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## Iran : Economic News

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### **- OPEC WARNS AGAINST ATTACK ON IRAN**

/JULY 3/press tv/

OPEC Chief Salem el-Badri OPEC Chief Abdallah el-Badri warns that Iran's oil output would be difficult to replace if an attack took place on the Islamic Republic.

The secretary general of the Organization of Petroleum Exporting Countries told the daily newsletter of the World Petroleum Congress on Thursday: "If something happened in Iran, it would be difficult to replace 4.2 million barrels a day .

. . the price (of crude) will go up of course."

Badri's remarks came after Israeli military exercise early in June, which was widely viewed as rehearsal for a potential strike on Iran's nuclear installations.

Oil surged past \$145 per barrel for the first time on Thursday due to the depreciating US dollar and tension in the Middle East.

When asked about fears that Iran would close the straits of Hormuz in the Persian Gulf if attacked, he replied that if engaged in a war a country may use any strategy to win.

Hormuz is a key shipping route through which 40 percent of Middle Eastern oil supplies pass.

On Wednesday, the Iranian oil minister warned that a military action against Iran would provoke an unimaginably fierce reaction from the country.

Gholam-Hossein Nozari said that Iran's reaction to any attack on the country would spike oil prices in an already unstable market.

### **- New Iran-Turkey gas pipeline in the works**

/JULY 5/press tv/

Iran says the construction of a 600-million-euro pipeline to transfer the country's natural gas to Turkey and Europe will begin soon.

"A 56-inch-diameter pipeline will be extended to Iran's border point of Bazargan to boost gas exports to Turkey and Europe," said Iranian Deputy Minister Seyyed Reza Kasaeizadeh.

He expressed hope that the project would soon be put out to tender, saying that the 420-kilometer pipeline is of paramount importance for Iran.

Iranian Oil Minister Gholam-Hossein Nozari announced on Sunday that Ankara and Tehran are negotiating on an increase in natural gas exports to Turkey and on supplying the country with more gas during the winter.

"During the Jeddah OPEC summit, the two countries discussed terms for a joint venture to lay a natural gas pipeline extending from the South Pars gas field to the Bazargan border," Nozari said.

Iran possesses the world's second-largest gas reserves after Russia. Many energy analysts and officials believe Iran can be a reliable energy supplier to Europe. Turkey has been a consumer of Iranian gas since 2001.

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**- AHMADINEJAD: END CORPORATE OIL MONOPOLY**

/JULY 7/press tv/

Iranian President Mahmoud Ahmadinejad The Iranian President, Mahmoud Ahmadinejad, has advised the world to help end the monopoly of corporate companies over crude oil prices.

"To control oil prices in the world, oil giants must be cut off from world energy markets," the Iranian president told reporters, Monday, on the eve of the 6th Summit of the Group of Eight Developing Islamic Countries in Malaysia.

"These oil corporations not only plunder the resources of world nations but also enjoy the political and military support of certain powers," Ahmadinejad added.

Oil prices on Thursday surged to an all-time high of over \$146 a barrel.

Brent peaked at \$146.69 before falling back to \$146.08; US crude jumped \$1.72 to \$145.29 after hitting \$145.85.

Energy experts believe that with the current trend, future oil prices could even surpass \$250 per barrel.

**- Armenian diaspora's potential important for Nagorno-Karabakh settlement**

/JULY 9/ARKA/

Armenia must use the Diaspora's potential for the settlement of the Nagorno-Karabakh conflict, stated First Vice-President of the world Armenian Congress and Chairman of the Democratic Party of Armenia Aram Sargsyan.

`We have not so far been implementing a necessary conceptual and initiative policy and been unable to use the great potential of the Diaspora, which is lobbying for fair decisions on the Armenian Genocide,' he said.

A. Sargsyan pointed out that Diaspora has succeeded in getting the Armenian Genocide recognized by 24 countries. As regards the Nagorno-Karabakh problem, the Armenians have not so far combined their efforts.

A. Sargsyan pointed out the paramount importance of the lobbying, and the World Armenian Congress is preparing an all-Armenian action ` a conference to discuss the Nagorno-Karabakh problem.

According to him, the initiative will be realized in all the large Armenian communities throughout the world, and the World Armenian Congress is negotiating with its partners now.

A. Sargsyan reported that the Congress has yet to settle organizational issues. He reported that a draft statement is ready and will be submitted to the conference for approval.

