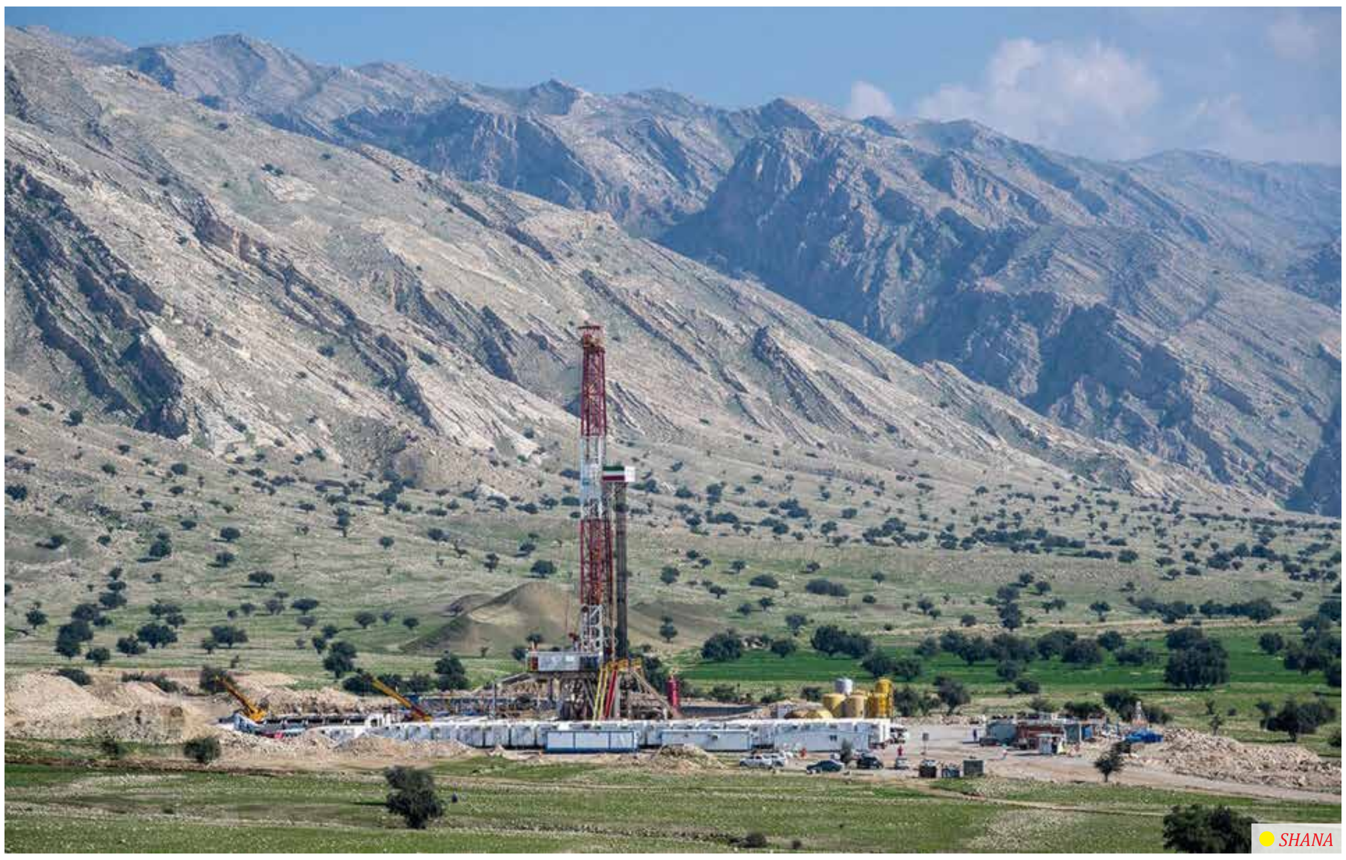
Major contract signed to push up Azadegan output to 550,000 bpd


SHANA

Economy Desk

Iran on Sunday inked a 24-month deal to bring up oil production from 55 wells at the Azadegan field to 550,000 barrels per day (bpd), from around 230,000 bpd currently.

The Integrated Production Services (IPS) contract was signed by Mahmoud Aminnejad, chief executive of Dasht Azadegan Arvand Oil & Gas Development Co. (DACO), and Abbas Sarkari, head of Oil Exploration Operations Co. (OEOC).

Under the agreement, the OEOC will carry out well testing and acidizing operations on the 55 wells to raise output and achieve sustained production.

The work aims to improve well efficiency and make greater use of the field's existing capacity.

DACO will act as the employer, while the OEOC will serve as the contractor responsible for operations on the designated wells.

Sarkari said the OEOC expected the work to increase production from the wells by at least 40% to 60% in the initial stages.

"The company will develop the field using eight 2,000-horsepower drilling rigs and 13 technical service units," he added.

Aminnejad said $2.1 billion in investment had been finalized for the field's development in cooperation with the Oil Ministry, the Economy Ministry and Iran's National Development Fund.

