

Oil prices slip on easing tensions; Iran light crude holds at \$110

Economy Desk

Oil prices dropped for a second straight day on Wednesday on optimism over easing geopolitical tensions in West Asia, while data showed Iranian crude trading at \$110 per barrel, according to market reports.

The specialized OilPrice website said in its latest update that Iran's light crude for delivery at the Sidi Kerir terminal in Egypt was priced at \$110.64 per barrel, marking one of its highest levels.

According to the data, Iranian heavy crude was priced at \$108.49 per barrel for delivery at Sidi Kerir, while light and heavy grades delivered in the Mediterranean were quoted at \$108.74 and \$106.59 per barrel, respectively, with Sidi Kerir recording the highest prices. Oil prices plunged on Wednesday after reports that the United States and Iran are close to agreeing on a one-page memorandum.

Brent crude fell 10% to \$98 and US West Texas Intermediate dropped more than 12% to \$89 after reports emerged that Washington and Tehran are discussing a one-page memorandum to pause the Hormuz conflict.

Separately, in official settlement data, Brent futures fell \$1.89, or 1.7%, to \$107.98 a barrel, after a 4% drop in the previous session, while US West Texas Intermediate crude declined \$1.83, or 1.8%, to \$100.44 per barrel following a 3.9% fall a day earlier.

A US naval blockade of Iranian ports since mid-April has sharply reduced oil exports, leading to a rapid buildup of crude both onshore and offshore. Data from analytics firm Kpler showed Iranian crude loadings dropping from around 2.1 million barrels per day (bpd) before the blockade to about 567,000 bpd in recent weeks.

US Treasury Secretary Scott Bessent has recently warned that Iran may be forced to shut down oil wells within a

week as storage nears capacity under intensified sanctions and maritime restrictions. Maritime intelligence firm TankerTrackers challenged US claims that Iran's oil production is close to shutdown due to storage constraints, saying output could be sustained even if exports fall sharply.

The US pressure is proclaimed to be part of "Operation Economic Fury," targeting Iran's oil exports, financial networks and shipping routes to strain its economy. US President Donald Trump imposed the naval blockade on Iran's ports in mid-April, aiming to pressure Tehran into a peace agreement after a war that began in late February.

Meanwhile, Iran said it would continue monitoring traffic through the Strait of Hormuz. Under new conditions set by Tehran, only commercial vessels with prior authorization are allowed to transit, while ships linked to the United States, Israel and other "hostile states" are barred.



Iranian officials said measures were in place to counter the pressure and that the country would not be forced into halting production.

NIGC starts restoring war-scarred gas plants; network remains stable

Economy Desk

Iran has begun reconstruction work on two gas refineries damaged during the recent 40-day US-Israeli war that started in late February, while the country's gas network remains stable, the head of the National Iranian Gas Company (NIGC) said.

Saeid Tavakoli, speaking to the Oil Ministry's news outlet SHANA, said parts of Iran's oil and gas infrastructure were hit during the conflict, but integrated management across the ministry had ensured that no consumption restrictions had been imposed so far.

He said four gas refineries in the South Pars region were struck during the war, but operational and technical teams managed to maintain the stability of the gas network. "Based on a managerial deci-

sion, the full reconstruction of two refineries has been assigned to the National Iranian Gas Company. With precise planning, reconstruction work has begun so that these gas refineries become operational within the scheduled timeframe," Tavakoli said.

On fuel storage, Tavakoli said all power plants are currently operating at maximum capacity using natural gas. He added that the company's summer strategy is to optimize the network to minimize the use of liquid fuels in power generation, allowing liquid fuel tanks to remain at full capacity as strategic reserves for winter, when demand is more critical. Separately, Oil Minister Mohsen Paknejad said on Tuesday on the sidelines of a meeting with members of Parliament's Energy Committee that reconstruction of the dam-



aged facilities had been put on a fast track and was progressing well, expressing hope that the work would be completed within the planned schedule. On the sidelines of the meeting, the deputy head of the committee Ramazan-Ali Sangdavini said damaged oil facilities will be rebuilt with support from the government and Parliament, adding that the Oil Ministry put on a strong performance during the war.

TPO: Engineering exports hit \$1.8b, up 140% in defiance of sanctions

Economy Desk

Iran's exports of technical and engineering services rose 140% in the last financial year that began on March 21, 2025, reaching \$1.8 billion from \$790 million a year earlier, a senior trade official said, according to Mehr news agency. Sohrab Salimi, director general of knowledge-based products and technical and engineering services at the Trade Promotion Organization of Iran (TPO), said such exports are less affected by border, maritime and air sanctions because they are not physically shipped through customs or exit points.

"Service exports have an advantage over goods exports in that they are far less dependent on sectors affected by sanctions," he said, adding that despite developments in the country last year, exports in this sector still recorded a 140% increase.

