

Oil posts weekly gain on trade deal hopes amid sanctions on Chinese ‘teapot’

Economy Desk

Oil prices settled more than 3% higher on Thursday, supported by hopes for a trade deal between the United States and the European Union and new US sanctions on Chinese importers of Iranian oil to curb Iranian oil exports, which continued to elevate supply concerns. The United States has imposed sanctions on Chinese importers of Iranian oil despite being involved in talks with the Islamic Republic to sort out differences over its nuclear program. Brent crude futures settled \$2.11, or 3.2%, higher to \$67.96 a barrel, and US West Texas Intermediate (WTI) crude gained \$2.21, or 3.54%, at \$64.68 a barrel, Reuters reported. For the week, both Brent and WTI gained about 5%, their first weekly gain in three weeks. Thursday is the last settlement day of the week ahead of the Easter holidays and trade volumes were thin. Meanwhile, US President Donald Trump and Italian Prime Minister Giorgia Meloni met in

Washington and expressed optimism about resolving trade tensions that have strained US-European relations. “We’re going to have very little problem making a deal with Europe or anybody else, because we have something that everybody wants,” Trump said. Reaching a trade deal with the EU could potentially limit oil demand destruction from Trump’s tariffs, said Bob Yawger, director of energy futures at Mizuho. Sanctions issued by Trump’s administration on Wednesday, including against a China-based “teapot” oil refinery, ramp up pressure on Tehran amid talks on the country’s nuclear program. “Teapot” is an industry term for small, independent and simple oil refiners. “These are far-ranging sanctions, focusing on the Chinese teapot refineries,” said John Kilduff, partner with Again Capital. “It’s a potential supply loss to the market.” Washington also issued additional sanctions on several companies and vessels it said

➤ A pump jack operates near a crude oil reserve in the Permian Basin oil field near Midland, Texas, US, February 18, 2025. ● ELI HARTMAN/REUTERS

were responsible for facilitating Iranian oil shipments to China. The sanctions targeted the China Oil and Petroleum Company Limited (COPC), an entity the US Treasury Department’s Office of Foreign Assets Control (OFAC) claimed has been functioning as a front company for Iran’s Islamic Revolution Guards Corps to collect oil export revenues from China, including payments made by Shandong Shengxing. “The US continues to aggressively sanction Iran and impose sanctions against buyers of Iranian oil. OPEC+ has also provided updates and reassurance to the market, stating that they remain in control with flexibility to cut production if needed,” analysts at energy consulting firm Gelber and Associates said in a note. The Organization of the Petroleum Exporting Countries



(OPEC) said on Wednesday it had received updated plans for Iraq, Kazakhstan and other countries to make further output cuts to compensate for pumping above

quotas. However, OPEC, the International Energy Agency and several banks, including Goldman Sachs and JPMorgan, cut fore-

casts on oil prices and demand growth this week as US tariffs and retaliation from other countries threw global trade into disarray.

Deputy minister: Iran’s trade with Eurasian countries on rise

Economy Desk

An official of the Iranian Ministry of Industry, Mine, and Trade expressed cautious optimism about the country’s trade surge with Eurasian Union members, noting a 120% rise over the past two to three years while emphasizing the need for further strategic reinforcement to solidify economic gains. Mohammad Ali Dehqan Dehnavi, the deputy minister of Industry, Mine, and Trade, said, “Iran’s trade volume with Eurasian Union member states has seen significant growth, increasing by 120% compared to two to three years ago. However, this amount is still not substantial and requires further strengthening,” IRNA reported. Speaking to reporters on Thursday, Dehqan Dehnavi added, “Currently, Iran’s trade volume with Eurasian Union members is less than \$5 billion, but political relations between the two sides are improving, and there is strong mutual interest in expanding economic ties.”

