# Tehran, Yerevan agree to joint energy task force, discuss new gas trade model

Economy Desk

Iran and Armenia have agreed to establish a joint specialized energy task force to accelerate cooperation, with Tehran proposing a new framework for gas trade that could eventually allow exports through Armenia to other markets, Iran's Oil Minister Mohsen Paknejad said after talks with Armenian Minister of Territorial Administration and Infrastructure Davit Khudatyan in Tehran.

According to the oil ministry's SHANA news agency, the two sides reviewed cooperation in energy, including trade, the export of technical and engineering services, refinery construction and meeting Armenia's demand for petroleum products.

Paknejad said Armenia was one of Iran's key neighboring countries and that the two sides had significant potential to expand bilateral cooperation, particularly in the energy sector.

"We have proposed to the Armenian minister that the joint specialized task force begin its work as soon as possible so that the results and achievements of its follow-up efforts can be reviewed at our next meeting," he said.

Paknejad said the current model of energy cooperation between the two countries was based on a gas-for-electricity swap, but that Iran had proposed a new commercial framework for gas exports.

"The Islamic Republic of Iran's clear proposal is to define a new commercial model for gas exports," he said.

"Implementing this proposal requires examining the existing infrastructure and the potential to expand gas trade, even beyond the Armenian market and through Armenia to other markets."

He said the proposal involved technical and commercial complexities and required expert studies by the joint task force before it could be implemented.

Khudatyan said the two countries were determined to expand bilateral cooperation across all energy-related fields through the new task force.

"During this meeting, we reviewed the areas of cooperation between Iran and Armenia and agreed to establish a joint specialized task force," he said.

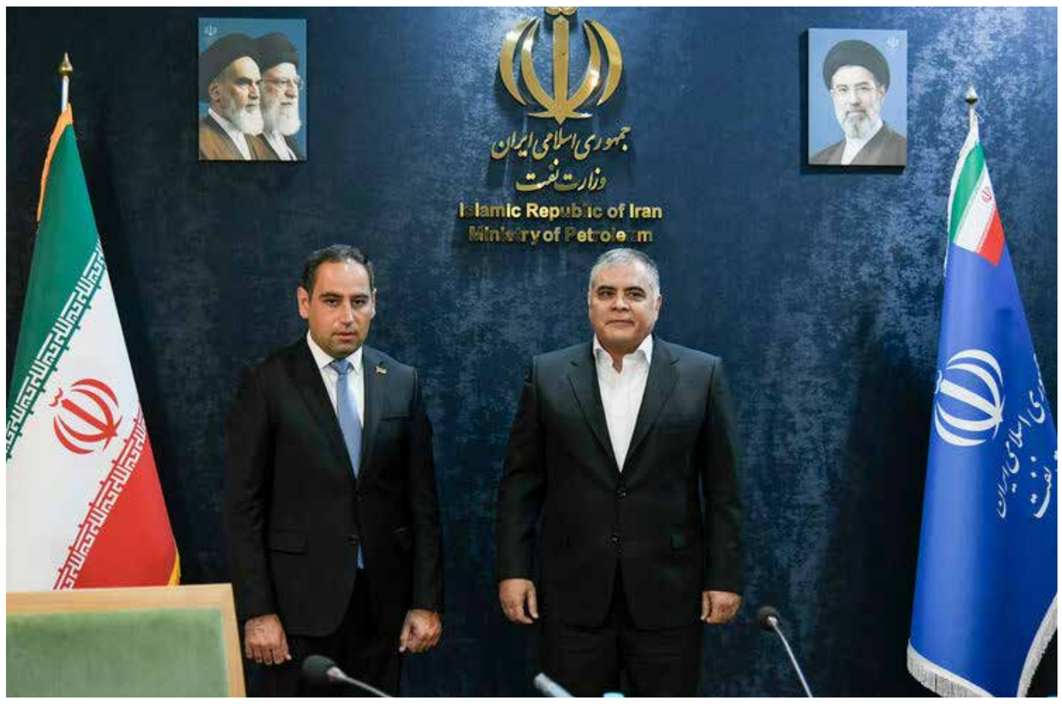
"It was decided that this task force will be formed and begin its work as soon as possible so that cooperation between Iran and Armenia can be expanded in all areas related to the responsibilities of our two ministries."

Khudatyan said Armenia already cooperated with Iran in petroleum products and used Iranian bitumen in road construction projects.

He added that energy cooperation between the two countries was currently based on gas and electricity exchanges.

"Armenia receives and consumes gas in return for supplying electricity to Iran, and it is interested in increasing the volume of these exchanges and expanding bilateral cooperation," he said.

Armenia has been importing Iranian natural gas since 2009 under a gas-for-electricity swap agreement that runs through 2030. Under the arrangement, Armenia uses the gas to generate electricity and exports 3 kilowatt-hours (kWh) of electricity to Iran for every cubic meter of natural gas it receives, while retaining the remaining output for domestic use. According to Armenian regulatory data cited by Interfax, Iran supplied 475.8 million cubic meters (mcm) of natural gas to Armenia in 2025, up 6.6% from 446.3 mcm in 2024.



*Iran's Oil Minister Mohsen Paknejad (R) and Armenian Minister of Territorial Administration and Infrastructure Davit Khudatyan pose for a photo following their meeting in Tehran, Iran, on July 25, 2026.*
SHANA

## FAO ranks Iran world's top producer of saffron, roses and dates

Economy Desk

Iran ranked first in global production of saffron, Damask roses and dates in 2024, while placing second in pistachios, apricots, peaches and nectarines, according to data released by the UN Food and Agriculture Organization (FAO).

