IRAQ PAYS $500M POWER IMPORT BILL TO IRAN

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Iraq has paid $500 million to Iran over the past four months as part of its debt for importing Iranian electricity, a deputy energy minister said on Monday.

Iraq has pledged to make more payments in the next two weeks to clear its power debt to Iran, Houshang Falahatian was also quoted as saying by IRNA.

"Baghdad has shown it is willing to accelerate the payments," he added, noting that unpaid dues amount to $800 million.

He assured that Iran will continue to supply electrical power to the Arab country, ruling a possible halt in export over payment issues.

Iran suspended power supply to Iraq in January after a contract with the Arab neighbor ran out at the end of last year. But Iraqi media reported that Tehran had "abruptly" cut power supply due to Iraq's increasing debts.

Iran's Energy Ministry said last year that Iraqi authorities had agreed to clear the debt by paying $100 million a month. However, after three installments, they started to procrastinate.

Following negotiations on the issue, the two sides agreed in February to renew the electricity export deal for 2017.

Falahatian said last week that in line with a plan to meet Iran's electricity demand in summer, which has soared to record-high levels this month, power exports to neighboring states declined by 400 megawatts to meet domestic requirements.

"Electricity exports have decreased from 1,300 MW to 900 MW during peak hours to cope with growing domestic demand in the scorching days of summer," he said.

"If necessary, we will halt supplies to Turkey, Iraq, Pakistan and Afghanistan. Meeting domestic requirements is a priority. "

Iran's installed electricity capacity is currently about 76,000 MW.

According to Falahatian, although the country's installed capacity has increased in proportion to the annual economic growth, it is still not sufficient to meet the heavy demand.