

Azerbaijan Is Keen On Energy Cooperation With Iran.

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BAKU, Feb 27 Asia Pulse - The Azeri minister of energy and fuel said here Saturday that his country was interested in energy cooperation with Iran.

Nateq Aliyev told IRNA that the two nations have good cooperation in electricity and discussions on other project are also underway in this sector.

"The two nations are also reviewing gas transportation to Azerbaijan and its transit to other nations including Europe," he said.

He added imports of natural gas from Iran is economically justifiable for Azerbaijan. "We are only importing gas from Russia" Aliyev added.

He said that Moscow raises the price of its natural gas each year for Europe as well as neighboring states.

Aliyev added that the exports of natural gas to Georgia and Ukraine via Azerbaijan is also advantageous for Iran.

"If Tehran and Tbilisi strike a long-term agreement, then we are ready to provide the necessary transport needs for the project." He also said establishing a transportation corridor for import and transit of natural gas from Iran is important for Azerbaijan.

"We are ready to provide all assistance in this regard," the Azeri official underlined.

To expedite matters the two countries should sign an agreement for imports of one billion cubic meters of natural gas from Iran.

With the start of negotiations over the gas imports fees, preliminary work for transporting the product is also underway, he underlined.

"An Azeri delegation will travel to Tehran in the near future to discuss the issue further," he said.

A natural gas swap contract between Iran and the Azerbaijan Republic was signed by former Iranian president Mohammad Khatami and Azerbaijani President Ilham Aliyev in August 2004.

According to the 25-year contract, Azerbaijan Republic will make an initial delivery of 80.5 million cubic meters of natural gas to Iran at the Astara border point by the end of 2005, the date the pipeline is commissioned, and Iran will deliver 85 percent of this amount to the Autonomous Republic of Nakhichevan at the Jolfa border point.

Nakhichevan needs 250 million cubic meters of natural gas per year and another 100 million to fuel its power plant.

The Nakhichevan Autonomous Republic is part of the Republic of Azerbaijan but separated by Armenian territory.

The Tehran-Baku trade volume has increased six-fold since 1998 and has since been valued annually at dlrs 600 million.