Esmaeil Gholampour, project manager for the Azadegan development, said the contract was part of a larger integrated development project for the field.

Azadegan is Iran's largest shared oilfield and lies in the oil-rich southwestern province of Khuzestan near the border with Iraq. Together, its North and South sections form a field known as Majnoon on the Iraqi side of the border.

The field is considered the world's 10th-largest oilfield and is estimated to contain 33 billion barrels of oil in place, of which around 5.2 billion barrels are considered recoverable for Iran.

Iran-Russia agricultural trade nears $2bn in H1


IRNA

Economy Desk

Agricultural trade between Iran and Russia reached nearly $2bn in the first half of 2026, with Russia posting a trade surplus of 40.8%, Russian Federal Customs Service data showed.

Russia exported 3.2 million tons of agricultural products worth $1.4 billion to Iran between January and June, while its imports of Iranian agricultural products stood at 495,700 tons worth $588.9 million, Mehr News Agency reported on Sunday.

Russia's agricultural trade surplus with Iran was $811.1mn during the period, as Russian agricultural exports accounted for about $1.4 billion of the nearly $2 billion trade, compared with $588.9 million in Iranian exports to Russia.

Russia's main agricultural exports to Iran included corn, barley, wheat, sunflower oil and rapeseed oil.

Iran exported fresh peppers, lettuce, pistachios, kiwifruit and shrimp, fish and other aquatic products and crustaceans to Russia.

The figures were discussed in Moscow on Sunday at a meeting between Sergei Dankvert, head of Russia's Federal Service for Veterinary and Phytosanitary Supervision, and Vahid Salehi, Iran's deputy agriculture minister and head of the country's Veterinary Organization.

The officials discussed ways to expand agricultural trade as well as veterinary and sanitary requirements governing shipments between the two countries.

The Iranian official called for higher exports of fishery products to Russia and for an expansion of the list of Iranian producers authorized to export to the Russian market.

Dankvert said imports of Iranian fishery products into Russia were possible if Russian requirements were met, including "full control of the production process" and state supervision of exported products.

Economy shrinks 10.1% in first quarter

Economy Desk

Iran's economy contracted significantly in the first quarter of the Persian calendar year, official data showed on Sunday.

Gross domestic product, including the petroleum sector, fell 10.1% in the three months to June 21 from the same period a year earlier, while GDP excluding oil contracted 4.6%, according to a report by the Statistical Center of Iran (SCI).

The oil and gas extraction sector was the hardest hit, plunging 26.4%, while gas distribution dropped 21.3%. Output in other industrial and mining sectors also declined by more than 5% year-on-year.

The transport, warehousing and communications sector posted 17% negative growth, while wholesale and retail trade, hotels and restaurants slowed 3.9%.

Agriculture was the exception, growing by more than 2% compared with the first quarter of the previous year.

People walk past shops and browse for goods at the Grand Bazaar in Tehran on August 24, 2026.
AFP

The SCI had previously estimated economic growth in the preceding quarter at negative 2.2%.

Two consecutive quarters of negative economic growth are generally considered a recession.

Iran's economy was hit during the period by a war launched by the United States and Israel in late February, followed by two naval blockades targeting Iranian ports and related vessels in the country's south. The second blockade remains in place, making trade difficult.

Iran, Armenia pursue rail link through Syunik to diversify regional trade routes

Economy Desk

Iran and Armenia are pressing ahead with efforts to establish a railway link through Armenia's southern Syunik province.

Armenia's Ambassador to Iran Grigor Hakobyan and Jabarali Zakari, head of Iran's national railway company, on Sunday discussed expanding rail cooperation and connecting the two countries' railway networks during a meeting, according to Mehr News Agency.

Hakobyan said the link could give Armenia access to southern waterways and help diversify Iran's transport routes to Europe.

Zakari highlighted Armenia's potential role in regional transit networks, particularly the International North-South Transport Corridor, saying greater participation could boost rail freight across the region.

The proposed connection would pass through Syunik, a narrow province in southern Armenia extending along the Iranian border.

The link could provide Armenia with greater access to railway routes leading to southern Iran, while giving Iran an additional rail connection to Armenia, the Black Sea and European markets.

It could also diversify bilateral trade routes and strengthen Armenia's role in regional north-south corridors.

The project has not yet been established through a new bilateral agreement between the two governments.

A previous Southern Armenian Railway project was proposed in 2012 after a concession was granted to Rasia FZE, a Dubai-based investment company, to connect Iran and Armenia as part of a Persian Gulf-Black Sea transport route.

Efforts to revive the railway connection gained momentum in 2026 under the proposed Trump Route for International Peace and Prosperity (TRIPP). Armenian Prime Minister Nikol Pashinyan said the railway section would run between Nernadzor and Agarak in Syunik, linking Armenia's railway network to Iran's.

The proposed connection could strengthen trade between the Persian Gulf, Armenia and the Black Sea by expanding transit and commercial opportunities.


IRNA