

## **IRAN - CNG Related News**

### **Iran Plans to Promote CNG to Curb Gasoline Demand**



Monday, August 07, 2017

Cutting the price of compressed natural gas for domestic consumers is imperative to reduce gasoline consumption and imports, despite the rise in fuel production in recent months, the head of Alternative Fuels Union said on Sunday.

"The share of CNG among the fuels for transportation is between 21% and 23% currently, but it can increase to 45-50% if consumers are encouraged to use more of the clean fuel by giving incentives such as price cut," Ali Mahmoudian was also quoted as saying by ISNA.

State-owned Alternative Fuels Union was established earlier this year to speed up plans to promote the consumption of cleaner fuels, such as CNG.

"The price of CNG at filling stations is three times higher than gas supplies to the residential sector, thus the union has asked the Oil Ministry for a 1,500-rial (4.5 cents) per cubic meter price cut in CNG prices," he said.

If the ministry endorses the proposal, the CNG price will be cut to around 9 cents from the approximately 12.6 cents per cubic meter.

Mahmoudian forecast that CNG consumption will increase by 7-9 mcm/d within three months of implementing the scheme.

"Average consumption of gasoline since the beginning of the present fiscal year in March has reached 80 million liters per day, indicating an 8.5% rise compared with the corresponding period of last year," he said.

The official noted that Iran imports between 10 and 12 million liters of gasoline per day to meet the soaring demand.

It comes as gas production capacity has reached 885 million cubic meters per day, as the higher output can help increase CNG supplies at filling stations and ease gasoline demand.

Tehran seeks to raise gas production capacity to 1 billion cubic meters per day by March 2018 on the back of bigger supplies from South Pars, the world's largest gas field shared with Qatar in the Persian Gulf.

Mahmoudian said that currently, about 2,400 CNG stations are operational nationwide, with a capacity to supply 40-50 mcm/d. Actual daily supply of the fuel at filling stations is about 20-21 mcm/d on average.

<https://financialtribune.com/articles/energy/69838/iran-plans-to-promote-cng-to-curb-gasoline-demand>

## Iran signs its biggest-ever car deal with France's Renault

Posted: 4:17 a.m. Monday, August 07, 2017



Chief Competitive Officer of Groupe Renault Thierry Bolloré, left, Chairman of Industrial Development and Renovation Organization of Iran, IDRO, Mansour Moazami, center, and Negin Group CEO Kourosh Morshed Solouk join hands after signing a deal in Tehran, Iran, Monday, Aug. 7, 2017. Iran signed the country's biggest-ever car deal with French multinational automobile manufacturer Groupe Renault on Monday to produce 150,000 cars, beginning in 2018. (AP Photo/Vahid Salemi)

TEHRAN, Iran —

Iran signed the country's biggest-ever car deal on Monday to build tens of thousands of cars annually under a joint venture with French automobile manufacturer Groupe Renault, buoying its manufacturing industry in defiance of the Trump administration's moves to isolate the country.

The €660 million — or \$778 million — deal follows the lifting of the U.N. and European Union sanctions after Iran's 2015 nuclear agreement with world powers to curb its controversial uranium enrichment program, a possible pathway to nuclear weapons.

It also comes just days after new U.S. sanctions on Iran were signed by President Donald Trump, who spoke with French President Emmanuel Macron over the weekend about ways to counter Iran's influence in Mideast conflicts. The U.S. legislation, first passed by Congress, imposes penalties on people involved in Iran's ballistic missile program and anyone who does business with them.

American businesses have been cautious about pursuing business deals with Iran due to U.S. sanctions in place not related to the nuclear program.

Asian and European companies, meanwhile, have raced for a share of Iran's sizable consumer market since international sanctions were lifted. Iran, with its population of 80 million people, sits atop the world's fourth-largest oil reserves and the second-biggest reserves of natural gas. It also has well-established manufacturing and agricultural industries.

Just last month, France Total SA and state-run China National Petroleum Corporation signed a \$5 billion agreement with Iran to develop the country's massive offshore natural gas field in the first such deal since the landmark nuclear deal was struck. Also, Washington granted permission to Chicago-based Boeing and its European competitor Airbus to sell billions of dollars' worth of aircraft to Iran in September 2016.

