NIGC signs 22 deals with private firms to cut gas consumption, boost efficiency

Economy Desk

The National Iranian Gas Company (NIGC) signed 22 contracts with private energy efficiency service providers — known locally as ‘Carver Type 2’ firms — to reduce and optimize natural gas consumption.

Twenty-two contracts aimed at optimizing gas consumption were signed between 11 provincial gas companies and domestic operator firms. The move marks a major step in leveraging private-sector capabilities to optimize and conserve natural gas consumption across the country, officials said at the signing ceremony, IRNA reported.

“Today, Carver Type 2 contracts were signed in collaboration with the National Iranian Gas Company, and harnessing the capacity of the private sector will open a new path toward gas consumption savings and optimization,” said Ahmad Zeraatkar, deputy oil minister for planning.

He noted that a six-year effort to implement the national energy consumption optimization plan has finally entered the execution phase following approval by the government. “This initiative — largely focused on gas consumption management — can bring about an effective shift in energy governance,” he added.

Zeraatkar emphasized that the private sector plays a critical role in transforming the energy industry. “The team that has been formed is capable of driving a major transformation, and from now on, processes will be fundamentally different. The new direction fully leverages private-sector capacities for energy savings and optimization.”

He also credited NIGC with “round-the-clock efforts” that led to today’s agreements and announced plans to operationalize “Carver Type 1” contracts in the near future.

Under the contracts, the operators will work to curb gas consumption in residential, commercial, administrative and agricultural sectors, as well as greenhouses, poultry farms, bakeries, brick kilns and major industries.

According to the report, about 22% of the country’s produced energy is wasted daily across power plants, industries, households and agriculture.

Based on Article 46, Table 10 of Iran’s Seventh Development Plan, 1.285 million barrels of oil equivalent in lost energy must be recovered by the end of the program — equal to roughly 200 million cubic meters of gas per day, or the output capacity of eight phases of the South Pars gas field.

The National Iranian Gas Company (NIGC) signs 22 contracts with private energy efficiency service providers — known locally as ‘Carver Type 2’ firms — to reduce and optimize natural gas consumption on January 25, 2026.

SHANA

Meanwhile, Saeed Tavakoli, managing director of NIGC, has highlighted recent record-breaking gas demand, noting that household and commercial sectors consumed an unprecedented 737 million cubic meters (mcm) of gas on a recent Thursday — equivalent to 85% of daily network injection. Despite the surge, he said, “no industries or power plants faced shortages or supply disruptions.”

At the same event, Hassan Karimi, energy director at the Plan and Budget Organization, praised NIGC for recognizing the innovation and flexibility of the private sector.

Karimi described NIGC as undergoing a governance transformation and organizational maturation, with recent actions building on efforts initiated in prior years. He underscored the pivotal role of Carver companies in this evolution, noting they pursue two transformative approaches: first, a dedicated focus on energy consumption management and reduction — an area previously neglected; and second, a paradigm shift in how energy savings are conceptualized.

“The country has traveled a long road in energy conservation and must now move beyond basic consumption management toward genuine energy optimization,” Karimi said.

He added that under this model, the Iranian gas company has formally acknowledged the private sector’s agility and granted Carver firms considerable operational freedom — “a level of autonomy typically unattainable within conventional governance structures.”

Iran is the world’s fourth-largest consumer of natural gas, after the United States, Russia, and China, with peak winter demand approaching 900 mcm per day during severe cold spells. The country is also the world’s third-largest producer of natural gas, with a daily production capacity of nearly 1 billion cubic meters of unprocessed gas.

Deputy minister: Digital economy suffers $14m daily losses over Internet outages

Economy Desk

Daily Internet disruptions in Iran are inflicting approximately 14.1 million dollars (2,000 billion tomans) in direct economic losses on the country’s digital sector, according to Ehsan Chitsaz, a deputy telecom minister for digital economy.

“Daily Internet outages cause 2,000 billion tomans in damages,” Chitsaz said, emphasizing that the losses are not confined to digital businesses alone. Traditional commerce, he noted, has also become heavily reliant on digital tools for essential communications, customer engagement, and operations.

Chitsaz warned that turning emergency measures like Internet filtering into permanent policy undermines their effectiveness during actual crises. “Converting emergency approaches such as filtering into a routine practice eliminates their impact when real emergencies arise,” he said. “Continuing this mistaken policy not only forces authorities to resort to complete communication blackouts but also drives people toward alternative tools, rendering future restrictions ineffective — and could ultimately lead to power outages.”

