

Oil trade between Iran and Venezuela and shipping by sea

A research study conducted by
the MENA Maritime Safety and Security Plan

December - 2020





MENA Maritime Development Programme

The Middle East and North Africa Maritime Development Program (MMDP) was established in 2017 and operates as a non-governmental and impartial organization. The idea of MMDP emerged as a result of the need of the Arab region for an independent body concerned with marine development, research and studies, after realizing the importance of addressing the complex legal needs arising from deficiencies in the optimal implementation of international maritime legislations.

These needs related to each of the countries covered by the program, as well as the various stakeholders in maritime relations, whether at the state level, at the corporate level, or even individuals. Therefore, it is extremely important to address legal loopholes in order to prevent harm to the marine industry and to reach the optimal implementation of treaties and legislation that will develop the marine environment.

Through a team of researchers, lawyers, trainers, captains, engineers, contractors, and marine experts academically and practically deployed in the beneficiary countries, the mission of MMDP is to enhance expertise and knowledge of marine legislation to reduce negative consequences due to insufficient compliance with international laws and regulations.

MENA Maritime Safety and Security Plan

The project aims to improve maritime safety and security, by supporting the efforts of coastal states in implementing relevant international legislation, bringing their regulatory frameworks closer to European Union legislation and improving the performance of their marine activities.

The project also aims to improve maritime safety and improve the security of ships and port facilities, as well as improve the level of maritime training and qualification of seafarers and improve living and working conditions on board ships.



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Iranian oil tankers in the ports of Venezuela

The first Iranian oil carriers arrived in Venezuelan waters, followed by four other tankers, Forest, Petunia, Faxon and Clavel, and some were surprised at how Iran was able to deliver these shipments to the other side of the world despite the existence of an economic blockade on Tehran ... and Venezuela as well.

The issue of Iran and Venezuela requires specialized studies and research, whether from the political, economic, financial or even maritime side. Even opinion articles must be the result of research and experiments and not just an opportunity to state an opinion, without research and experience, and that Venezuela's relationship with the Iranian regime is old and strong and not born of events. The last, as some thought, and the Chavez government was coordinating with Tehran in supporting the Syrian regime with oil! As it once did, free of charge to New Jersey residents ...

Providing fuel for free is a "challenge" that indicates the mentality in which the Venezuelans work. Therefore, it is not surprising what Venezuela has reached today, and perhaps the most important thing is: How did Venezuela move from a rich country to a poor country without the existence of any war? How did a country with the highest oil reserves in the world turn into a country that was begging for oil? how the Venezuelan oil company turned from a giant company to a dwarf who could not even operate a single refinery

Also, what is the situation of the oil transportation industry in Iran?

how does Iran market its oil in light of the international sanctions imposed on it?

Our interest here is about how oil shipments are transported by sea? how to circumvent the sanctions imposed on Iranian ships?

who are the persons and entities involved in this trade and shipping?



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Iranian oil tanker Fortune on Venezuelan coast

Iran's first oil carriers arrived in Venezuelan waters, followed by four other tankers, Forrest, Petunia, Vaxon and Claville, and some were surprised how Iran was able to deliver these shipments to the other side of the world despite the existence of an economic blockade on Tehran... And Venezuela too.

The subject of Iran and Venezuela is not the subject of news or reporting news or expressing an opinion the subject is of specialized studies and research that takes years, even Opinion articles should be the result of research and experimentation not just an opportunity to say an opinion., without research and experience Venezuela's relationship with the Iranian regime is old and strong and not the result of recent events as some thought, and the Government of Chavez was coordinating with Tehran in supporting the Syrian regime with oil! Yes, Caracas was providing fuel to the Syrian regime for free... As it did at one point for free for New Jersey residents, Securing free fuel is a "challenge" that shows the mentality that anyone should avoid, so it is not surprising what Venezuela has reached today, and perhaps most importantly: how did Venezuela move from a rich to a poor country without any war? How did a country with the highest oil reserves in the world become a country that begs for oil? And how the Venezuelan oil company went from a giant company to a dwarf who can't even operate a single refinery.

Results of Iranian oil tankers' arrival in Venezuela

Two out of five Iranian oil tankers arrived in Venezuela, where the first was positioned near El Paleto refinery.

Fortune, an Iranian oil tanker, docked at the El Palito refinery in Venezuela, whose movements were monitored for three weeks, leaving the tanker with four other tankers (Forrest, Petunia, Claville, Faxon) to Iran towards the Caribbean coast.

Fortune was received at the El Palito refinery in Carabobo state, while the Forrest tanker entered Venezuelan waters accompanied by the Navy, four Su-30MK2 military aircraft and two F-16 A/B Block 15 aircraft.



Iranian oil tankers stream

Iranian tankers came out of the bay in the Arabian Sea and crossed bab al-Mandab and sailed in the entire Red Sea, then crossed the Suez Canal and paid channel fees in hard currency, It exited into the Mediterranean Sea, then exited the Atlantic Ocean, took a course in international waters adjacent to West Africa and then veered westward off Venezuela..

What Iran Benefits From Venezuela's Help?

Iran needs any revenue it can get in gold or cash and in any currency, and it is clear that Iranian planes that shipping oil equipment are returning with something and some say that the revenue is gold and others say it is other materials and others it is Russian rubles, and it is clear that the Venezuelan government is acting like a Greek and is willing to pay any price to save it from drowning and the Iranians are aware of this and find it a rare commercial opportunity, but the revival of the Venezuelan oil sector means increasing Iranian government revenues, which could open a market For Iranian goods in the country, Tehran's commercial interest is quite clear even in the medium and long term.

In exchange for black gold Venezuela uses pure gold to make Payments to Iran

Cash-strapped Venezuela uses gold to make payments to Iran in order to rebuild its oil sector.

Cash-strapped Venezuela uses gold to make payments to Iran ,The Hudson Institute Research Center in Washington added, "Our guess is that they are receiving gold payments," adding that ""These planes coming from Iran that carry things to the oil industry are coming back with the price of these things: gold,"

Why Iran is providing aid to Venezuela's oil sector

Extended relationships

Economic relations between Iran and Venezuela have developed significantly since the visit of former Venezuelan President Hugo Chavez Iranian capital Tehran in 2006, where the two heads of state agreed to upgrade and expand cooperation in various fields, particularly energy, industry, banking and others, As such in 2006, Petropars of Iran agreed with the Venezuelan state oil company PDVSA to cooperate to explore and extract oil in the Venezuelan region of Arinoco.

In 2007, the two countries established a joint bank to serve their trade and investment interests, the Joint Bank of Iran Venezuela, with a major contribution from the Export Development Bank of Iran, and the cooperation between Iran and Venezuela in the following years extended to other new areas, The two countries have established a number of joint ventures in Venezuela,



including cement production plants, automobiles and agricultural tractors, The Venezuelan government has also assigned a number of construction and housing projects to Iranian companies, But the remarkable development in Relationship path between the two countries was operating direct flights in the past period Iran's private company, Iran's Mahan Air, began direct flights to Venezuela in April 2019, It is a fundamental step that will overcome obstacles to trade between the two countries, The export and import movement between them was made by a third country or other foreign airlines this caused limited trade between them which did not exceed about \$492,000.

Similar circumstances

Iran and Venezuela face similar international conditions as they suffer near-breaking economic relations with the outside world under economic sanctions, in a way that has caused the deterioration of all economic activities, particularly the oil and natural gas sector, which is the main source of income for both, For Venezuela, its oil sector deteriorated sharply and Venezuelan oil production fell to 650,000 barrels per day in March 2020 from 1.56 million barrels per day in March 2018.

