ROMANIA AND IRAN SIGN AGREEMENT FOR 1,000 MW POWER PLANT NEAR IRAQI BORDER

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05.12.2016

02.12.2016
Romania Insider

Romanian and Iranian investors have recently signed a preliminary agreement on building a 1,000 MW power plant near Irans border with Iraq. The projects value is estimated at USD 700 million, according to the Islamic Republic News Agency (IRNA), quoted by Press TV, reports local News.ro.

The agreement was signed during a visit of the Iranian Foreign Minister Mohammad Javad Zarif to several countries of Eastern Europe. It was concluded between the Romanian part and the Iranian company Pichak Sanat Ilam. The Romanian investors havent been named.

The Romanian part will secure 70% of the total investment, according to the agreement. The energy produced in the new plant will be exported to Iraq, according to Iranian officials.

Iran is currently exporting 1,500 MW worth of electricity to Iraq, but wants to increase its export capacity to 2,000 MW.

According to Iranian officials, Iraq has a debt of about USD 1 billion to Iran related to purchases of electricity. The two sides are now discussing an agreement for paying the debt.

In addition, Iran plans to build a natural gas power plant in the Iraqi city of Basra, a project estimated at USD 2.5 billion. The plant would be built by the Iranian group MAPNA, and would raise Iraqs power capacity by 3,000 MW. Iraq is facing frequent blackouts, as its current capacity of 8,500 MW is too low.

In July this year, Romanian economy minister Costin Borc said that Romania would like to initiate talks to carry out investments in the oil, gas, and tourism sector of Iran. Borc met with Majid Takht Ravanchi, Iranian Deputy Foreign Minister.

At the end of 2015, the volume of bilateral trade between Romania and Iran reached USD 213 million, of which USD 201.4 million represented Romanian exports.

Iranian oil could be processed at Romanian refinery

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