Iran commissions five oil projects to raise daily gas production capacity by 32mcm



President Masoud Pezeshkian (C) orders the online inauguration of five oil industry projects in the provinces of Fars, Khuzestan and Bushehr, November 28, 2026.
president.ir

Economy Desk

Iran has commissioned five development, infrastructure and environmental projects comprising 10 schemes, increasing the country's daily sweet gas production capacity by 32 million cubic meters, the Oil Ministry's Shana news agency reported on Saturday.

The projects were inaugurated online by order of President Masoud Pezeshkian and are aimed at strengthening gas production and transmission infrastructure, improving the operational reliability of facilities and capturing flare gas in the provinces of Fars, Khuzestan and Bushehr.

They include a gas pressure-boosting station at the Homa field and a gas separation facility at the Tabnak field in Fars province; the rehabilitation of processing trains four and six at the South Pars Gas Complex in Bushehr province; flare gas recovery projects at the Maroon 3 and 5 oil and gas fields; and a 12-inch pipeline to collect and transport flare gas in the Darkhovin area of Khuzestan Province.

The projects are part of broader efforts to expand and upgrade the country's oil and gas infrastructure, increase the utilization of energy resources, improve the performance of operational facilities and reduce gas losses from flaring.

At the inauguration ceremony, Pezeshkian stressed that "not a single cubic foot of the country's gas should be burned without being put to productive use."

106 mcm of daily gas output restored

Speaking at the inauguration ceremony, Acting Oil Minister Hamid Bovard outlined the ministry's efforts to rebuild damaged facilities, boost gas production and recover flare gas, saying about 106 million cubic meters of gas per day had so far been restored to the production network.

Bovard also outlined the rehabilitation of damaged facilities at the South Pars Gas Complex, saying the third processing train at the sixth refinery and the first and fourth trains at the fourth refinery had been rebuilt.

The work drew on domestic manufacturers, specialist consultants and technical assessments to ensure that the equipment could be repaired and safely returned to operation, he said.

Bovard added that the measures had partly offset output losses caused by the shutdown of the offshore pipeline at Phase 17 and the 14D platform.

Separately, Gholamabbas Hosseini, chief executive of the South Pars Gas Complex, said Iran had restored 20 million cubic meters per day of natural gas capacity to its national grid following the rapid reconstruction of damaged refineries at the complex.

US-Israeli attacks on four South Pars gas refineries in March reduced gas production capacity by about 230 million cubic meters per day. According to the National Iranian Gas Company (NIGC), damage to gas industry facilities during the 40-day war that began in late February was extensive, with nearly 7,924 cases recorded.

Hosseini said reconstruction was completed in less than three months, requiring 3.6 million man-hours of specialized engineering work carried out in three continuous shifts. Workers removed approximately 4,300 tons of debris from damaged infrastructure, equipment and structures, he added.

The reconstruction required an investment of about 60 million euros and drew on the expertise of domestic contractors, private-sector investors and engineering consultants.

South Pars is the world's largest natural gas field, shared by Iran and Qatar. The Iranian portion is divided into several development phases and serves as the backbone of the country's domestic gas supply, providing the bulk of the gas used for household heating, electricity generation and petrochemical feedstock.

Among the projects inaugurated on Saturday, Bovard highlighted the Homa gas field pressure-boosting station, noting that the field was an important source of feedstock for the Parsian Gas Refinery.

The new station will add about 7 million cubic meters per day to gas production capacity. Bovard put the investment in the project at approximately 126 million euros, adding that most of the construction work had been carried out using domestic technical and engineering expertise.

Turning to the Tabnak gas field separation facility, another project inaugurated at the ceremony, Bovard said the field currently produces about 33 million cubic meters of gas per day. Without the project, production was projected to decline to between 26 million and 28 million cubic meters per day by 2027. The new facility will prevent that decline and allow an additional 2 million cubic meters of sweet gas to be produced daily, he said. The project involved an investment of about 85 million euros and will also enable the production of around 1,000 barrels of gas condensate per day.

Maroon flare gas recovery

Bovard said another key area of the ministry's work was flare gas recovery.

At the Maroon 3 and 5 operational areas, projects to collect, compress and sweeten flare gas have been implemented with private-sector investment, resulting in the recovery of about 1 million cubic meters of sweet gas per day, he said.

The project involved an investment of about 85 million euros and will also produce around 1,000 barrels of gas condensate per day.

He also referred to the gas transmission pipeline linking the Darkhovin field to the NGL 3200 processing plant.

The pipeline was built to collect and transport associated gas produced at the Darkhovin field to the processing facility and has a designed capacity of about 2 million cubic meters per day, he said.

"With the completion of this project, in addition to supplying feedstock to the plant, gas flaring and the loss of hydrocarbon resources will be prevented."