The Venezuelan oil company's refining capacity has also shrunk to about 101,000 barrels from its previous capacity of 1.3 million barrels per day, This has resulted in a significant shortage of gasoline in the market and paralysis in the country's economic life, The recent tightening of financial sanctions against the Venezuelan oil company has exacerbated fuel shortages in the Venezuelan market, In addition to imposing economic sanctions on Venezuela's main allies, most notably Russia, In February, Washington imposed sanctions on two Russian oil company Rosneft companies that supplied Venezuela with its fuel needs to produce gasoline at Venezuelan refineries. In light of previous data, Iranian oil production fell to about 2 million barrels per day at the end of March 2020, down from about 3.5 million barrels per day before u.s. sanctions, Iranian exports have also fallen by more than 90% from their previous levels to nearly 200,000 barrels per day today.

Many goals

Iran and Venezuela don't seem to have anything to lose if they strengthen their oil or other partnership, where they face the same circumstances or in other words they face a common adversary According to their vision, As such the Venezuelan regime has resorted to Tehran to support the rehabilitation of Venezuelan refineries affected by sanctions, This coincides with the recent change of oil leadership in Caracas along with Asdrupal Chavez, who took charge of the Venezuelan state oil company, The Venezuelan Ministry of Oil approved in April that it received initial support from Iran consisting of spare parts, chemical supplies and technicians for the repair of the Paraguana oil complex, which includes the Kardon refinery with a refining capacity of 350,000 barrels per day and the "Amaui" refinery with a capacity of 635,000 barrels per day, a total refining capacity of about 985,000 barrels per day, which will help restore the bulk of the production capacity of Venezuelan refineries.

The latest Iranian aid arrived in Venezuela on board the Mahan Air private plane; For Iran its assistance to Venezuela represents a new source of income amid the recent economic downturn with Tehran estimated to have received 9 tons of Venezuelan gold worth about \$500 million for the repair of Venezuelan refineries.



Historical look

About 15 years ago, at the beginning of 2006, Venezuela released oil prices, calling on the Venezuelan government to lift subsidies on gasoline prices before a disaster because government support for commodity prices is an economic disaster with bad consequences, And we see some of its effects now in Venezuela, which had the lowest oil price in the world, and if Venezuela had done what the bay governments did, it wouldn't have suffered from the suffocating oil crisis.

It went from being the cheapest gasoline in the world to one of the highest prices in the world and cheap Venezuelan oil was fleeing to neighboring countries, and the losses of the Venezuelan oil company, which now supports oil inside and outside the country, were exacerbated because it was selling it for less than the cost of producing it, Nearly 11 years ago, on May 1, 2009, "Iran's weakness: oil!" stated that Tehran is one of the world's largest oil importers and is on the verge of a stifling crisis: "Iran will suffer a suffocating oil crisis if UN Security Council sanctions are tightened to include a ban on oil exports to Iran or if the United States presses oil-exporting countries to stop exporting to Iran, We talk about the depth of the crisis, and then some senators are calling for a ban on oil exports to Iran.

Tehran was suffering from an oil crisis somewhat similar to what is happening in Venezuela, but the regime's fear of imposing an "oil embargo" threatens its future, making it adopt strict policies that resulted in the transition from an oil-importing country to an exporter, Then the oil exchange channel is issued by issuing cards to all drivers that allow them to buy government-subsidized oil only in specified quantities, Those who want to get more must pay a higher price or turn to the black market, where prices are close to the higher price set by the government This happened in a simple period of time and what made it easier is the abundance of gas in Iran and then adopted a policy of building simple refineries to get gasoline and it happened too, The government has managed to avoid an economic and political disaster in general and obtaining gasoline from light oil is very easy and does not require complex refineries others were getting gasoline in rudimentary refining methods in Syria and Iraq the availability of gas and light oil with the fear of the fall of the regime enabled Tehran to succeed in turning Iran from an oil importer to a source.

There are many economic and political lessons from this experience the most important of which is that national oil companies must be kept out of politics and that national oil companies need competencies and skills based on their abilities and not their political loyalty. The collapse of the Venezuelan oil company was caused by the politicization of the company and the oil sector as engineers and competent employees opposed to Chavez were released and went to other countries that benefited from their expertise such as the Gulf states and Norway, The growth of the Colombian oil sector was only due to the employment of thousands of Venezuelans who had migrated from their country to the neighboring country, Colombia.

Since they were hired after the dismissal of workers in 2002 from the regime group and the company continued to deteriorate and lost a large part of its production and refining capacity there was something else that contributed to the collapse of the Venezuelan oil company, The government continued its era until the company could no longer invest in maintenance operations things got worse rapidly and it is undeniable that the role of sanctions that prevented the arrival of natural gasoline that the country was importing from the United States to mix it with heavy oil or some of the substances added to it cannot be denied.

What's going on now?



Several factors, some of which were mentioned above led to the closure of Venezuelan refineries resulting in significant oil supplies, although government pricing makes Venezuela's basic material the cheapest in the world it makes no sense if it is not available, The solution is to smuggle them from neighboring countries like Colombia and Brazil where the price is high Smuggling will only happen if Venezuela's vital substance prices on the black market rise in a way that reflects this reality this is what happened and its prices increased dramatically to reach the equivalent of 7-15 Saudi riyals per liter ! The scarcity of oil and the rise in prices in this way paralyzed the movement in the country, but the spread of the corona virus alleviated the crisis.

Now Venezuela is looking for a country to import oil but the sanctions that make other countries unwilling to supply Caracas with gasoline, at the same time, Iran has a surplus due to increased production on the one hand the decrease in demand, as a result of Corona, on the other hand.

Add to this the historical relations between the two regimes and Iran's experience in resolving the gasoline crisis and its experience in manipulating sanctions it made sense for Tehran to cooperate with Venezuela in solving this problem and possibly others, What Iran is currently doing is more than sending five oil tankers, as this is the short-term solution, But in the medium term, Tehran is helping Caracas restart its refineries to solve the gasoline problem completely by providing equipment, tools and expertise to it by means of large cargo planes that fly directly from Iran to Venezuela and take about 15 hours.

Iran's oil industry

Economic impacts

Iran is one of the largest countries in terms of energy reserves and the oil industry plays an important role in this, and it is the most important economic sector providing foreign currency to the economy of Iran and Iran currently provides about 5% of the oil consumed in the world, and in 2004 Iran produced 5.1 percent of the world's total crude oil (3.9 million barrels (620,000 cubic meters), resulting in revenues of between \$25 billion and \$30 billion from the United States, and was the country's main source of currency. Foreign, in 2006, oil revenues amounted to about 18.7 per cent of GDP, yet the importance of the hydrocarbon sector in the Iranian economy was much greater.

The oil and gas industry was the engine of economic growth, directly affecting public development projects, the government's annual budget and most foreign exchange sources, and in fiscal year 2009 the sector accounted for 60 per cent of total government revenues and 80 per cent of the total annual value of both exports and foreign exchange earnings, and oil and gas revenues were affected by the value of crude oil on the international market Iran's oil revenues will change by \$1 billion, and in 2012 Iran, which exports about 1.5 million barrels of crude oil per day and the second largest source among the Organization of Petroleum Exporting Countries, estimated that Iran's annual oil and gas revenues could reach \$250 billion by 2015, but the industry was disrupted by the international embargo from July 2012 to January 2016 and Iran plans to invest \$500 billion in the oil sector before 2025.



