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Iran Says Oil for Goods Trade With Russia to Start Soon

By The Moscow Times

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Iran and six countries, including Russia, reached an interim agreement in early April and are working toward a final deal.

DUBAI — Russia will begin importing Iranian oil under a long-heralded oil-for-goods barter arrangement in the coming week, Iran's oil minister was quoted as saying, more than a year after negotiations began.

The Kremlin announced in April it had begun to implement the deal, in which Iran would export up to 500,000 barrels per day (bpd) of crude oil to Russia in exchange for goods of an equivalent value, but traders said they saw no signs of it.

"Russia will begin oil imports from Iran this week," the semi-official Fars news agency quoted Bijan Zanganeh as saying on Saturday evening, as he returned to Tehran from an OPEC meeting in Vienna.

"We agreed with [Russian Energy Minister] Alexander Novak in Vienna that Russia will buy less than 500,000 bpd from Iran in exchange for cash, and Iran will use this cash to buy Russian goods such as steel, wheat and oil products from Russia."

Iran's oil exports have fallen by more than half to around 1.1 million bpd since 2012, when Western powers imposed sanctions aimed at curbing the Islamic Republic's disputed nuclear program.

Iran and six countries, including Russia, reached an interim agreement in early April and are working toward a final deal by the end of this month that could see sanctions lifted.

But the two sides still disagree on several issues, and Tehran has been working in parallel to develop what its leaders call a "resistance economy" that can survive under sanctions.

Sources told Reuters more than a year ago that Iran was working on the barter deal with Russia, which they said could be worth up to $20 billion.

Russia also lifted a self-imposed ban on selling the advanced S-300 surface-to-air missile system to Iran shortly after the interim nuclear agreement, a move criticized by Western powers.

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