

The recent agreement reached between ELPE (Hellenic Petroleum) and NIOC, the state-run National Iranian Oil Company, for a resumption of trade following the lifting of western-imposed sanctions on Iran, will be sealed over the next few days, when a Greek delegation to be headed by Prime Minister Alexis Tsipras travels to Tehran for an official visit beginning on February 7.

Besides the signing ceremony for the deal, expected to be a triumphant occasion, a wider effort will be made by Greek officials to re-establish business ties with Iran in various fields. ELPE and NIOC recently reached an agreement on the payment terms for a 600 million-euro outstanding amount owed by the Greek refinery to the Iranian company as a result of banking restrictions prompted by the sanctions on Iran in 2011.

The Greek company, as has been previously reported, will cover 50 percent of its debt owed to NIOC through the supply of an equivalent amount of finalized products, such as auto diesel and fuel. Also, a further 10 percent will be covered through engineering services to be offered to Iran by Asprofos, an ELPE subsidiary firm.

In monetary terms, ELPE will export finalized products worth 300 million euros and engineering services worth 60 million euros, which adds up to 60 percent of the 600 million-euro amount owed to NIOC.

ELPE expects to cover between 20 to 30 percent of its daily crude needs through Iranian supply, once trade recommences. This is expected in March or April.

Certain details remain unresolved, such as the credit period to be granted by NIOC to ELPE for new supply. The Iranians have asked for a one-month period. ELPE prefers two months. ELPE's supply of 300 million euros worth of finalized products, as part of the payback deal, should help the Greek refinery get its foot in the door of the enormous Iranian economy. It remains unknown whether Iranian officials will reiterate their interest for a stake in ELPE during the PM-led Greek delegation's visit. Just days ago, Iran's deputy oil minister, Amir Hossein Zamaninia, speaking on Iranian state radio, noted Iran is keen to acquire an equity share of ELPE.

ELPE officials have said that such a prospect was not raised during Zamaninia's recent visit to Athens. Greek officials closely linked with Greek energy minister Panos Skourletis have informed that the Greek state has no intention of reducing its stake in ELPE.

The Greek state holds a 35 percent stake in ELPE. It has been transferred to TAIPED, the State Privatization Fund. The Latsis group, which owns a 42.6 percent equity share of ELPE through Paneuropean Oil, has officially rejected any chance of selling its interests in ELPE. Certain market officials believe Tehran's expressed interest in ELPE may be part of the negotiating tactics being applied by Iran with the aim of getting the country back into the

European market following the recent lifting of sanctions.

At present, Iran is negotiating lower-priced crude supply deals with countries such as Greece, Italy and France. The country is also seeking to invest capital in Europe with the aim of generating Iranian crude sales and motivating countries to settle respective outstanding debt amounts owed to Iran as a result of the embargo, as was the case with Greece and the aforementioned 600 million euros.

source: energypress.eu