International control period: 1901-1979

The discovery of oil in 1908 led to the formation of the Anglo-Iranian Oil Company (AIOC), and by purchasing the majority of the company's shares in 1914 the British government gained direct control over the Iranian oil industry, which will not give up 37 years, and after 1935 The Anglo-Persian oil company called Anglo-Iranian Oil Company signed an Agreement (AIOC) in 1933 with a fixed payment to Iran of £4 per ton of crude oil exported to oil exports and paved the way for a new oil agreement, In 1954, a new agreement divided profits equally between The National Iranian Oil Company and a multinational consortium that replaced Anglo-Iranian Oil Company, and in 1973 Iran signed a new 20-year concession with the Consortium, Beginning in the late 1950s, those oil companies that were able to extract oil in their designated areas contributed significantly to the country's total oil production, and the five largest international companies that entered into agreements with The National Iranian Oil Company accounted for only 10.4% of total oil production.

The Age of Nationalized Oil, 1979

After the revolution, the Iranian company took control of the Iranian oil industry and annulled Iran's international oil agreements, In 1980, exploration, production, sale and export of oil were delegated to the Ministry of Oil of the Islamic Republic of Iran, but after the Iran-Iraq war this policy was replaced: maximizing exports and accelerating economic growth (from 1997-2005) the government paid special attention to the development of the country's oil and gas industry, and oil was known as intergenerational capital and an indispensable basis for economic development.

Thus, between 1997 and 2004, Iran invested more than US\$ 40 billion in expanding existing oil field capacity and discovering and exploring new fields and deposits, financed either in the form of joint investments with foreign companies or local contractors or through direct investments by the National Iranian Oil Company (NIOC) and in accordance with the law, Thus, between 1997 and 2004, Iran invested more than US\$ 40 billion in expanding existing oil field capacity and discovering and exploring new fields and deposits, financed either in the form of joint investments with foreign companies or local contractors or through direct investments by the National Iranian Oil Company (NIOC) and in accordance with the law, foreign investment in oil discovery was possible only in the form of buyback agreements that were required by The National Iranian Oil Company to pay off expenses and retain expenses. With full ownership of an oil field, NIOC and Niko Marketing Company managed to market crude oil to potential buyers, Niko marketed Iranian oil to Africa and also marketed the Iranian company to Asia and Europe, and according to Estimates by Ehs Serra, Iranian oil revenues increased by one third to \$100 billion in 2011.

Oil production and reserves

Total oil production reached a peak of 6.6 million barrels per day (1,050,000 cubic meters/day) in 1976, and by 1978 Iran became opec's second largest producer and exporter of crude oil and the fourth largest producer in World, after a long decline in the 1980s crude oil



production began to increase steadily in 1987 , in 2008, Iran produced 3.9 million barrels (620,000 cubic meters) per day and exported 2.4 million barrels per day (380,000 cubic meters per day) as 5% of global production, returned to its previous position as opec's second largest producer, and according to estimates Iran had the capacity in 2005 to produce 4.5 million barrels per day (720.0 000 cubic meters per day), it was thought that the production capacity could increase to 5 million barrels per day (790,000 cubic meters per day) to 7 million barrels per day (1,100,000 cubic times per day).

Iran's long-term sustainable oil production is estimated at 3.8 million barrels per day (600,000 cubic meters per day), according to the Iranian government, Iran has sufficient oil reserves for the next 100 years while oil reserves in other Middle Eastern countries will run out over the next 100 years. The next 60 oil-rich countries will lose their reserves over the next 30 years, and in 2006 Iran reported crude oil reserves of 132.5 billion barrels ($2.107 \times 1,010$ cubic meters per day) or about 15 percent of 100 percent of OPEC's proven reserves and 11.4 percent of the world's proven reserves, while the estimate of the world's crude oil reserves remained almost constant between 2001 and 2006, at 1,154 billion barrels (1,835 billion barrels). $\times 1,011$ cubic meters per day), Iran's oil reserves were revised up by 32 percent when a new field near Bushehr was discovered, and the market value of Iran's total crude oil reserves at \$75 per barrel was \$10 trillion.

In the early 2000s, the world's leading oil companies in China, France, India, Italy, the Netherlands, Norway, Russia, Spain and the United Kingdom signed agreements to develop Iran's oil and gas fields in 2004.

In 2009, China National Petroleum Corporation (CNPC) signed a contract with The National Iranian National Oil Company where the first seized a 70% stake in the promise to pay 90% of the development costs of the Southern Azadegan field with the project's investment need of up to \$2.5 billion, and earlier that year the company also won a \$2 billion agreement to develop the first phase of the Northern Azadegan field, and a more modest agreement was signed after India to explore and produce natural oil and gas in southern Iran, and in 2010 2006 Production declined by 8 per cent for Iran's onshore oil fields (which provide the majority of oil production) and 10 per cent for existing offshore fields, and in 2005-6 there was little exploration, upgrading or construction of new fields, only Iran was allowed to continue to maintain its oil exports at or below opec quotas, and much of the equipment needed for the oil industry is produced by domestic manufacturers in Iran. Among the few countries that have accessed technology and "know-how" to deep-water drilling .

Iran opens the largest oil refinery in the world

When did it open?

Who is the Iranian president who opened it?

Iran has opened an oil refinery, the largest of its kind in the world, according to the local press, and the President of Iran, who attended the opening ceremony, called for the nationalization of the oil sector in real terms to exploit the people all its revenues and the refinery will contribute to raise the oil refining capacity to 300 thousand barrels per day and provide the need of the domestic market of gasoline to reach 16 million liters per day, and participated in the implementation of the project by a group of international companies represented by Iranian companies the largest among them.



After zero Iranian oil ... disruption in export rates, with losses of 93 billion dollars annually

It has fallen from 4 million barrels per day to 100,000 barrels per day this month, the depth of the decline in Iranian oil exports has reduced opec-led oil production, and Iran's oil exports have now fallen to 100,000 barrels per day compared to about 4 million barrels per day, which means that total exports have decreased by 97.5 percent, and these data indicate that with the price of a barrel of oil at its current level of \$64, Iran's oil revenues are currently at \$64, Iran's oil revenues are currently at the moment. It was \$6.742 million, compared to about \$258.88 million a day before the sanctions were introduced, with daily losses of more than \$252 million, a decline of an estimated 99.91 percent.

The data also indicates that if it continued to export 4 million barrels per day, it would have received monthly revenues of \$7.766 billion and an annual turnover of about \$93.192 billion, a decrease of about 91.66 percent. In March, crude production reached 2.7 million barrels, the lowest level in five years, and is expected to decline by an additional 10 percent in the second quarter, according to a recent Bloomberg report.

Iran's crude oil and condensate exports fell by about 300,000 barrels per day (bpd) compared to March exports to 1.1 million barrels, according to figures for the last fiscal year ended March last year, and Iran's crude oil revenues reached 50 billion and another 20 billion from the export of derivatives, with oil exports accounting for 70 percent of Iran's total exports.

Iran may now export at a maximum of 225,000 to 350,000 barrels per day, down from 400,000 barrels per day in its capacity for shipments and the depth of the decline in Iranian oil exports, the impact of a global oil production cut agreement led by the Organization of Petroleum Exporting Countries (OPEC), but oil prices have fallen to \$64 per barrel from a peak of \$75 per barrel in 2019 under the pressure of fears of slowing global growth and demand.

Prices jump 2 percent and Brent climbs towards \$64 in the oil market, oil prices rose nearly 2 percent to two-week highs supported by optimism that the U.S. central bank will cut interest rates this week for the first time in more than a decade, boosting demand expectations in the world's largest oil consumer, and on the penultimate day as the closest contract to the September Brent crude futures contract increased \$1.01 to reach a settlement. West Texas, the US mediator, is about 1.18 dollars or 2.1 percent, to close at 58.05 dollars.

