

Official Stresses Germany's Resolve to Boost Trade Ties with Iran



TEHRAN (FNA) - A German trade official voiced Berlin's willingness to pave the ground for the promotion of trade cooperation with Tehran.

Speaking in Berlin, member of the German-Iran Chamber of Commerce Michael Tockuss said his country's exports to Iran have risen by more than 30 percent this year.

Top exports include industrial machines, chemicals, food and elec-

tronics, he added.

Tockuss pointed out that Iran's economy had a 'huge potential' once the western sanctions are lifted.

He acknowledged the anti-Iran embargo had also damaged German companies as it made trading more difficult.

That notwithstanding, Tockuss said Germany was not fearing US and other European competition in the

Iranian market, as Iranians like the good quality of German products.

Tockuss hailed Iran's 'very serious efforts' to diversify its exports.

Germany is an important trade partner of Iran. Berlin has long been ignoring the US-led sanctions against Iran.

Iran and Germany have tried to expand their bilateral relations in recent years through reciprocal visits by the two countries' officials.

Iran, Russia Plan to Use National Currencies in Bilateral Trade

TEHRAN (FNA) - A senior Iranian lawmaker announced that Tehran and Moscow have a plan to replace the US dollar with their national currencies in bilateral transactions.

"Replacing (the US) dollar with ruble in bilateral and multilateral transactions between Iran and Russia tops the agenda of the upcoming visit of an Iranian delegation to Russia," member of Iran-Russia Parliamentary Friendship Group

Hadi Qavami said on Saturday.

Qavami pointed to an upcoming visit of Iran-Russia Parliamentary Friendship Group to Moscow, and said, "The Russia-Iran parliamentary friendship group has recently visited Iran and now the visit of the Iranian delegation will take place at the invitation of the Russian side."

He noted that the Iranian delegation will discuss setting up banks along Iran-Oman border in a bid to

facilitate changing Iran's oil payments to ruble and rial and to reduce the pressure of sanctions.

In the last several years, Iran and Russia have had vast cooperation in different fields, specially in political and economic spheres.

The two states also enjoy special positions on the international scene and have long had constant and regular consultations on key regional and global issues.

Europe's Bank Test Aims to Strengthen Economy

FRANKFURT, Germany (AP) - The European Central Bank on Sunday will reveal the results of a yearlong search through the books of Europe's 130 biggest banks, a key part of the region's effort to recover from its debt and economic crisis.

The review aims to weed out banks that are hiding financial problems that keep them from

lending to businesses at affordable rates. Companies need the loans to invest and hire if Europe's economy, which didn't grow at all in the second quarter and has unemployment of 11.5 percent, is to improve.

Banks that flunk the review could be forced to raise money, restructure or be sold off. That could cause some market turmoil

in the short term as banks scramble to find cash from investors or governments.

But in the longer term, the hope is that this will create stronger banks. In Europe, businesses are more dependent on bank loans than in the United States, where companies more often raise funds through bond markets.

China, 20 Other Countries Initiate New Asian Bank



Chinese President Xi Jinping, front center, poses with the other government leaders and the guests who attended the signing ceremony of the Asian Infrastructure Investment Bank at the great hall of the people in Beijing Friday, Oct. 24, 2014. China and 21 other Asian nations have signed on to the new international bank opposed by Washington as an unnecessary rival to established institutions such as the world bank.

BEIJING (AP) — Twenty-one Asian nations have signed on to a China-driven initiative to create a new development bank for Asia that's aimed at boosting infrastructure investment of all kinds. Beijing sees that as a way to raise its international standing, but Washington opposes the move as an unnecessary and potentially damaging rival to established institutions such as the World Bank.

Members are overwhelmingly developing nations, with Singapore the only advanced economy. The others range from economic powerhouses India and China to smaller but economically dynamic nations such as Singapore, Vietnam, the Philippines and Mongolia. A few are drawn from among the poorest nations including Laos, Cambodia and Oman.