A. Sargsyan also said that the RA Foreign Office and the Nagorno-Karabakh authorities welcomed the idea as they realize the need for uniting efforts of all Armenians in the Nagorno-Karabakh settlement process. `0'

**- Iran to use pipelines for LNG export**

/JULY 13/press tv/

Iran's Deputy Oil Minister Akbar Torkan Iran may decide to export its liquefied natural gas (LNG) through pipelines instead of using carriers, an Iranian Oil Ministry official has said.

"We may export the LNG produced in phases 11 and 13 of the South Pars gas field through pipelines to Europe," said Akbar Torkan, an Iranian deputy oil minister. "This would be more beneficial to Iran."

Torkan said the Iranian part of the pipeline would extend to the border, while the rest of it would be made by the countries of destination.

France's Total announced two days ago that the energy giant would not invest in phase 11 of the South Pars gas field, saying it was politically risky.

However, Iran's Oil Minister Gholam-Hossein Nozari said on Friday that Iran would develop South Pars with or without foreign firms. Total is the third company after Royal Dutch Shell and Spain's Repsol to withdraw from Iran's energy projects under pressure from the US. Washington accuses Tehran of intending to develop nuclear weapons, but Iran stresses that its nuclear program is solely for peaceful purposes, particularly generating electricity to meet the needs of its growing population.

**- Iran discovers new oil field to hold 1 billion barrels of crude**

/JULY 13/RIA Novosti/

A new large oil deposit with estimated reserves of more than 1 billion barrels of crude has been discovered in Iran, the Iranian oil minister said on Sunday.

Gholamhossein Nozari said the oil field, located in the southwestern province of Khuzestan, is believed to contain 1.1 billion barrels of crude, with recoverable reserves of about 220 million barrels.

Iran ranks fourth in terms of crude reserves after Saudi Arabia, Iraq and Kuwait, as well as fourth in terms of oil production after Saudi Arabia, the United States and Russia.

Tehran exports the majority of crude produced in the country.

Iran grossed \$70 billion from oil sales over the country's past solar year, which according to the Iranian calendar ran from March 21, 2007 until March 20, 2008, the oil minister earlier said.

**- 110.8% CONSUMER PRICE INDEX IN NKR IN JAN-JUNE 2008**

/JULY 11/ARKA/

The consumer price index was 110.8% in the Nagorno-Karabakh Republic (NKR) in January-June 2008 as compared with the corresponding period last year.

The index of prices for food products (with alcoholic beverages and tobacco) was 116.9%, for nonfood products 102.8%, for services 103.8%.

The NKR Statistical Service reports that the consumer price index was 105.2% in the NKR in Nagorno-Karabakh in June 2008 as compared with December 2007.

The index of prices for food products (with alcoholic beverages and tobacco) was 105.1%, for nonfood products 106.3% and for services 104.8%.

Prices for a number of food products rose: a 116.1% rise in prices for baked goods, 111% for meat products, 107.5% for fruit, 106.6% for tea, coffee, cacao, 104.2% for vegetable oil. On the other hand, the prices for dairy products fell by 19.1%, for eggs by 16.9%, for vegetables and potatoes by 7.9%.

In June 2008, a consumer price index of 113% was recorded in the NKR as compared with June 2007.

**- Tehran welcomes Gazprom participation in Iranian projects**

/JULY 13/Itar-Tass/

Gazprom's participation in Iranian projects may lay down a foundation for further contacts, Iranian President Mahmoud Ahmadinejad told Gazprom CEO Alexei Miller on Sunday.

'We are interested in the maximum broad oil and gas relations with Russia,' Ahmadinejad said. He welcomed bilateral cooperation in all spheres.

He said that Tehran and Moscow could develop bilateral and multilateral cooperation in gas supplies to Europe, India and China.

'The worldwide hydrocarbon cooperation of Russia and Iran will be beneficial for both countries and clients,' he said.

**- Iran, Russia ink oil, gas accord**

/JULY 14/IRNA

National Iranian Oil Company and the Russian Gazprom on Sunday signed an agreement on development of Iran's oil and gas fields.

Based on the accord, working groups would be formed and a joint company would be set up between the two countries for cooperation in the oil and gas fields.

The agreement was signed during an official ceremony attended by Oil Minister Gholam-Hossein Nozari and several officials from the Oil Ministry and NIOC.