Crude oil is still expected to decline due to continuing concerns about oil demand, with Brent dropping more than two percent and US crude less than one percent, according to Reuters, brain Kesens, portfolio manager at Tortoys Energy Investment Management, said that "crude oil rose, partly because of the expectation of another significant decline in inventories this week, as well as the tensions that remain are still raging in the Strait of Hormuz, "indicating that the possibility of reducing interest rates and the US-Chinese trade talks support the expectations of the economy.

Turkey stops importing oil from Iran



Turkey closed its ports to Iranian oil in compliance with US sanctions against Tehran's main suppliers, and the tracking data of oil tankers monitored by Reuters confirmed that no Iranian oil tanker had been established in Turkish ports. The report indicated that Turkey imported during the last four months an average of 209 thousand tons of Iranian oil, which represents 12% of its total imports.

New collapse in Iran's economy: 14% decrease in shipping operations in 15 months the operations of shipping and unloading inside most of Iran's ports dropped by 13.9% during the period from March 21, 2018 to March 20, 2019. According to data issued by the Iranian customs, the drop in cargo reached about 134.68 million tons compared with 156.50 million tons a year ago, as this recession included at least 17 Iranian ports, the most prominent of which are Al-Khomeini's ports, Abadan and Bandar Abbas. The Iranian customs department said through its official website that the rate of freight and discharge works over the last 12 months recorded in the container sectors about 19.75 million tons of dry pouring goods about 47.64 million tons and liquid pouring goods 5 million tons respectively.

Customs data included the public goods sector also at 18.99 million tons and the oil materials at 43.29 million tons, while it showed a deficit of 35.8% in the container sector, 10.2% in the oil materials, dry pests at 6.7% and liquid pests 11.2%. Residents considered that the Iranian ports, in case they failed to correct their current situations, would be completely out of the international competition in this field, especially that the local export and import sectors depend mainly on ports and the Iranian ports suffer deteriorating logistic situations. In addition to allowing the governmental authorities to insert low-quality goods into the country amid a sharp recession in most economic fields, as well as importing some car spare parts and machines, indicating that Tehran government asked the Iranian banks to support stumbling production units under what it described as "the disorder of the local business environment".

Sharp turmoil in Iran's trade with 5 countries caused by oil

Iran's exports to the United States fell by zero% at the end of January while Washington's exports to Tehran fell to less than \$4.5 million at the lowest level since March 2013, and in a related context, figures from the customs of 5 countries (China, India, Japan, South Korea, and Turkey) revealed. A sharp weakening in the balance of trade (including oil) with Iran since the beginning of this year, and figures from China's Customs Administration (the largest trading partner and major oil importer) indicate that the last January and February period recorded a 65% drop in Beijing's exports to Tehran compared to the same period a year ago.

China's import rate from Iran (including crude oil) declined in the same period to less than 34%. The latest statistics of the Indian Ministry of Economy (the second major Iranian oil customer) revealed that imports from Iran decreased by more than 30% in early January 2019, while the volume of Indian exports to Tehran increased by 64%.

The export and import balance between Iran and South Korea has also declined by the new year, with average Korean exports per month to Iran recording \$190 million last year, and imports averaging about \$33 million, less than half of the year before.

Japan's imports from Iran have declined by 134 million dollars since the beginning of this year compared to the same period a year ago, with 668 million dollars, while its export rate has also dropped by more than 4 million dollars compared to 83.5 million dollars in early 2018. Ankara's exports to Tehran fell 27% in January, while Turkish imports from Iran fell to less than 28% during the same period.



Innocent traffic versus transit

In order to determine how their ships pass through territorial waters or international straits, they rely on two concepts: innocent passage (written under the conventions) and transit (introduced by the United Nations Convention on the Law of the Sea), some States apply them differently in accordance with their interpretations of international and domestic law, and innocent passage applies to navigation across the territorial seas of a country or across an international strait connecting "part of the high seas or an exclusive economic zone and a foreign state".

Traffic is considered pure as long as foreign vessels (including warships) respect all coastal state safety regulations, i.e. those that comply with the United Nations Convention on the Law of the Sea, and as long as it refrains from making any threat to the State and, in order to clarify this latter requirement, the Convention has introduced a list of activities that could be considered "contrary to peace, orderliness or the security of the coastal State" if they occur within territorial waters during innocent passage (Article 19), and as a State may temporarily suspend the innocent in specific areas of the Its territorial seas for security reasons (Article 25) but this provision cannot be applied in a discriminatory manner exclusively for certain individual countries, and more importantly this provision does not apply to the International Straits (Article 45).

Transit is intended for continuous and rapid navigation through the Straits connecting two areas on the high seas or exclusive economic zones of two or more countries, and the Strait of Hormuz and its ports are classified as such, and accordingly, United States vessels apply transit regulations when entering the Arabian/Persian Gulf -- but as mentioned earlier, Washington considers this to be a well-established international practice rather than a contractual right granted under the United Nations Convention on the Law of the Sea.

To ensure the safety and security of navigation through international waterways such as the Strait of Hormuz, which is divided by the United Nations International Maritime Organization (IMO) using a system of transit corridors and coastal navigation separation schemes, such a system grants coastal States regulatory rights over vessels flying foreign flags rather than on the high seas (For example, with regard to the risk of pollution), but less than the right of innocent passage in the territorial sea and in the Strait of Hormuz lies entirely in Omani waters and in the Arabian/Persian Gulf often passes through Iranian waters.

"Innocent passage and transit" does Iran have the right to detain ships in Hormuz?

The Strait of Hormuz is one of the most controversial sea lanes in recent months, as it has become a field theater that translates Iran's provocation to the international community as it is located on its southern coast, and includes a number of small uninhabited islands, the largest of which is the Iranian island of Qeshm, the island of Arc and the island of Hormuz. In addition to the three disputed islands between Iran and the United Arab Emirates, crossing from the Strait of Hormuz is a major "historical" contention, and foreign ships crossing territorial seas and international straits have been bound by two sets of rules: The 1958 Geneva Convention on the territorial Sea and the adjacent Area and the subsequent 1982 United Nations Convention on the Law of the Sea, but the United Nations Convention on the Law of the Sea



took priority over the 1958 Geneva Convention when it entered into force in 1994, Although the United States of America is a party to the 1985 agreement, it did not sign it while Iran signed it, but it did not approve it for its objection to certain items, Iran ratified its National Maritime Law in 1993, which allows "innocent passage" under certain circumstances but does not include any reference to "transit" across the Strait of Hormuz and does not recognize it as an international strait.

What is the difference between innocent and transit traffic?

The innocent passage of ships is to traverse the sea without entering the water The interior of a country or a stopover in a berth or facility The port is located outside the inner water, the traffic is continuous and fast, However, traffic involves stoppage and berthing, but to the extent that such suspension and berthing are required by normal navigation requirements or is required by force, force, or mountain for the purpose of providing assistance to persons, ships or aircraft in a hazardous or severe situation, Traffic is innocent as long as it does not harm the peace, regime, or security of the coastal State and is passed by approval of this Agreement and other rules of international law on the Strait of Hormuz.

Transit means continuous and fast navigation through the Straits connecting two high seas areas or exclusive economic zones of two or more countries, and the United States classifies the Strait of Hormuz and its ports on this basis, and accordingly, US ships apply transit regulations upon entry into the Arabian-Persian Gulf. Washington considers this to be an established international practice and not a contractual right granted under the United Nations Convention on the Law of the Sea.

