

From Kharg to Asaluyeh

# Persian Gulf beating heart of Iran's economy



An Aframax tanker built by the Iranian Marine Industrial Company (Sadra) sails in the Persian Gulf.  
● SHANA



The initial phase of the new pipeline project in South Pars Phase 16 reaches completion.  
● ALI SOLEIMANI/SHANA

## PERSPECTIVE

The Persian Gulf, intrinsically tied to Iran's energy supply, has carved out an irreplaceable role in the nation's economy, stretching from the port of Asaluyeh to the island of Kharg. This dazzling stretch of water is far more than just a body of water; it is one of the world's most strategic regions, holding on to a significant portion of the globe's energy wealth and has put Iran on the map as a major geopolitical player in the energy sector. Roughly 60% of the world's oil reserves and 30% of its gas reserves are tucked away in the Persian Gulf, with over 30% of global oil and gas being supplied from this region. The Gulf's enduring role in the production, processing, transportation, and export of Iranian oil and gas cannot be overstated — it is truly a game-changer for the nation's economic fate.

### Oil facilities at core of Persian Gulf

Along Iran's southern shores,

a vast network of oil facilities — from refineries and export terminals to jetties, storage tanks, and gas compressor stations — has sprung up. These installations, located in Khuzestan, Bushehr, and Hormozgan provinces, play a key part in the country's oil and gas value chain. Kharg, Bahregan, Siri, Asaluyeh, Bandar Abbas, Lavan, and others have grown into strategic hubs for energy supply, steady exports, and the resilience of Iran's oil and gas products. The expansion of this infrastructure mirrors long-term investment and the technical prowess of Iranian engineers, who have weathered both challenging geography and international sanctions.

### Kharg pulse of Iran's crude oil exports

Kharg Island, as Iran's largest and most crucial crude oil export terminal, stands out in the national economy. Over 90% of the country's exported crude oil is loaded up here and sent off to

international markets.

Equipped with advanced storage, loading jetties, floating buoys, and pipelines, Kharg Island has managed to keep exports afloat even when the going gets tough internationally. It remains the beating heart of Iran's oil exports and a symbol of the oil industry's resilience in the face of global headwinds.

### Continental Shelf: rich reserves in southern waters

Iran's continental shelf in the Persian Gulf is home to dozens of major oil fields, including Foroozan, Soroush, Norouz, Abouzar, Hendijan, Esfand, Doroud, Bahregansar, Salman, Arash, and Farzad. Many of these fields are shared, making it crucial for Iran to hold on to its share of production. With over four decades under its belt, the Iranian Offshore Oil Company has taken charge of operating and maintaining these vast resources. Working

offshore calls for high expertise, specialized equipment, and complex technical support — much of which, in recent years, has been taken up by domestic specialists.

### South Pars Iran's gas engine

South Pars, the world's largest gas field, marks a turning point in Iran's energy development. This shared field with Qatar serves as the main source of natural gas, gas condensate, and petrochemical feedstock for Iran. The development of 24 phases in Asaluyeh has turned this area into the Middle East's energy hub. South Pars not only backs up domestic energy supply but also acts as a reliable source for gas product exports and foreign currency earnings.

### Persian Gulf's share in Iran's energy economy

The Persian Gulf is not just the backbone of Iran's oil production and exports; it also sets the

stage for downstream industries, job creation, economic growth, and both domestic and foreign investment in the energy sector. Iran's prime location in the Persian Gulf opens the door to Asian, European, and African markets.

### Backbone of national power, development

In today's world, where energy calls the shots in economics, diplomacy, and security, the Persian Gulf is far more than just a sea for Iran — it is a treasure trove of resources, capacities, and opportunities. Protecting, developing, and safeguarding these energy assets is at the top of the agenda for Iran's oil and gas industry. From the continental shelf's oil fields to Kharg's terminal, from South Pars's phases to Asaluyeh's export jetties, every piece fits together to make the Persian Gulf the beating heart of Iran's energy and economy.

The article first appeared in Persian on SHANA news agency.



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Alarm bells ring over Iran's energy shortfall

# Experts call for fundamental, immediate reform

## OPINION

Iran, despite being one of the world's energy-rich nations, has come up against a serious challenge known as the "energy imbalance". The issue puts the country's sustainable energy supply at risk and spills over into the economy, industry, and environment, casting a long shadow over the nation's future.

The sixth pre-event of the International Conference on Industrial Engineering, focused on "Energy Rebalancing Solutions for the Benefit of Production," brought together a host of experts and officials. The session zeroed in on the energy shortfall and laid out solutions to deal with and break free from the current predicament.

### Structural, managerial roots of energy shortfall

Hadi Sahebi, the dean of the Faculty of Industrial Engineering at Iran University of Science and Technology, pointed out the structural and managerial roots of the mismatch between production and consumption of energy. He said that the predicament could be looked at from four angles: technical, economic, environmental, and governance. He warned that factors such as the low efficiency of gas-fired power plants, the run-down condition of the power transmission network, heavy reliance on natural gas, and falling pressure in the South Pars gas field all play a major role in the energy deficit. Sahebi also flagged up the decline in energy sector investment over the past 15 years and the failure to put in place com-

prehensive and effective governance as further reasons for the crisis, calling for a holistic and systematic approach to get to the bottom of the issue. His proposed solutions centered on improving power plant efficiency, investing in renewables, drawing up smart tariff policies, and optimizing energy consumption.

### Need to rethink Iran's energy diplomacy

Ebrahim Rezaei-Rad, a representative from the Middle East Strategic Studies Center, stressed the importance of energy diplomacy, saying that energy was "one of the most important geopolitical tools in Iran's foreign policy, playing a vital role in the development and international relations". He pointed to the challenges facing Iran's energy diplomacy un-

der sanctions and competition with countries such as Qatar, underscoring the necessity for Iran to rethink its policies and step up bilateral and multilateral cooperation with regional and global partners. Rezaei-Rad identified pipeline diplomacy, sanctions, long-term contracts, and pricing as some of Iran's energy diplomacy tools, and called attention to the drivers of energy diplomacy, such as energy security and sustainable development. He highlighted the importance of sound governance and comprehensive planning and said that "to get through the energy crisis, the production, transmission, and consumption chain must be managed in an integrated manner. Only then can a sustainable future for the country's economy and industry be counted on."

### Energy governance, managerial challenges

Mansour Moazzami, a former deputy oil minister, weighed in on managerial and structural problems in the energy sector, saying that the shortcomings across various sectors were the result of poor managerial decisions piling up over the years. He emphasized the need to go back to scientific rationality in running the country, putting the spotlight on training specialized human resources committed to scientific principles. Moazzami drew attention to rising energy demand, improper pricing, and inefficiencies in resource management and called for overhauling the managerial framework, lifting sanctions, and bringing energy prices in line with realities. He reiterated that a return to

scientifically grounded decision-making was essential. "The country must be run based on scientific principles and standards, which not only do not conflict with our cultural values but are also indispensable for better governance." He insisted that such a goal must be pursued through training specialized personnel committed to scientific principles.

### Iran's energy policy needed to be redesigned

Farhang Fasihi, the president of the Iranian Institute of Industrial Engineering, took up the issue of structural problems in Iran's energy sector at the session to highlight the necessity for reform in macro-level policymaking and the creation of integrated management. He said that a "siloed approach"