The accord was inked by the NIOC Managing Director Seifollah Jashnsaz and the head of Board of Directors of Gazprom Aleksy Miller.

The agreement envisaged to boost recovery rates of Iran's oil fields and Russian help in transferring Caspian Sea crude oil to the Oman Sea.

The cooperation agreement also included possible participation of Gazprom in the planned peace pipeline that would deliver Iranian gas to India and Pakistan.

Cooperation in the development of Iran's North Azadegan oil field, part of the large Azadegan field in southwestern Iran, was also mooted in the agreement.

The South Pars field in the Persian Gulf has around 500 trillion cubic feet (14 trillion cubic metres) of gas, which accounts for about eight percent of the world gas reserves.

Azadegan is Iran's biggest onshore oil field with an estimated 42 billion barrels of crude oil in place and production started in February by Iranian firms after the Japanese partner Inpex quit the project.

Iran sits on the world's second largest proven oil reserves worldwide and is the number four crude producer and the second in the OPEC.

It also has the second biggest proven global gas reserves after Russia but so far has played only a minor role on the gas export market.

#### **- Iran urges expansion of ties with China**

/JULY 14/IRNA

Iran's Deputy Foreign Minister for Legal and International Affairs Mohammad-Ali Hosseini on Monday called for expansion of Tehran-Beijing cooperation in all areas.

In a meeting with Chinese Assistant Foreign Minister Zhai Jun, he said that exchange of visits between the two countries' officials would lead to boost bilateral ties.

Voicing interest of the two countries' leaders to further promote all-out bilateral cooperation, Hosseini said there is a bright prospect for Iran-China economic cooperation.

The Chinese official, for his part, appreciated Iran's humanitarian assistance to those affected by the recent earthquake which hit parts of China.

He said such moves are indications of profound amity between the two Iranian and Chinese nations.

He added that there are great potentials for expansion of cooperation between the two countries.

#### **- EAST AZARBAIJAN PROV, NAKHICHEVAN MULL COOPERATION**

/JULY 14/IRNA/Tabriz, East Azerbaijan/

Iran-Nakhichevan-Cooperation East Azarbaijan province in northwestern Iran and Nakhichevan Autonomous Republic of Azerbaijan call for boosting bilateral cooperation.

In a meeting between the province's Governor General Mohammad Memarzadeh and Nakhichevan's Chairman of the Supreme Parliament Vasif Talibov, the two sides held talks on economic and industrial potentials of Tabriz for further economic cooperation.

The province's governor general expressed his pleasure with Talibov's visit to Tabriz, and said that the province is ready to share its experience in trade, industrial and scientific fields with Nakhichevan.

Talibov said that Nakhichevan and East Azarbaijan have cultural and historical affinity which would serve to prepare the ground for bilateral cooperation.

Chairman of the Supreme Parliament of Nakhichevan, heading a high-ranking delegation, arrived in Tabriz Sunday evening at the invitation of the Iranian officials.

Upon his arrival through Jolfa border point, he was welcomed by the East Azarbaijan province's governor general and a number of local officials. Jolfa is located in 146 km northwest of Tabriz.

**- RUSSIAN RAILWAYS PLANS DIRECT LINK TO IRAN VIA AZERBAIJAN**

/JULY 15/RIA Novosti/

Russia's rail monopoly is developing a trilateral project with Azerbaijan and Iran to build a direct rail link between Russia and Iran, Russian Railways (RZD) said in a statement Tuesday.

Jointly with Azerbaijan, RZD "is developing a trilateral project to build a railroad to connect Qazvin, Rasht and Astara, which is aimed at establishing a direct railway route between Russia, Azerbaijan and Iran and attract new cargoes to the International North-South Transport Corridor," the statement reads.

Astara is on Iran's border with Azerbaijan, where the new tracks

ould connect to the existing Azeri and Russian networks.

RZD signed its first contract with Iran's railways in late March 2008 to upgrade a 46km railroad between Tabriz, Iran's fourth-largest city, and Azarshahr. The parties are also considering involving RZD in other infrastructure projects in Iran.

The International North-South Transport Corridor (INSTC) is a multimode transportation network established by Iran, Russia and India in 2000 and later expanded to include 11 other states. This corridor links the Indian Ocean and Persian Gulf to the Caspian Sea via Iran.

The bulk of INSTC traffic goes along Russian railroads.