Renault and other European companies are looking to rebuild their presence in Iran following the lifting of international sanctions. Renault says that in the first half of 2017, its sales in Iran increased by more than 100 percent to 68,365 vehicles — a nearly 10 percent market share. The new deal, first reached with Iran's government last September, will see Renault produce 150,000 vehicles a year in Iran at a plant located 120 kilometers (75 miles) outside Tehran. The plant will produce Duster and Symbol cars starting in 2018.

Renault, a majority shareholder with a 60 percent share in the deal, will have its own distribution network in Iran for the first time. The company has been operating in Iran since 2003, though operations were halted when Iran came under international sanctions over its nuclear program.

During the signing ceremony in Tehran, Iran's Minister of Industry Mohammad Reza Nematzadeh said the deal with Renault would "establish a research and development center for designing" in the country.

A Renault executive, Thierry Bolloré, said it would help transfer technology to Iran and reinforce Groupe Renault's position there.

"This joint venture will enable an acceleration of our growth in this country," he said in a statement.

The car deal is expected to create about 3,000 jobs for the two Iranian companies involved: IDRO, or the Industrial Development and Renovation Organization of Iran, and the privately-owned Negin Group, which imports Renault products to Iran.

Also last year, French carmaker PSA Peugeot Citroen reached a deal to open a plant producing 200,000 vehicles annually in Iran. Peugeot was a major player in Iran's car market before international sanctions were imposed.

Iran produces about 1,350,000 vehicles a year, though authorities hope that number will reach 3 million annually by 2025. There are around 30 car manufacturers in Iran, most of which assemble Chinese and Korean cars in Iran.

<http://www.myaic.com/business/iran-signs-its-biggest-ever-car-deal-with-france-renault/znnZLERQfx4wArISf9pg5O/>

## **Only Euro-5 Vehicles Will Be Registered in 2019**

Tuesday, July 25, 2017

Only Euro-5-compliant vehicles will be registered as of March 2019, the head of the Department of Environment said.

"Since 2014-15, the government only allows vehicles with Euro-4-compliant engines to be registered and this will continue until 2019-20 when the emission standards will be raised to Euro-5," Massoumeh Ebtekar was also quoted as saying by IRNA.

The move is in line with efforts to reduce air pollution in Iran's metropolises.

Ebtekar, who is also a vice president, said a total of 7 million cars and motorcycles ply the streets of Iran’s polluted capital, Tehran.

“It will be a disaster if these vehicles don’t meet minimum emission standards,” she warned.

In line with plans to reduce air pollution, Euro-4 standard fuel is distributed in 15 metropolises and 10 provincial capitals. The government is targeting nationwide distribution by 2020.

A comprehensive scheme was devised in 2000 to effectively rein in air pollution in Tehran and other metropolises, but the plan was shelved by the government of former president, Mahmoud Ahmadinejad. As a result, air pollution turned into a major environmental issue in the summer of 2013, when the present administration came to power.

The plan called for removing old and dilapidated gas-guzzlers off the roads, implementing measures for collecting toxic gasoline vapors at filling stations, promoting compressed natural gas as a cleaner and cheaper fuel, expanding the number of CNG stations and conducting mandatory vehicle inspections, among other things. Along with efforts to increase gasoline quality, President Hassan Rouhani’s administration has instructed automakers to make products that comply with Euro-4 emission standards.

The government banned the production of highly-polluting, carburetor-equipped motorcycles from September 2016 and is urging people to opt for eco-friendly electric motorbikes.

Acknowledging the non-stop efforts of authorities on standardization of vehicles, Ebtekar said, “We expect the Oil Ministry to produce Euro-5 or better quality fuel.”

DOE has declared that Iran’s seemingly unending struggle with air pollution costs the people about \$30 billion a year, nearly double the \$16 billion reported by the World Health Organization in 2014.

With 26,000 annual deaths due to air pollution, Iran ranks 16th in terms of air pollution-related deaths, according to figures released by WHO.

<https://financialtribune.com/articles/people-environment/68912/only-euro-5-vehicles-will-be-registered-in-2019>

++++ end++

**DISCLAIMER:** The above news are sourced from the Internet and reported as information only. ANGVA is not responsible for the accuracy of the contents of these reports.