Iran and the Eurasian Economic Union (EAEU) member states — comprising Russia, Kazakhstan, Kyrgyzstan, Belarus, and Armenia — are about to launch a landmark zero-tariff free trade agreement on May 15, marking a historic leap in regional economic integration after seven years of negotiations. The head of the Trade Promotion Organization (TPO) said, “The agreement represents a long-term effort to sustain economic growth between the parties. Undoubtedly, the Eurasian Union is among Iran’s top five trading partners.” “Numerous meetings with relevant executive bodies have been held to advance economic relations with Eurasian countries. Committees involving entities such as the Islamic Republic of Iran Customs Administration (IRICA) and the Iran National Standards Organization have also been formed to address issues like phytosanitary regulations and logistical support. These steps aim to prevent challenges during the agreement’s implementation and



ensure optimal use of this opportunity.” “In this context, an educational conference on the agreement has begun as part of a provincial tour. The first session is being held today [Thursday] at the Khorasan Razavi Chamber of Commerce to familiarize economic actors with the agreement’s provisions, clarify implementation methods, and address stakeholders’ questions,” Dehqan Dehnavi added.

“We aim to hold this conference in major provinces across the country before May 15 and invite private sector representatives to leverage the opportunities under the Eurasian trade agreement,” he said. Dehqan Dehnavi emphasized that, “Khorasan Razavi, due to its proximity to Russia and Central Asian countries, holds strong geopolitical potential. The province’s industrial capacities can be utilized for exports to Eurasia.”

Moscow-Tehran agreement on visa-free travel in ‘final stage’:

Lavrov

The draft agreement on visa-free travel for tourist groups of Russian and Iranian citizens is in its final stage, According to Russian Foreign Minister Sergey Lavrov. Moscow and Tehran are working to make travel between Russia and Iran for their citizens as smooth and convenient as possible, Russian foreign minister said at a press conference following talks with his Iranian counterpart Abbas Araghchi, TASS reported. “Prior to the [Russian-Iranian Comprehensive Strategic Partnership] treaty, a number of steps were taken to simplify the visa regime for certain categories of citizens. In addition, Iran is among the many countries that use the electronic visa system introduced last year, and it is as simple as possible,” the Russian foreign minister said, responding to a question about the possibility of abolishing visas between the two states. “Now we are taking additional steps on a number of documents, including to fully exempt embassy staff, both diplomats and holders of service passports, from visa obligations. A draft agreement on visa-free travel for tourist groups of Russian and Iranian citizens is in its final stage,” Lavrov added.

Mohammad Ali Rajabi
Cartoonist



Oil Ministry launches electric vehicle infrastructure development

Economy Desk

Iran’s Oil Ministry initiated plans for the development of electric vehicle (EV) infrastructure in line with a recent resolution by the government’s Economic Council. The CEO of the National Iranian Oil Refining and Distribution Company (NIORDC) has mandated — in line with diversifying the fuel portfolio and managing consumption — that the establishment of new fuel stations nationwide must be contingent on the construction of “at least one single-nozzle EV charging station,” citing a recent resolution by the Economic

Council. Mohammad Sadeq Azimi-far directed the NIORDC to mandate that all new fuel stations in the country include “at least one single-nozzle electric charging station” as a prerequisite for construction. Accordingly, new fuel stations are required to establish electric vehicle charging infrastructure, and the development of electric infrastructure at operating stations across the country will also take place after feasibility studies in collaboration with the station owners. In addition to expanding charging infrastructure, the NIORDC is leveraging



fuel-saving bonds to implement programs for modernizing and replacing aging vehicle fleets with electric alternatives. These initiatives are set to be unveiled soon. Iran has been importing limited amounts of gasoline to respond to a rising demand for fuel, a problem which has been exacerbated in recent years because

of heavily subsidized prices that have encouraged smuggling across the borders. According to NIOPDC announcing in mid-January, gasoline production in Iran had increased by nearly 10% in the three months before that, adding that total gasoline output from the country’s refineries had reached 107 million liters per day.