Others taking part are Uzbekistan, Thailand, Sri Lanka, Qatar, Pakistan, Nepal, Bangladesh, Brunei, Kazakhstan, Kuwait, Malaysia and Myanmar.

Just as important is who's not in the group: Solid American allies Japan, South Korea and Australia, although they, along with the U.S. may enter at a later date if the venture proves to be a success. Although Singapore is a close U.S. ally, its officials say entering now will give them a chance to make a positive impact on the way the bank plans to do business.

The U.S. is concerned that the new bank will introduce laxer standards for lending when it comes to environmental and labor protection, transparency of the project bidding process, and human rights. Washington worries that could undercut existing institutions like the World Bank, the International Monetary Fund and the Asian Development

Bank that have sought to impose standards to promote good governance, fair labor practices and a clean environment.

Naturally, Washington is also concerned about any move by China to shift attention away from institutions that it and its allies dominate. The world's first and second biggest economies deeply distrust each other and are locked in a ceaseless competition for pre-eminence in Asia, where the U.S. is the dominant military power but China's massive economy carries enormous heft.

China says it's willing to pony up just about all of the \$50 billion to capitalize the bank, while other institutions and private lenders are expected to provide another \$50 billion. That \$100 billion is still relatively small compared with existing institutions. The World Bank's capital is about \$220 billion, while the Asian Development Bank has \$175 billion capital.

However, China appears inclined to streamline the lending process, meaning countries may not have to wait as long or jump through as many hoops to get their money. That could stimulate borrowing all-around if it ends up competing with existing institutions for business.

The bank is in large part China's reaction to being constantly relegated to second-class status at existing institutions. China is also backing another alternative institution, the New Development Bank, sponsored by the so-called BRICS countries that also include Russia, India, Brazil and South Africa.

The idea is that if the U.S. and other major powers won't make room for China at the table, then Beijing will make its own. China also hopes the bank will improve its global stature

and end what it views as the West's bullying and discrimination in the political and economic spheres.

In addition, the bank is expected to bring solid economic benefits to China, whose companies already benefit massively from policy loans offered abroad by the country's state banks. They can expect to pick up port, railway and telecommunications contracts for projects tied to China's oft-mentioned dream of restoring ancient Silk Road trade links to Europe. The bank could also absorb some of China's \$3.89 trillion in foreign currency reserves.

Asia needs infrastructure development. A lot of it. The world bank estimates that \$8 trillion in spending is required between 2010 and 2020 just to keep Asian economies humming along. Only a tiny slice of that can now be provided by the Asian Development Bank and other institutional lenders, so the AIIB hopes to help fill some of those enormous gaps.

At the very least, the AIIB ought to give borrowers more options and could put pressure on the World Bank and others to streamline their heavily bureaucratic operations, which often take years to process loan requests. By its multinational nature, it could also pressure China's banks to shape up their operations and help defray some of the resentment that has built up toward Beijing among borrowers who feel burned by the terms of their loans from Chinese state banks.

"In China we have a folk saying. If you would like to get rich, build roads first, and I believe that is a very vivid description of the very importance of infrastructure to economic development," Chinese President Xi Jinping told participants after the signing ceremony.

IMF Fights Negative Interest Rates

WASHINGTON (AFP) - The International Monetary Fund on Friday announced a minimum interest rate on its unique SDR currency as it fights off the impact of sagging interest rates and deflation from major economies.

The IMF said that from Monday it would maintain a floor rate of 0.05 percent, or five basis points, on its special drawing rights or SDR currency, which represents a basket of the currencies of its largest members.

Currently the rate the Fund pays on the money its members lend to it is 3

basis points. That is also the basis for the global crisis lender's loan rate to borrowers.

With short-term rates for key SDR components the euro and the yen now running below zero, and the dollar and pound rates barely above zero, that risked pulling the SDR rate down to a negative level as well, a senior fund official explained.

"Under the current rule there is nothing to stop the SDR rate from going negative," he said.

"Financially, it would be a somewhat

perverse situation because our creditor members would be paying for providing us resources."