Trade and investment sanctions

The classic characterization of economic sanctions patterns is based on the fact that they mean a reduction in economic exchanges, so that sanctions are effective and effective whenever the country in question has an economy that relies heavily on economic exchanges in controlling the movement of its main sectors. As the Iranian foreign trade structure is more closely examined, the theoretical perception of an oil embargo coupled with a maritime blockade that prevents oil exports and bans investments in the oil sector leads to the conclusion that it will hit the Iranian regime in the killing. This is because oil is the first export commodity in Iran and represents between 80 percent and 90 percent of Iranian exports, and oil exports finance between 40 percent and 50 percent of Iran's state revenues.

Because Iran wants to expand its exploration of its already discovered fields or to explore new fields, it needs massive investments in the oil sector to reach those targets, so the oil embargo coupled with the suspension of foreign investment in the energy sector (oil and gas) is They will logically have comprehensive effects on Iran's economic structure, and on the other hand, it is certain that in case of imposing an oil embargo on Iran, the prices of this strategic commodity will jump in qualitative and unprecedented leaps that negatively affect the world economy. Iran is the world's fourth largest oil exporter, putting it in an exceptional position on the world energy market, and removing from the oil embargo any real political horizon.

True, there is no permanent member state in the Security Council that fully supports Iran, so Iranian policymakers may bet on a Chinese veto in the Security Council against economic sanctions, because China is the world's second-largest oil consumer. Since 1993, it has been pursuing an active energy security policy, which has been used to invest in oil-producing countries such as Venezuela and Iran, and until 2003 China imported 13 percent of its oil needs



from Iran. In the following year, China signed a contract with Iran for gas supplies worth more than 100 billion dollars, which it called the "century deal".

Financial sanctions

In contrast to the oil embargo as part of trade and investment sanctions, a broader international acceptance of another form of economic sanctions against Iran could be expected, namely, financial sanctions aimed mainly at the interests of the upper commercial and industrial sectors there, as well as the freezing of government deposits and deposits of companies and individuals of the nationality of the sanctioned country. Blocking the entry of investments into the same country is an important pillar of financial sanctions, and this type of sanctions also makes it difficult to reschedule the debts owed by the country in question, which increases its external debt crisis and severely pressures its economic decision-making, as well as its hard currency reserves. Which will be consumed in paying interest and premiums to pay off their external debt?

In the same context, the suspension of export loans granted to their national companies by the industrialized countries could be seen if exports were destined for the penitentiaries and export loans were made by States to their national companies to stimulate exports in the form of loans until their goods were collected from the importing country. This is aimed at maximizing the competitiveness of these countries' in front of competing from other countries, but at the same time giving a special attraction to the importing country with exporters. By suspending this type of export credit to the target country with penalties, exporters find themselves in a situation that lacks the benefits granted to them if they export to an unpunished country and stop it.

The package also includes the lifting of the country's national currency from the list of international monetary exchanges, and the latter measure is not only difficult to make trade transactions very difficult, but also affects its international economic reputation. Unlike trade and investment sanctions, this type of financial sanction is characterized by the fact that it does not require international cover from the Security Council, which is hostile to the State concerned but does not constitute a clear breach of the provisions of international law, These measures are adopted by the industrialized countries individually in frequent and periodic operations to pressure third world decision makers to respond to specific demands and historical examples that are difficult to limit to their excessive international relations. But what is new here is to link all these measures and organize them together in an inseparable chain and with the participation of more than one country and not only one, to make them the sanctions that the western countries are expected to try with Iran. But financial sanctions in the case of Iran will not be as effective as they may be in other countries, as the high oil price since 2005 has made Tehran adopt significant monetary reserves in its nuclear confrontation.

It is true that the seven major industrial countries prevented the World Bank from offering loans to Iran, but the small size of these loans made the political and economic dimensions so narrow that they did not exceed the symbolic indications of this ban. In this context, it is useful to note that Tehran has not applied for any loans from the International Monetary Fund and Iran has so far gained a good international reputation as an importer and market for the disposal of high-quality industrial products, thus, barring export loans from European companies that want to export to Iran would first affect them. Before Iran touches, and because Iran's Tuman is an imperfect currency without other mathematical media in world markets – like all other Arab non-oil currencies – the Iranian Tuman would be raised From the list of international exchanges, Iran's currency will be affected, but within limits. For all these reasons, financial sanctions are not expected to pay off directly or to have a rapid impact on Iran's policymaking



calculations, but this package of measures in conjunction with “smart sanctions” will have an impact in the medium term.

International Law attitude toward Iran's detention of Oil tanker in "Hormuz"

The Iranian Revolutionary Guards detained an oil tanker flying the British flag in the Strait of Hormuz, according to what Iranian media announced. Tehran announced that the tanker "Stena Impero" had been stopped while it was passing through the Strait of Hormuz due to its "failure to comply with international maritime rules." The Strait of Hormuz is subject to the navigation system in International straits and navigation therein are free for all ships without exception, whether they are public or private commercial ships, warships or submarines. The free passage system "transit" is one of the systems created by the 1982 United Nations Convention on the Law of the Sea, and transit passage in the Strait of Hormuz and all straits is considered The other international community is a right and not a license, so its exercise does not depend on the will of the coastal state. On the contrary, that state has an obligation not to obstruct that transit passage.

In light of the detention of the foreign ship by the Iranian Revolutionary Guards, which is the ambiguous detention according to the conflicting official Iranian statements, it will have to wait until an official statement is issued by the Iranian authorities or the competent international organizations, and in the forefront of which is the International Maritime Organization of the United Nations in London until a distinction is made between the rights of the riparian state of the Strait Hormuz, which in this case is Iran, has its rights to detain the two foreign ships and whether Iran has violated its international obligations to allow all foreign ships without discrimination to enter and pass through the Strait of Hormuz, which is a fundamental right of states (the right of access and passage) and this is an international duty on Iran. It is true for all countries. ” continued: “The passage of various ships, whether they are foreign civil or military ships, is innocent as long as it does not harm the peace or security of the coastal state. ”The passage of foreign ships is considered harmful to the peace of the coastal state if the ship, while in the territorial sea of the coastal state, is any of the Activities stipulated in the Innocent Traffic Law. "

Different legal frameworks in force

The crossing from the Strait of Hormuz is a major controversy. Historically, foreign vessels crossing territorial seas and international straits were bound by two sets of rules: the 1958 Geneva Convention on the "Regional Sea and adjacent area" and the United Nations Convention on the Law of the Sea (the Convention), which was subsequently enacted in 1982, but the United Nations Convention on the Law of the Sea was given priority over the Geneva Convention of 1958 when it came into force in 1994.

It should be noted that the United States is a party to the old Convention but has not signed the United Nations Convention on the Law of the Sea. Iran is a signatory to the 1958 Geneva Convention but has never ratified it, and Tehran has unconditionally signed the UN Convention on the Law of the Sea without ratifying it, At the same time, Iran ratified its National Maritime Law in 1993, which allows "innocent passage" under certain circumstances but does not include any reference to "transit" across the Strait of Hormuz and does not recognize it as an international strait (read the next section for a fuller discussion of these terms). One of the



major changes in UNCLOS is to increase the coastal seas of countries from three to twelve miles (4.8 to 19.3 kilometers) by sea.

The United States initially strongly opposed this provision but accepted it in most contexts -- except in dealing with straits and other international corridors, and in practice it means that Washington does not recognize the right of coastal states to regulate traffic or limit activities in these waterways, and instead of considering unhindered transportation as a new right under the United Nations Convention on the Law of the Sea or a contractual right in general, U.S. officials view it as a long-established international practice, followed by all states seeking to sail through or over the International Straits, Oman is a state whose coast is on the other side of the Strait of Hormuz, and has ratified the United Nations Convention on the Law of the Sea, but like Iran requires foreign warships to give advance notice of passage before crossing the strait - a requirement that the United States does not recognize.

