

Iran Orders Increased Crude Oil Output



Tehran, January 18 (RHC)-- Iran's oil ministry has issued an order to increase production by 500,000 barrels a day as the country moved ahead with plans to add supply to a glutted market even at the risk of contributing to a price collapse.

The increase is possible now that Iran is unfettered by sanctions on its crude exports, the ministry's news agency Shana reported Monday, citing comments by Roknoddin Javadi, managing director of state-run National Iranian Oil Co. If Iran doesn't boost production, neighboring countries will pump more oil within six to 12 months and take away its market share, Javadi said.

Buyers of Iranian crude are free to import as much of its oil as they want after the International Atomic Energy Agency determined that the country had curbed its ability to develop a nuclear weapon. As holder of the world's fourth-largest reserves of crude and biggest deposits of natural gas, Iran gains immediate access to about \$50 billion in frozen accounts overseas, funds the government says it will use to rebuild industries.

The Persian Gulf country is targeting an immediate increase in shipments of 500,000 barrels a day, Amir Hossein Zamaninia, deputy oil minister for commerce and international affairs, said Sunday in an interview in Tehran. Iran plans to add another half million barrels within months.



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