The remarks come as Iran’s digital economy struggles to recover from a recent decline. After falling from 4.62% of gross domestic product (GDP) in 2021 to 4.02% in 2023, the sector was projected to rebound to around 4.63% by 2025. The digital economy encompasses telecom operators, digital service platforms, and traditional industries upgraded with technologies like artificial intelligence — sectors that depend entirely on stable connectivity.

“Sustainable communications are the core infrastructure of this entire chain,” Chitsaz said. “Without it, smart transformation and concepts like artificial intelligence become meaningless.”

He highlighted that advertising investments are made based on expected sales, but when the digital chain is severed, businesses require five to six months to return to previous revenue cycles. Given limited cash flow and low resilience in the sector, prolonged disruptions are already triggering workforce reductions and causing structural, long-term damage.

The consequences extend beyond immediate revenue loss. “The damage isn’t limited to fast-turnover businesses,” Chitsaz said. “Digital tourism, digital health, and digital advertising face far more complex and severe repercussions.” He also cited the erosion of foreign commercial trust, disruptions in foreign exchange rate determination, and increased volatility in the gold market as additional fallout from recurring Internet blackouts.

Access to the global Internet had been fully blocked since January 9 following deadly riots and terrorist acts on the streets.

The restrictions were imposed shortly after extensive unrest began on January 8 and persisted for several days in towns and major cities across Iran.

Desalination capacity in southeastern Iran rises by 20,000 m³/day

Economy Desk

ISNA

Seawater desalination capacity in the southeastern province of Sistan and Baluchestan has expanded by 20,000 cubic meters per day as part of a national effort to ensure sustainable drinking water supply for over 360,000 residents, a provincial water official said during a field visit to key infrastructure projects.

“Based on planning by the Ministry of Energy, part of the sustainable drinking water supply for Chabahar and Konarak will come from the sea,” said Farhad Sargolzaei, managing director of Sistan and Baluchestan Water and Wastewater Company, ISNA reported.

He noted that the national water supply project for the two cities is being implemented in two phases at an accelerated pace. “The project to increase the desalination capacity of Chabahar and Konarak by 20,000 cubic meters per day is seriously underway; fortunately, 7,500 cubic meters of this new capacity have already been commissioned, and efforts are ongoing to complete and operationalize the remaining capacity as soon as possible,” he said.

Sargolzaei identified the seawater desalination expansion and the water transfer project from Kahir Dam among the most critical large-scale water supply initiatives currently under implementation by the Ministry of Energy.

Upon full completion, desalination capacity in the region is expected to reach 60,000 cubic meters per day, significantly improving water security for Chabahar and Konarak.

Iran, with its predominantly semi-arid and arid climate, faces water stress and crisis, and the supply of drinking water has now become one of the biggest challenges in many provinces, and cities.

The country has embarked on large-scale transfers of desalinated water from the Sea of Oman and the Persian Gulf to its eastern and southern regions.

The nationwide program, launched in 2021, includes the construction of five desalinated seawater transfer lines designed to help ease water shortages.

Energy Minister Abbas Aliabadi said in November that the government is accelerating work on a large-scale seawater desalination program with a capacity of two billion cubic meters, describing the effort as essential to coping with one of the country’s harshest multi-year droughts.

Iran, Turkey set to negotiate joint free trade zone agreement

Economy Desk

Iran’s High Council of Free Trade Zones Secretariat announced on Sunday that it had been authorized to begin negotiations with Turkey on a bilateral agreement to establish a joint free trade zone, following formal approval by the Cabinet.

“In accordance with a decision by the Cabinet, permission to negotiate the agreement on establishing a joint free trade zone between the Islamic Republic of Iran and the Republic of Turkey has been issued,” the secretariat said in a statement cited by Mehr news agency.

The government approved the measure on January 14, authorizing the Secretariat of the High Council of Free Trade and Special Economic Zones to conduct negotiations on the proposed agreement. The decision was formally communicated by the first vice president on January 19.

Under the directive, the secretariat is permitted to carry out negotiations solely on the draft agreement — up to the point of final ratification — in coordination with and in the presence of representatives from the presidential legal vice presidency (International Agreements Affairs) and the Ministry of Foreign Affairs.

“The agreement aims to enhance economic cooperation, boost trade exchanges, facilitate the transit of goods and passengers, generate employment opportunities, stimulate border regions, and fully uphold the principles of national sovereignty and territorial integrity of both countries,” the secretariat said.