Does Iran have the right to prevent or detain ships?

Under the above-mentioned international laws, Iran or any other state has the right to obstruct the passage of a ship unless the ship poses a threat to its security and what Iran has done with the British-flagged vessel is explicit piracy, and under international laws it itself signed in 1958 and then 1982, According to a report by the Washington Institute for Middle East Studies, Tehran does not recognize transit in any part of its territorial waters or in the Strait of Hormuz, but has imposed restrictions on innocent traffic, in part in part to challenge the United States in particular.

Military implications

The United Nations Convention on the Law of the Sea allows foreign military vessels to launch and recover aircraft during transit, under the United Nations Convention on the Law of the Sea, they are required to float on the surface during innocent passage in territorial seas (Article 20) and American submarines often remain under water as they pass through the Strait of Hormuz and shipping lanes west of the Strait as a means of exercising their right to transit and Tehran does not recognize passage in any part of its territorial waters or the Strait of Hormuz and imposed restrictions on the innocent as well, In this context, article 23 of the Iranian Maritime Act of 1993 states that the legislation replaces all previous laws and regulations and while some experts claim that this formula refers only to domestic laws, the document contains no indication of how it is interpreted in the light of the United Nations Convention on the Law of the Sea or any other international law, Meanwhile, the United States has had to continue its customary practice since the founding of the Islamic Republic in 1979, i.e. exercising freedom of navigation in areas of "excessive maritime claims" such as the Strait of Hormuz, meaning waterways where it believes that coastal States exercise a large number of claims.

The legal basis for Iranian piracy

Article 23 of Iran's Maritime Act of 1993 states that the legislation replaces all previous laws and regulations and while some experts claim that this formula refers only to domestic laws, the document contains no indication of how it can be interpreted in the light of the United Nations Convention on the Law of the Sea or any other international law.

Iranian methods of circumventing sanctions on maritime trade

Limiting trade with Iran, which has been sanctioned by informing them of Iranian maritime tricks, where the share of shipping in world trade is about 90% in Iran, the entire oil is exported



by sea, and all imports and exports are carried out by ship and sea, and the United States has forced the Iranian government through the comprehensive and harsh sanctions imposed by the United States on Iran to adopt "maritime tricks" methods to evade sanctions so that it can at least continue to export and import goods, especially oil.

Iran uses seven methods to circumvent sanctions on trade and shipping:

Method 1: Manipulation of the ships "automated identification system"

The ship's "automated identification system" is an international system that sends the location of ships and tankers via high frequency radio waves to the system centre. Under the International Convention on the Safety of Life at Sea, special models of ships and tankers must be equipped with this automated identification system and are used during international maritime movements, which helps other vessels to reduce collisions at sea or the loss of ships at sea and oceans by looking at their geographical location and protecting the lives of people working at sea. The International Convention on the Safety of Life at Sea is the most important international maritime treaty on enhancing maritime security, the first of which was drafted 106 years ago after the tragic accident of the Titanic.

Ships engaged in illegal trade such as drug trafficking, weapons and human smuggling or unwilling to leave a mark for any reason are extinguishing this system while in international waters or manipulating the system to mislead others. This is one of the usual ways Iran uses to circumvent U.S. sanctions. When the ship's automated identification system is extinguished or tampered with, it is impossible for other ships to identify that ship, including access to information on the name of the ship, cargo, international identity and nationality. This could pose a serious threat to the ship and its crew.

Method 2: Refrain from putting the name of the ship on its hull

Passenger ships with a total weight of 100 tons and over and cargo ships with a total weight of 300 tons or more should write down the ship's name and international registration number on its hull so that the name and number can be seen while in the water, another usual method of concealing the ship's identity, placing an unreal name or number on its hull and concealing its true identity.

Method 3: Counterfeiting of shipping documents

One of the legal and commercial maritime shipping imperatives is transparency for all commercial parties, i.e. the seller, the carrier, the buyer and the issuance of complete and accurate shipping documents, and the necessary documents include the details of the seller, buyer, type of goods or goods, purchase invoice, destination of the ship, insurance, and a list of the latest stops and ports where the ship has stopped, Iranian ships or vessels chartered in Iran carrying petroleum or petrochemical products, minerals and minerals, Iranian metal products, false documents to the seller, buyer, cargo and destination of the ship in order to evade United states sanctions.

Method 4: moving from one ship to another



One of Iran's innovative methods of transport, prohibited by America, is to move from one cargo ship to another ship at sea, where the cargo is transported from an Iranian ship that somehow conceals its identity to another ship of non-Iranian nationality and identity, and then the ship carrying real papers transports products purchased from Iran as if it were smuggled goods wherever it wants to evade sanctions. At sea and then to an Iranian port, this method allows the seller and the buyer to hide their identity in order to circumvent United States sanctions.

Method 5: Deliberate chaos in maritime navigation

Finding unusual routes at sea that prolong cargo time is a method of maritime deception, and owners of prohibited vessels, prohibited goods or prohibited ports and destinations seek to conceal their identity and identity through deliberate navigation chaos and circumvent sanctions in this way.

Method 6: Using a false flag

Each merchant ship such as oil tankers, cargo ships and passenger ships should have an owner, a manager and a country whose flag is raised for international movement, and most Iranian ships and tankers were registered in Iran while the smaller side was registered in other countries and was moving in the waters flying the Iranian flag, and during the period of international sanctions imposed by Iran aimed at selling crude oil and maritime trade with Iran, Iranian ships that were moving were identified while flying the Iranian flag. This limitation means that ports do not accept these ships and do not provide the services that ships need, such as insurance and port services, and many countries such as Panama have allowed Iran to use its flag usefully and have stopped this during the new sanctions period, In view of the inability to move a merchant ship into the sea without knowledge and the speed of identification of ships flying the Iranian flag and the failure of other states to lease their flag to Iran, Iran uses false flags for its ships and oil tankers, and an Iranian merchant ship may use several different flags from its move from port to its destination in order to circumvent sanctions and conceal its identity.

Method 7: Registering the company outside Iran, changing the owner and manager

One of the usual Iranian methods of circumventing sanctions and maritime deceptions is to establish shipping companies outside Iran and then register ships in those companies and use the flags of the countries where the shipping companies were founded, and that most of the mock shipping companies established by Iran carry other non-Iranian nationalities, and in many cases the directors and sham owners are non-Iranians that the non-Iranian identity of the ship owner and the foreign flag it raises is not considered a forgery in this case.

An example of Iranian maritime deception

The "Grace 1", which was carrying Iranian crude oil in 2019 and was detained for a while, Iran has exported oil to Syria using a larger oil tanker heading for Syria through the Strait of Gibraltar instead of using an oil tanker capable of passing through the Suez Canal where it took a longer route, and this tanker was detained by the local government of Gibraltar and released with a pledge not to transfer its oil to the forbidden port of Tartus in Syria, and the oil tanker changed It was named to Adrian Daria, extinguishing the automated tracking system and delivering its oil to another ship near Syria and succeeded in circumventing sanctions using several methods.



International personalities and entities involved in this trade and shipping by sea

Tarek Al-Aismi

Tarek Zidan, a Venezuelan politician and jurist of Syrian origin, has been serving as Venezuelan Vice President Nicolas Maduro since January 4, 2017; He also served as Venezuelan Minister of Interior and Justice and Governor of The State of Aragua under President Hugo Chavez.

Alex Saab

Alex Saab, a Colombian businessman of Lebanese origin was arrested; is close to Venezuelan President Nicolas Maduro in Cape Verde because he faces US charges of money laundering as well as charges of illegal acts in nine countries, including Italy.