Iran, Iraq agree to increase annual tourist exchanges to 10 million

Economy Desk

Iran and Iraq have agreed to increase the annual number of tourists exchanged between the two countries to 10 million, IRNA reported on Saturday.

Muslim Shojaei, director general of the Foreign Tourism Marketing and Development Office at Iran's Ministry of Cultural Heritage, Tourism and Handicrafts, said the agreement followed earlier talks between Iran's president and tourism minister and Iraq's prime minister.

Speaking at a tourism development meeting in Ahvaz, Khuzestan Province, Shojaei said Iran currently receives about 3.5 million Iraqi visitors annually, excluding the Arbaeen pilgrimage period, and aims to raise that figure to 5 million. An additional 1.5 million visitors would be needed to meet the target, he added.

Arbaeen marks the 40th day after the martyrdom of Imam Hussein (PBUH), the third imam of Shiite Muslims. It is commemorated annually by millions of pilgrims who travel to the Imam Hussein shrine in Karbala, Iraq.

Shojaei said greater authority should be delegated to border provinces to support tourism development, rather than relying on a centralized approach.

He said the "Cross-Border Passage" initiative was launched in 16 border provinces last year and was being pursued this year with additional budget allocations to improve service quality and facilitate cross-border travel.

A field visit to the Shalamcheh border crossing was also planned as part of the initiative, with the aim of setting up tourism information offices at border points. Travel agencies, hotel operators, tour guides and medical centers are among the sectors expected to benefit, he said.

Shojaei said the government had approved regulations for health tourism and defined the responsibilities of relevant agencies, but border provinces were not yet making full use of their potential in the sector.



IRNA

He said attracting Iraqi visitors required more than offering lower prices, noting that Iranian services were considerably cheaper than those in Turkey and India. Building deeper trust within Iraq's tribal and clan-based social structures was also necessary,

Strategic pragmatism or ...

Iran's economic circumstances make this dilemma particularly consequential.

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International restrictions have constrained financial transactions, investment, trade and access to technology. Recent sanctions targeting financial networks and commercial intermediaries have further complicated the country's economic connections. Yet external pressure is only part of the story. Structural inefficiencies, inconsistent policymaking, fragmented institutional responsibilities and persistent uncertainty have also weakened the capacity of the economy to respond effectively.

Sanctions may explain why certain economic transactions become difficult. They do not automatically explain why domestic investment remains uncertain, why policy changes frequently unsettle businesses, or why administrative complexity can turn an ordinary commercial decision into an exercise in patience and paperwork. External constraints and internal shortcomings are not mutually exclusive explanations; they can reinforce one another.

This is where economic diplomacy becomes more than a foreign policy instrument. It becomes an extension of domestic economic governance.

A government seeking to expand trade with neighboring countries, strengthen relations with Asian economies, participate in regional infrastructure projects or diversify its export markets must offer more than political assurances. Businesses need predictable regulations, functioning financial arrangements, transparent procedures and credible commitments. Geography may provide Iran with an advantageous position, but geography does not negotiate contracts, reduce bureaucratic uncertainty or guarantee returns on investment. Institutions do.

There is also a temptation to treat economic diversification as a political achievement in itself. Developing stronger ties with China, Russia, regional partners and emerging economies may indeed create opportunities. But diversification is meaningful only when it improves the quality of economic relationships, expands productive capacity and reduces excessive dependence. Replacing one concentrated dependency with another is not necessarily strategic autonomy; sometimes it is simply a different arrangement with a different set of vulnerabilities. Pragmatism, therefore, need not be interpreted as abandoning strategic principles. It may instead be the means through which those principles become economically sustainable. A foreign policy capable of creating room for trade, investment, technological cooperation and reduced uncertainty can strengthen national resilience more effectively than one measured primarily by its ability to endure pressure.

The same logic applies to domestic policy. Economic reform cannot be reduced to a collection of technically correct decisions. Subsidy reform, fiscal discipline, currency stabilization and investment policies all have social and political consequences. Their success depends not merely on economic calculations but also on sequencing, public trust, institutional coordination and the distribution of costs. A policy that appears rational in a spreadsheet may become considerably less rational once millions of households are asked to absorb its consequences. Ultimately, Iran's economic diplomacy faces a question that is larger than the familiar debate between resistance and accommodation: how can strategic independence be translated into economic opportunity?

The answer will not come from diplomacy alone, nor from domestic reform alone. It requires a combination of political flexibility, institutional credibility, economic discipline and a willingness to distinguish between objectives worth defending and methods that may need reconsideration. Resilience is valuable. But resilience should not become an excuse for accepting permanent economic fragility. The purpose of surviving pressure ought to be building an economy that is less vulnerable to it in the first place. That, perhaps, is the difference between merely enduring a geopolitical environment and actually shaping one's future within it.