.

Statements from Riyadh, Manama, Kuwait City, Doha and Abu Dhabi after the first round of talks all pointed to one thing: a genuine desire

to de-escalate tensions and keep the peace and stability of the region.

Saudi Arabia's Foreign Ministry stressed its support for dialogue as the path to end all regional and global disputes, adding it hoped the talks would pave the way for stronger regional cooperation for peace, security and stability of the region and beyond. Bahrain echoed that sentiment, praising Oman's mediation and backing peaceful conflict resolution.

Kuwait reiterated its faith in dialogue and diplomatic solutions, expressing hope the negotiations would boost peace and security.

Qatar, too, commended both the tone of the talks and Oman's constructive role in bringing both parties to the table.

UAE Foreign Minister Sheikh Abdullah bin Zayed Al Nahyan, in a phone call with his Omani counterpart, lauded Muscat's mediation as a step toward bridging the gap between Washington and Tehran and rebuild-

ing trust that could set the stage for peace and stability.

Former Iranian ambassador to Lebanon, Jordan and, Qatar Mohammad-Ali Sobhani believes that the reception of Persian Gulf Arab states to the Oman talks is genuine. He views things as follows.

Arab states back talks out of sheer security need

The warm reception from Arab countries toward the Iran-US talks in Muscat stems from one clear motivation which is their urgent need for regional security. Iran's security doctrine in the Persian Gulf has been based on collective cooperation and creating opportunities for all countries to ensure regional security and a stable, peaceful life—an approach that goes back even before the 1979 Islamic Revolution. Yet, at various turning points in the region's fraught history, some Persian Gulf Arab nations have drifted toward Tehran's adversaries and sought to es-

calate tensions between Iran and the United States and Israel to tip the balance of power in their favor. This has at times led to their lining up behind anti-Iran stances.

Broadly speaking, Arab states have thrown their support behind de-escalation efforts because they understand full well that any armed clash between Iran and the US would have far-reaching fallout—dragging them in, like it or not. These countries face deep-seated economic and social vulnerabilities. If war were to break out, there is no guarantee they could stay out of the line of fire. That's why the key demand from Persian Gulf Arab states is to dial down the tension.

Their reaction to the first round of talks has been genuine and grounded in hard realities. It is not just diplomatic theater. There is a very real desire to mend fences between Tehran and Washington. After all, regional peace is a prerequisite for continued economic growth.