The Colombian newspaper "La Opnion" said that the Us authorities accuse Saab of money laundering and concluding illegal trade deals with the government of Maduro, which helped him strengthen his strength in the archipelago of the African island in Cape Verde and was arrested during the stop of his plane to refuel when he was heading to Caracas from Tehran was difficult to broker between Iran and Venezuela through oil deals between them in exchange for gold recently.

Emad Mohammed Hussein Otair

Registered at PDVSA database as contact person for Asia Charm, a unit of Akron Trade & Shipping that acts as PDVSA's customer.

Roberto Spucches Casieri

Registered at PDVSA database as contact person for Future Asia LTD, a new PDVSA customer based in Hong Kong.

Thomas Haesuler

Registered at PDVSA database as contact person for Procerium Energy PTE LTD, another new PDVSA customer, registered in Singapore.

Dall 'Oste

Registered at PDVSA database as contact person for Richeart International, another new PDVSA customer registered in Hong Kong.

Javier Colmenares

Bandari's partner working from Caracas.

J Rabadi

Spanish businessman owner of company Manteniship XXI, now acting as manager of several PDVSA tankers used for exports (Arita and Parnaso, now called Colon and Warrior King).



Salar Ataei Bandari

6170791 Ship manager/Commercial manager OCM MARITIME TEVERE LLC Majuro MH Marshall Islands since 14/08/2020 (Venezuelan ID 18444547, passports 148638679 & 110797537, date of birth 02/25/1988) & Ahmad Ataie Reza (Venezuelan ID 17757066, passport 82585204, date of birth 06/13/1953) - have emerged along with PDVSA's Angel Gonzalez.

Bandari and Reza hail from the time when Ahmadinejad and Chavez were playing world domination. Involved in some sort of consortium called Ven-Iran, these Venezuelan-Iranian nationals got a series of procurement contracts, and as all thugs of that ilk, they're so versatile, their business acumen from building corn-processing factories to electricity generation, from tug boats services to crude trading. All seasoned, of course, with plenty of petro-dollars from public coffers.

Iran's Revolutionary Guard

The Islamic Revolutionary Guard Corps (Persian: Sbbah Pasdaran, an Islamic coup) known as the Revolutionary Guard or the Islamic Revolutionary Guard Corps or generally in Arabic, the Iranian Revolutionary Guard, is a branch of the Iranian Armed Forces established after the April 22, 1979 revolution. From Ayatollah Khomeini, while the Army of the Islamic Republic of Iran (regular army) defends the Iranian border and maintains the internal order, in accordance with the Iranian Constitution, the Revolutionary Guard (Pasdaran) protects the Islamic Republic regime at home and abroad, the role of the Revolutionary Guard is focused on protecting the regime Islamic and prevent foreign interference in addition to preventing military coups or "deviant and extremist movements".

Iran Oil Company "Petropars"

Iranian Oil Minister Begen Zankana announced that the state-owned Petropars company has "already begun" the development of phase 11 of the Pars South field joint with Qatar, and the Iranian Islamic Republic News Agency (IRNA) quoted the minister as saying that "the Iranian company has already begun the development process and is currently concluding contracts related to the commodities used in drilling wells." The minister announced in mid-December that the company "started the operational operations" with the project of developing the stage 11 of the field, and said that "Petropars has the capacity to develop the first unit of phase 11" in the field, Last year, Iran announced the exclusion of the "CNBC" Chinese company from the project.

In July 2017, Iran signed an agreement with an international consortium led by France's Total, which includes the Chinese company and Iran's Petropars to develop phase 11 of the field, valued at \$4.8 billion.

According to Iranian media, Total withdrew from the project due to the re-imposition of sanctions by the United States on Iran, while the Chinese company "has been slackened and excluded", and it is intended after the launch of phase 11 that Iran's extraction capacity from the joint field with Qatar will increase by 56 million cubic meters per day.

The Iranian minister said in earlier statements that the development of this phase is primarily aimed at producing 500 million cubic feet of gas by March 20, 2020.



Venezuelan Oil Company (PDVSA)

Headquarters Caracas Venezuela, Maracaibo Venezuela Main People Major General Manol Cuivedo, Products Fuel, natural gas and other petrochemicals, Income \$48.0 billion (2016) Net income \$828 million (2016) Total assets \$189.7 billion (2016) Subsidiaries PDV Marina / CVP / Pequiven / CIED / PDVSA Gas / PDV (Deltaven) / Palmaven / Electricidad de Caracas, C.A. (93.62% / Citgo 100%.

It is a Venezuelan state oil and natural gas company whose activities include exploration, oil production, refining and export, as well as exploration and production of natural gas. Since its founding on January 1, 1976, with the nationalization of the Venezuelan oil industry, The Venezuelan Oil Company has dominated the country's oil industry, the world's fifth largest oil exporter.

Venezuela's oil reserves are the largest in the world, and Venezuelan Oil Company provides the Venezuelan government with the main sources of funding. [5] In the aftermath of the Bolivian Revolution, Venezuela oil company was used primarily as a political tool for the government between 2004 and 2010, contributing \$61.4 billion to government social development projects, nearly half of which went directly to various Bolivian missions, while the rest was distributed through the National Development Fund, and profits were also used to help the presidency by funding Venezuelan government allies.

Russian oil company Rosneft

Rosneft is a fully integrated oil company, mostly owned by the Russian government and headquartered in Moscow's Plachoj district near the Kremlin on the Moskva River. Rosneft has become one of Russia's leaders in oil extraction and refining after purchasing the assets of former oil giant Pockus in a government tender in March 2013 after its acquisition of TNK-BP, Rosneft became the world's largest publicly traded oil company.

Founding 1993 Russian government owner (69.5%) B.B. (19.75%) / Russian Government Founder President Egor Schin (CEO) Alexander Nkeplov (President) / Revenue and Revenue \$102.0 billion (2012) / Net profit 805,000,000,000 Russian rubles (2 019) — 649,000,000,000 Russian rubles (2018) — 297,000,000,000 Russian rubles (2017) / London Stock Exchange (ROSN) / Moscow Stock Exchange (ROSN).

Mahan Air Private Company

Mahan Air is a private airline based in Tehran, Iran; it operates flights to the Far East, the Middle East, Central Asia and Europe; The Company was established in 1991 and started operations in June 1992 as the first private airline in Iran, and according to statistics in March 2007 the company has 2511 employees.

National Iranian Oil Company (NIOC)

The National Iranian Oil Company is a government-owned company under the supervision of the Ministry of Petroleum of Iran, a national oil and natural gas producer and distributor based in Tehran Founded in 1948, The National Iranian Oil Company is the second largest oil company in the world after the state-owned Saudi Aramco.

The National Oil Company is solely responsible for the exploration, extraction, transportation and export of crude oil, as well as exploration, extraction and sales of natural gas and liquefied natural gas (LNG)



The Iranian company exports its production surplus according to commercial considerations within the shares set by the Organization of Petroleum Exporting countries (OPEC) and the prevailing prices in the international markets in early 2005, the company's liquid hydrocarbon reserves, which can be refunded, 136.99 billion barrels (21.780 cubic kilometers) (10% of the world total) Recoverable gas reserves are 28.17 x 10¹² cubic meters (15% of the world total), and the company's current production capacity includes more than 4 million barrels (640 x 10³ m³) of crude oil, and more than 500 million cubic meters of natural gas per day.

OPEC Oil Company

OPEC is a global organization of eleven countries that rely heavily on its oil exports for its income, and its name is shortened to OPEC and opec members work to increase revenues from the sale of oil on the world market, the member states of this organization own 40% of the world output and 70% of the world's oil reserves, founded in Baghdad in 1960, and included Saudi Arabia, Iran, Iraq, Kuwait and Venezuela, based in Vienna.

