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## Tehran : Gas export gives Iran bigger intl. influence - MP

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TEHRAN (PIN) - Iran could play a more effective role in the region and major parts of the world by exporting gas to India and Europe, said a member of parliament's Plan and Budget Committee here Sunday.

Morteza Tamaddon told PIN, 'We should not have a unilateral view of gas export and think of only economic interests as gas export to India and Europe serves interests beyond economic profits, empowering Iran in the region and world.'

He said the country now lacked enough capacity to refine the whole volume of produced gas, adding the country would have no alternative but export the commodity until the refining capacity reached its desirable level.

'If we stop exporting gas and derive gas from jointly owned fields according to domestic refining capacity, we will be outpaced and a part of resources will fade,' noted the lawmaker.

Caretaker of the Oil Ministry Gholamhossein Nozari said Iran was pursuing the export of natural gas, adding the policy was underlined in the directives of the Supreme Leader of the Islamic Revolution.

He said the country held more than 15 percent of the world's gas reserves and it needed to have greater share in the global gas market.

Nozari said some countries, which had less than two percent of the world gas reserves, currently had a seven percent share in the global market.

The comments clearly put to question certain domestic objections to the policy of exporting gas. Some analysts and Majlis deputies have criticized the government's policy to export gas, arguing that the country needs gas for domestic use as well as for injection into oilfields. Although the idea is partly defensible, its proponents ignore that production of gas for domestic use and injection into oilfields needs investment. Funds are required to develop gas fields, especially since those shared with Qatar cannot be allocated by the government. Gas projects certainly need foreign and private investments.

State funds have not even been sufficient for infrastructure projects since the Third Five-Year Development Plan (2000-2005). So attraction of foreign and private investments has been a priority for the government. Deals in the buyback and finance modes have also been introduced with the aim of attracting investments.

Recent negotiations with European countries including Austria and Switzerland as well as with Turkey have opened new horizon export and expanding production.

Managing director of the National Iranian Gas Company earlier said that Iran was able to export \$35 billion cubic meters of gas to Europe once contracts were finalized.

Under the agreement, the country will export \$35 billion cubic meters via Turkey to Europe.

Gas export to the Indian subcontinent has topped that agenda for the past 15 years. If signed, the deal helps materialize an important part of long-term policies to make Iran a major gas exporter.

Now, the question is whether Iran will be able to become a major exporter and also to supply gas for household, industrial, commercial sectors and power plants, and to inject into oilfields. As per target of Vision 2025, Iran should become the world's third gas producer by the year. It also has to attain a share of eight to 10 percent of global trade in gas products.

Given that Iran has abundant gas reserves, the objective can easily be achieved if it is properly planned and its gas fields are developed.

The country has to redouble efforts to achieve an 8-10 percent share in the world gas market.

Global gas trade either through pipeline or in the form of the liquefied natural gas (LNG) stood at 581 billion cubic meters in 2002. The figure reached 748 billion cubic meters in 2006, registering an annual 6.5 percent growth. If the current trend continues, world gas demand will hit 1,800 billion cubic meters by 2020. Some 8-10 percent of this figure will be amounted to 144 billion to 180 billion cubic meters. In other words, Iran has to increase its gas exports by 12-15 folds and production by five times.

This is while the priority was given to domestic consumption and injection of gas into old oilfield.

If production is increased to 600 billion cubic meters, the country can become the world's second gas producer by 2025.

Petroleum Ministry figures suggest Iran has 28.3 trillion cubic meters while domestic consumption is 321 million cubic meters per day or 117 billion cubic meters per year. If consumption rises by an average of eight percent, Iran will need six trillion cubic meters of gas annually by 2025. It is predicted that total gas injected into oilfields will exceed 1.6 trillion to 1.9 trillion by 2025. So total gas consumed will be eight trillion or 29 percent of the country's gas reserves by 2025.

Despite all the figures, some analysts and policymakers support the idea of becoming a gas exporter. They opine if the country sets aside on five percent of its gas reserves for export, the target set in Vision 2025 can be achieved.

But the important issue is that the country should attract investments in the sector to meet domestic demand and to increase production. The only way to attract investments is opening the doors to foreign investors. Another solution is to bolster private sector's role. Unless the government overhauls the structure of its energy sector, these objectives cannot be materialized

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