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Iran Business Update

May 2016

Welcome to the latest edition of the Iran Business Newsletter. On May 12 WEG held a private briefing on what energy companies might expect from the new contracts being drawn up in Tehran. Our next expert review will be in Brussels to look at issues surrounding EU financial engagement in Iran. Please do not hesitate to contact us if you are interested in receiving the points arising from the abovementioned discussions.

In this edition, the continuing opening of the Iranian market is highlighted. Not only sees Iran's vivid oil market numerous foreign investments but tech companies such as Bosch and LG enter Iran's opened market. The European push towards a closer economic cooperation may enhance this development even further.

Please contact Linus Terhorst at admin@meconsult.co.uk if you would like to receive future editions or if you have news that you would like to include.



Iran plans oilfield tenders for international companies

Iran plans to invite international companies to bid for oilfield development rights in June as the Persian Gulf country seeks to revive its energy industry after years of crippling sanctions. The Oil Ministry will solicit bids in a tender round starting June 21 and running for a month. National Iranian Oil Co. is working on a model investment contract for any development agreements, he said. [Read More](#)



Iran Resists Saudi Gesture for Unity as OPEC Fractures Reappear

Iran resisted overtures from OPEC's largest producer Saudi Arabia to restore a production target scrapped at the group's last meeting in December. Saudi Arabia signalled on Wednesday it's ready to consider a surprise deal with fellow OPEC members, attempting to mend divisions that had grown so wide many dubbed the group as good as dead. [Read More](#)



India's Iranian oil imports dip in May as MRPL shut units

India's oil imports from Iran fell 3.5 percent in May from the previous month as Mangalore Refinery and Petrochemicals Ltd cut purchases because of the shutdown of some units at its plant. Indian refiners took about 379,200 barrels per day (bpd) of Iranian oil in May, down 13,700 bpd from the 392,900 bpd imported in April. [Read More](#)



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Poland in talks with Iran over oil, gas cooperation –minister

Poland is in talks with Iran over cooperation in the oil and gas sector, which could result in exploration and production contracts for Polish industry. Polish state-run gas firm PGNiG said last year that it was looking at various options in oil and gas exploration and production in Iran. Polish refiners PKN Orlen and Lotos have also considered buying oil from Iran. [Read More](#)



India to invest \$500m in Iranian port of Chabahar

India has announced it will invest up to \$500m (£245m) in a deal to develop a port in Iran as part of series of projects both say are worth hundreds of millions of dollars. The deal and plans were announced during a visit to Iran by the Indian Prime Minister, Narendra Modi, the first such trip in more than a decade. [Read More](#)



EU eyes return as Iran's first trade partner

The European Union's foreign policy chief has stated that the 28-member bloc once again wants to become Iran's biggest trading partner. "We are the ones that used to be Iran's first partner on the economic fields, on trade, investment, and we want to be back to that," Federica Mogherini told Tasnim News Agency. [Read more](#)



Iran says in talks with Rio, Glencore about copper projects

Iran is stepping up talks with potential foreign investors with an eye to developing its mining and metals industries according to Mehdi Karbasian, president of Imidro a state-owned group pushing for mine development in the country. [Read More](#)



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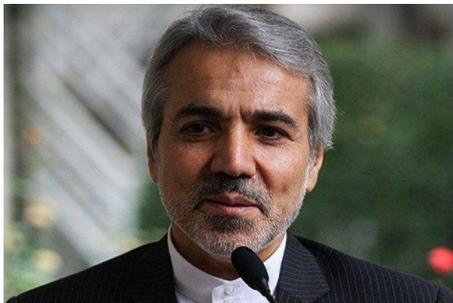
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Iran, Russia in talks over electricity exchange

Iran and Russia are in final talks over electricity exchange during high seasons. Iran will export electricity to Russia during winter and Russia will power up Iranian electricity grid during summer time when the local heat ups power consumption. Two routes from Iran to Armenia and then Georgia before reaching Russia and from Iran to Azerbaijan and then Russia via Georgia again. [Read More](#)



Foreigners invested nearly \$3.5bn in Iran since nuclear deal

Head of Management and Planning Organization of Iran Mohammad Bagher Nobakht said that since the signing of the nuclear deal, \$3.481bn worth of foreign investment has flown into Iranian markets. [Read More](#)



GE oil chief weighing Iran opportunities in growth strategy

Banking restrictions on Iran's euro conversion have been lifted, director general of the Iranian foreign ministry's political and international affairs department Hamid Baedinejad said on Sunday. The United States' restrictions on Iran's dollar-denominated transactions are still in place. [Read More](#)



South Korea's LG subsidiary to build electric cars in Iran

A subsidiary of South Korea's LG Corporation has announced it is going to manufacture **electric cars in Iran** at an existing automotive plant. Under the terms of the agreement, the factory aimed to build up annual production capacity to 60,000 cars by 2023. [Read More](#)



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Car parts maker Bosch to open business, hire staff in Iran

German auto parts supplier Robert Bosch is opening an office in Tehran and plans to hire 50 staff by the end of this year because it sees growing potential for Iran's car market following the lifting of international sanctions. A number of foreign carmakers, including Renault, Daimler,, Peugeot Citroen, and Suzuki Motor Corp have announced to re-enter Iran. [Read More](#)



Nalco and IMIDRO to set up aluminium smelter in Iran

National Aluminium Company Limited (Nalco) has signed an MoU with Iranian Mines & Mining Industries Development & Renovation Organization (IMIDRO) to jointly explore the possibility of setting up an aluminium smelter in Iran, with supply of alumina from Nalco's refinery in India. [Read More](#)



China U.S., Britain, France, Germany back business engagement with Iran

In a joint statement released after talks in Brussels, the United States, and the European Union sought to reassure companies that, after the Iran nuclear deal, certain forms of trade are permitted. "We will not stand in the way of permitted business activity with Iran," the four powers plus the European Union said. [Read More](#)



Hemla Vantage closes in on \$600m Iran gas joint venture

A Norwegian oil and gas company is closing in on a \$600m contract with an Iranian petrochemical group. The contract will be a joint venture between Hemla Vantage and the Kharg Petrochemical Company to produce and export liquefied natural gas and liquefied petroleum gas by 2017. [Read More](#)