According to Mehr news agency, FAO data comparing 2024 production with 2023 showed Iran ranked between first and 13th worldwide in the production of 26 major horticultural products.

Despite international sanctions, Iran improved its global ranking in the production of seven horticultural products and maintained its previous position in 12 others, the report said.

Iran has faced Western sanctions for decades over its nuclear activities, pressure that has weighed most heavily on its oil and energy sectors.

Iran ranked third globally in the production of quinces, cherries and figs, fourth in apples, walnuts, sour cherries and plums, fifth in almonds and kiwifruit, and sixth in oranges.

The country ranked seventh in the production of grapes, lemons and limes, other citrus fruits and edible mushrooms, according to the FAO data.

Iran also placed eighth in hazelnut production, 10th in pears and 12th in mandarins.

Production of olives, sweet lemons, grapefruit and green tea leaves ranked 13th globally in 2024, the data showed.

## South Pars launches first pressure-boosting hub to sustain output

Energy Desk

Iran has begun the implementation of the first hub of its South Pars gas field pressure-boosting project, aimed at maintaining production, preventing reservoir pressure decline, easing the country's natural gas supply imbalance and protecting Iran's share of the giant field, state media reported.

According to IRNA, engineering work on the South Pars pressure-boosting project began in May 2023 after contracts for basic and front-end engineering design (FEED) studies were awarded in 17 separate work packages to Iranian consulting firms working with international consultants.

IRNA

As part of the project, basic and FEED studies for Hub 1 have begun under a combined onshore-offshore development scenario designed to prevent pressure decline at the shared reservoir, increase its recovery factor and help address Iran's natural gas supply imbalance.

Petropars Group Chief Executive Hamidreza Saqafi said the project was intended to maximize the use of domestic capabilities, prevent the loss of national assets and accelerate implementation of the South Pars pressure-boosting program.

"The project is designed to play an effective role in ensuring stable gas supplies and helping address the country's gas imbalance, particularly during the colder months, through the short-term implementation of onshore pressure boosting, while the completion of offshore facilities in the longer term will help secure the reservoir's ultimate recovery," he said.

As the first executive step of the national project, Saqafi said Petropars on June 18, 2026, awarded a contract to the Iran Offshore Engineering and Construction Company (IOEC) to build the RP-1 four-leg riser platform jacket, weighing about 2,500 metric tons.

The structure will be installed adjacent to the SPD12A platform and will also serve the development project for the shared Bilal gas field.

South Pars, which Iran shares with Qatar, is the world's largest natural gas field.

## Iran eyes return to global top 10 steel producers by March, WSA data show

Economy Desk

Iran is expected to return to the world's top 10 steel producers by March as reconstruction of damaged production units progresses and output gradually increases, despite slipping out of the latest World Steel Association (worldsteel) rankings, according to industry reports.

The latest rankings released by worldsteel showed China remained the world's largest crude steel producer with 83.7 million metric tons in June, while Vietnam entered the top 10 with 2.6 million tons, replacing Iran.

According to June data released by worldsteel, global crude steel production reached 155.7 million tons in June 2026, up 1.7% from a year earlier. However, despite the global recovery, the Middle East experienced a sharp decline as geopolitical tensions and military conflict disrupted production across the region.

Iran, which has long ranked among the world's leading steel producers with annual production capacity exceeding 30 million tons, dropped out of the June top-10 rankings after Vietnam increased output by 27.5% year on year to 2.6 million tons, according to Steel Radar.

Recent conflicts, risks to steel plants and infrastructure, as well as logistics and energy constraints, caused major disruptions to Iran's steel industry.

Iran's two largest steelmakers, Mobarakeh Steel Company and Khuzestan Steel Company, sustained damage during the US-Israeli war that began in late February. Parliamentary officials said in June that reconstruction work at Mobarakeh was progressing much faster than initially expected.

According to IRIB, the ongoing reconstruction of damaged production units and a gradual increase in output are expected to lift Iran back into the top 10, despite losing about 30% of its production capacity in the attacks and facing continuing energy constraints.

According to the report, Iran had previously produced about 32 million tons of crude steel annually, or roughly 3.2 million tons per month. Following attacks on steel facilities, annual output fell to around 22 million tons, allowing countries such as Vietnam to overtake Iran in the global rankings.

In addition to war damage, energy shortages have significantly reduced steel production, particularly during the summer months when electricity demand peaks and energy-intensive industries such as steelmaking face severe power supply restrictions.

Iran's installed steelmaking capacity currently stands at about 55 million tons per year. Actual annual production had been around 32 million tons over the past two years, but with an estimated 10 million tons of capacity temporarily out of service, output is now projected to reach about 25 million tons by the end of the current Iranian year (March 21, 2027).

According to the latest information released by Mobarakeh Steel Company and Khuzestan Steel Company, damaged facilities are being rebuilt and gradually returning to operation, with some production units already back online. As more plants resume production, Iran is expected to re-enter the global top 10 by March 2027.

Meanwhile, the Middle East's crude steel output fell 13.4% year on year to 4.0 million tons in June. Military conflict in the region made supplies of raw materials and exports of finished steel increasingly difficult, forcing steelmakers to reduce capacity utilization rates.

IRNA

Production stoppages in Iran and logistics disruptions across the Strait of Hormuz and Red Sea shipping routes were reflected in the region's overall output.

While higher production in China, India and Turkey pushed global crude steel output higher, the continuing conflict in the Middle East and the sharp decline in Iran's production continued to reshape regional supply dynamics.