The organization now has 11 Member States. According to the list below with their affiliation dates, it should be noted that although the official language of the majority of the 6 OPEC member states is Arabic, the official language of OPEC is English, there is only one member country (Nigeria) with English as an official language, and 9 other countries have been added to the five founding countries.

Anglo-Iranian Oil Company (APOC)

Anglo-Iranian Oil Company is an oil company founded in 1908 under the name anglo-Persian oil company after the discovery of large quantities of oil in the Suleiman Mosque in Iran changed the name to the Anglo-Iranian Oil Company in 1935 and then changed Becoming BP in 1954 and now BP, Anglo-Iranian Oil Company is the first oil company operating in the Middle East in 1951, which was nationalized by Mohammed Mosaddegh and was the cause of the coup in 1953.

China National Petroleum Company (CNPC)

China National Petroleum Corporation (NNPC) is the largest integrated state-owned energy company in the Chinese State Republic of China based in Dongcheng Beijing General Information Establishment 1988-owned state-owned/Petro China subsidiaries/owner of state-owned asset control and management committee of the State Council of China / Employees 1,668,072 (2011) / Revenue and Revenue 378.025 billion DOLLARS (2011) / Net profit 56,241,880,000 RMB (2015) — 123,844,680,000 RMB (2014) / Profit \$16,317 billion (2011) / Assets \$481.07 billion (2011).

Local industry

Venezuela now has two main objectives: to increase oil production, which has declined in recent years and to increase gasoline processing capacity, which is currently lower than those available at various refineries owned by the state-owned oil company PDVSA and the oil sector, is the basis of the Venezuelan economy, so its prohibition in various areas means affecting the national economy as a whole. Sanctions aim to block PDVSA financing channels, prevent exports and prevent exports from reaching other companies at risk of blacklisting and preventing the import of raw materials and key equipment to its refineries and institutions. Manufacturing After the collapse of the company, the United States plans to



confiscate its subsidiaries, as happened with CITGO, a subsidiary of PDVSA in the United States, which, after the introduction of the embargo in 2019, was annexed to the Canadian company Crystallex, in this context; Iranian oil tankers are a very important symbol of the struggle for Venezuela's independence.

Fuel shortage

"The Iranian oil shipment will not solve Venezuela's serious fuel crisis", before the isolation imposed in mid-March due to the outbreak of the prostrate Corona virus Venezuela was consuming between 70,000 and 80,000 barrels per day and therefore Venezuela is stuck in a vicious circle, and since its coffers are empty because of the collapse of its oil production it does not have the money to import hydrocarbons economic activity faltering.

Oil production in Venezuela falls to its lowest level in 5 months

According to an internal report by the state-owned oil company PDVSA dated March 27, production in the Orinoco oil belt, Venezuela's largest crude producing region, has reached 3,649,000 barrels per day to date, although projects there have produced about 420,340 barrels of heavy crude oil, According to special estimates, the region produced about 500,000 barrels per day in January and production in the western region of Zulia reached 150,000 barrels, while oil fields in northeastern Venezuela produced 100,000 barrels after an explosion at a major pumping station earlier this month it stopped producing about 40,000 barrels per day, said Oil Workers Union leader Ivan Fritz, a source familiar with the data, who spoke on condition of anonymity, and the Ministry of Oil did not respond to requests for comment, The March figures mark the end of a period of relative stability in Venezuela until February, when production remained between 865,000 and 912,000 barrels per day according to reports sent by the country to OPEC, and besides the decline in production, the state-owned oil company is again having difficulty in managing increasing stocks of unsold oil as exports dwindle and the number of Venezuelan oil customers shrinking, The fall in March came after Washington imposed sanctions on Russian oil giant Rosneft, which was a key broker in Venezuela's oil trade, and it is not yet clear how this will affect Rosneft's projects with PDSA, and according to a Venezuelan oil company document, the two companies' main joint venture in the Orinoco belt produced 79,000 barrels but its storage capacity runs out.

International Convention on the Establishment of an International Fund for Oil Pollution Damage

The International Convention on the Establishment of an International Oil Pollution Damage Compensation Fund 1992 is an international maritime treaty, the original Convention in 1969 was strengthened by this Convention to relieve ship-owners of unfair liabilities due to unforeseen circumstances and, on the other hand, the removal of liability caps, which some Member States believe were too low, and the Fund is obliged to pay the victims of pollution when the damage exceeds the responsibility of the ship-owners and when the ship-owners is not responsible or when the ship-owners is incapable of paying, The Fund also "compensates the ship owner or his insurance company" for spills when the ship complies fully with international conventions and causes any intentional misconduct, and the 1992 Agreement entered into force on May 30, 2006 and as of May 2013, 111 countries ratified the agreement, which is equivalent to 91.2% of the total cargo of the world's commercial fleet, Bolivia, North Korea, Honduras, Lebanon and Mongolia.



International Convention on Civil Liability for Oil Pollution Damage

The International Convention on Civil Liability for Oil Pollution Damages in 1969, renewed in 1992, is an international maritime treaty adopted to ensure adequate compensation that will be available as it causes oil pollution damage in maritime accidents involving oil tankers (i.e. ships carrying oil as goods).

Responsibility

The Convention provides strict responsibility to ship-owners

In cases where the owner of the ship is guilty of oil pollution, he or she will be liable and when the ship-owners is not at fault, the Agreement obliges him to bear responsibility for payment between US\$ 3.8 million and US\$ 76.5 million, even though exchange rates fluctuate daily, and the Agreement is based on compensation for damages caused by the leakage of hazardous goods within the same legal framework.

Insurance

If a ship's load exceeds 2,000 tons of oil, ship-owners are required to maintain "insurance or other financial guarantee" sufficient to cover the maximum liability for a single oil spill.

Coverage

As of April 2014, 133 countries, representing 96.7% of the world fleet, have not ratified the treaty, representing 96.7% of the world fleet.

**Conclusion:****Sending Iranian Oil to Venezuela is a kind of Force Show:**

This step taken by Iran in these unfavorable circumstances is only a demonstration of power, and if we consider the strategy to be the art of better competition; Venezuela is now at the bottom of the world's economies, its currency lacks the right value, and is in fact economically insolvent, so dealing with it is like playing a dead horse and it may be said: Iran has created a fuss in the world, created propaganda voices, and pretended to embarrass Washington. But Venezuela is neither a global nor even a regional power whose attachment to it is the status of a strategic relationship.

Iran has repeatedly sought to benefit from rival states in creating an atmosphere hostile to it, and in recent years relations between Tehran and Moscow have been strategic, but we know very well that this relationship is not strategic in the scientific sense; Tehran, Moscow, and Riyadh are the world's three main poles competing with each other to secure the requirements of the global energy market; if the strategic relationship is to be defined in its true sense, Venezuela has no place on the economic front.

For Iran, its assistance to Venezuela represents a new source of income amid the economic deterioration in the last period, as it is estimated that Tehran received 9 tons of Venezuelan gold worth about 500 million dollars for reforming the Venezuelan refineries. The gold funds would help Tehran to provide liquidity to support its deteriorating economy due to the "Corona" crisis, and amid international institutions' reluctance to help it with a check from Washington, Iranian officials said.

Responsibility of international maritime institutions

All international institutions operating in the marine industry must be aware the seriousness of the matter and to play its role of monitoring and Reporting to the relevant parties and this responsibility falls on The International Maritime Organization as a United Nations organization, protection clubs, supervisory and rating bodies and also port control authorities in various countries.



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