He said even under more adverse conditions, the sector



could have reached similar levels because pressure tools such as sanctions have limited impact on engineering service exports, which are based on expertise and professional know-how.

Iran's main destinations for technical and engineering service exports include Commonwealth of Independent States countries such as Russia, Armenia, Belarus, Uzbekistan, Kazakhstan and Tajikistan, as well as Oman and Iraq, which are considered key markets. Salimi said a projected export

target of \$5 billion in the coming years is achievable provided key requirements are met, including maintaining broad bilateral relations with other countries and restoring normal banking ties, including access to the SWIFT system for financial transfers. He added that some exporters in the sector have faced issues with the Central Bank due to outstanding debts, and resolving these problems would allow them to resume operations and contribute to expanding exports.

Iran to launch forex support to boost production, industries

Economy Desk

Iran will begin a new round of foreign exchange and rial-denominated support to boost production, officials said, following a meeting between the Central Bank of Iran (CBI) governor and the industry minister, according to Tasnim news agency.

At the meeting between Abdolnaser Hemmati and Mohammad Atabak, measures to support manufacturing and industrial units were reviewed, with a focus on eas-

ing access to financing and securing foreign currency for imports.

Hemmati stressed the importance of supporting the production sector, saying rial-denominated loans would be extended to manufacturing units introduced by the Industry Ministry.

He added that the CBI was fully prepared to expand co-operation in supplying and allocating foreign currency for production units, particularly for the import of raw materials, and would provide the

necessary assistance.

Participants in the meeting emphasized the need for effective measures to address foreign exchange constraints faced by industrial units to ensure continued operations and production growth.

A report was also presented on the financial and currency needs of manufacturing units to sustain output, with officials underscoring the importance of resolving forex-related issues, securing financing and streamlining the lending process.

US 'Freedom Project' in ...

The first and most significant deterrent is their economic ties with Iran. Countries such as

South Korea,

Japan, and India

have maintained substantial trade relations with Iran in the past and have sought to preserve at least a minimal level of engagement even during periods of sanctions. Participation in a military coalition against Iran would effectively mean severing these ties and losing future economic opportunities. At a time when many of these countries are seeking to diversify their energy sources and trade partners, this cost is considerable.

The second factor is the reluctance to become directly involved in a military confrontation with Iran. Asian countries in particular have built their diplomatic traditions on non-interference in other regions and avoidance of military alliances. Participation in this project would expose them to the risk of retaliatory attacks, whether in the Strait of Hormuz or elsewhere where their interests are present. This security risk is especially serious for countries with limited military capability to defend their interests beyond their national borders.

The third factor is the unsuccessful track record of similar coalitions in the past. The maritime coalition formed by the US in 2019 to protect shipping in the Persian Gulf received limited support and failed to achieve its ob-

jectives. This experience demonstrated that such coalitions often carry heavy political costs while offering limited operational benefits. Countries therefore prefer to ensure the security of their vessels through bilateral or multilateral arrangements outside a US-led framework.

The fourth factor is domestic pressure and public opinion. In many of these countries, public sentiment is sensitive to military involvement in the Middle East, and governments are reluctant to bear the domestic political costs associated with such participation. Particularly in democratic systems, opposition from parliaments and political parties can pose a serious obstacle.

The fifth factor is concern over the potential negative impact on relations with China. Many Asian countries regard China as their largest trading partner, and Beijing has openly opposed US confrontational policies in the Middle East. Participation in this project may be interpreted as alignment with US strategy against China, thereby placing additional strain on their relations with Beijing.

Impact on Tehran-Washington negotiation deadlock

The "Freedom Project" is unfolding within a complex context of Iran-US relations, marked by multiple layers of tension, mistrust, and at the same time a need for dialogue. Its impact

on Tehran-Washington negotiations can be examined from two opposing perspectives: as a lever of pressure and as a complicating factor.

From the standpoint of US strategy, the project could serve as a tool to increase costs for Iran and create incentives for a return to the negotiating table. On the other hand, it may significantly complicate the negotiating environment and reduce the chances of reaching an agreement. Historical experience in Iran-US relations has shown that unilateral pressure often leads to the hardening of Iran's positions.

This initiative may be perceived as a breach of goodwill, particularly if informal negotiations or backchannel communications are taking place simultaneously. Tehran may interpret the move as a sign of Washington's lack of seriousness in negotiations and, in response, adopt a tougher stance. This could set off a cycle of action and reaction that derails the negotiation process entirely.

Another layer of complexity lies in its impact on mutual trust. Successful negotiations require at least a minimal level of trust between the parties. Military actions, even if limited, undermine this fragile trust. Iran may conclude that the opposing side is pursuing a military rather than a diplomatic solution, which in turn could reduce its willingness to invest in the negotiation process.