
Iran to boost gasoline production by 30pct

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Reuters quoted Iran as saying that it temporarily boosted gasoline production by about 30% to show the West it can cope with any sanctions targeting its fuel imports.

Mr Massoud Mirkazemi oil minister of Iran said that the move to raise output by 14 million liters per day increased total output to 58.5 million liters. Domestic consumption stands at about 66.5 million liters per day. The higher production level, carried out at 3 southern petrochemical plants, would only last for a few days.

Mr Mirkazemi said that with this move we would like to show that the West can not use any limitations on selling gasoline to Iran as a tool against the Islamic Republic. He said that Iran faced no problems in importing gasoline as it had a “good list” of suppliers. It also had at least 1.5 billion liters in storage at all times. Today, no new limitations, either from America or any other country, can be imposed against the Iranian nation.

A US Senate panel last month cleared a bill to impose sanctions on companies providing Iran with gasoline and limit other business dealings with it if negotiations fail to resolve the standoff.

Mr Mirkazemi said that “Despite all restrictions in the past 30 years Iran has become stronger day by day. The gasoline production increase took place at petrochemical plants in the ports of Bandar-e Emam, Bander-e Mahshahr and Assalouyeh. As the cost of producing gasoline at these sites exceeded the international price, the measure would only last for a few days. He said that we are not going to disrupt petrochemical production in our petrochemical units. We just want to show that they can not use this tool to pressure Iran.

In the longer term, work was under way to boost capacity at existing refineries by 33.5 million liters per day by 2013. In addition, a new refinery to be completed by 2014 would produce 35 million liters.

A senior official said that the monthly quota of subsidized gasoline available for motorists may be reduced by 20 liters or 20% during the coming winter. Under the rationing scheme introduced in 2007, motorists can currently buy 100 liters of gasoline per month for the price of IRR 1,000 per liter among the cheapest fuel in the world.

(Sourced from Reuters)

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