But it also acknowledges a worry the IMF, top central bankers, and bond market traders have been expressing of major economies sinking toward deflation.

"This is a reflection of the fact that central banks have set very low interest rates, or even negative," the official said.

To meet the challenge of historically low rates as well, the official said, the IMF will round its rates to three decimal points instead of two as in the past.

Renault Chief Sees Europe Auto Market Slowing in 2015

SHANGHAI (AFP) - French carmaker Renault chairman, Carlos Ghosn, said Saturday that he expects slower growth in Europe's auto market next year as it continues to recover from the global economic crisis.

Ghosn, who is also Renault's chief executive officer, said the European market was growing at six percent so far this year -- the best since the 2007 crisis.

"I'm expecting in 2015 this recovery to continue," Ghosn told journalists on the sidelines of an industry forum in China's commer-

cial hub Shanghai.

"I don't see another six percent increase. I think the increase will probably be more moderate than six percent... in line with GDP (gross domestic product) growth," he said, but gave no estimates for Renault alone.

Ghosn is also president and chief executive officer of Japan's Nissan Motor Co. through an alliance between the companies.

Many foreign carmakers turned to China, the world's largest auto market, in the wake of the global

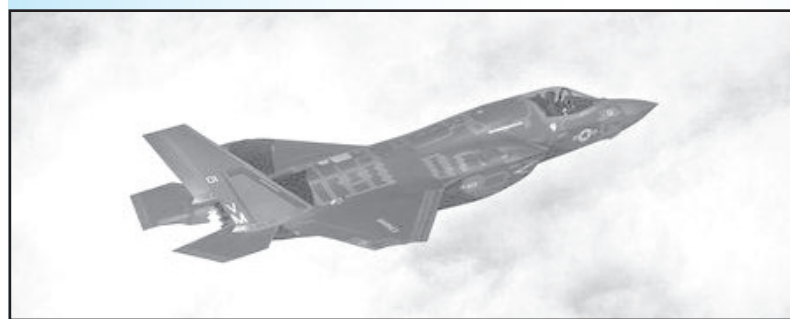
crisis as their home markets in the United States or Europe collapsed.

China's auto market is now slowing as well, as weaker domestic economic growth and a corruption crackdown take their toll.

But Ghosn said Renault and Nissan were committed to adding production in China.

In late 2013, Renault signed an agreement with Chinese company Dongfeng to set up a joint venture that will start production in 2016 with initial capacity of 150,000 vehicles a year.

Lockheed, Pentagon Reach \$4 Billion Deal for More F-35 Jets



A Lockheed Martin F-35B Lightning II joint strike fighter flies toward its new home at Eglin Air Force Base, Florida in this U.S. Air Force picture taken on January 11, 2011.

WASHINGTON (Reuters) - Lockheed Martin Corp and U.S. defense officials have reached agreement on the terms of a contract worth about

\$4 billion for an eighth batch of 43 F-35 fighter jets, sources familiar with the deal said on Thursday.

The contract will lower the cost

of the radar-evading warplane by about 3 percent and includes jets to be built for the U.S. military, Britain and other U.S. allies, according to the sources, who were not authorized to speak publicly.

The cost of the U.S. Air Force model of the plane, which accounts for 27 of the 43 aircraft, will go down by nearly 4 percent, said one of the sources.

Both sides had expected to reach a deal in May or June, but the negotiations slowed after a June 23 engine failure on an Air Force jet grounded the entire F-35 fleet for several weeks.

Lockheed Chief Financial Officer Bruce Tanner told analysts on Tuesday that the company was close to reaching a deal with the Pentagon office that runs the \$399 billion weapons program, the costliest arms project.

ALALE ASMAN ABI Tour And Travel Agency
The Biggest Visa Service Center In Iran
Tour Operator: Inviting Of Your Foreign Guests
• Esfahan • Shiraz • Yazd • Mashhad
• Romania • Armenia • China • Turkey
Insurance Ticket Hotel
021- 88 96 0046 - 7