

Iran, India to Sign \$2bn Transportation Project



TEHRAN (Dispatches) - Iran's Minister of Road and Urban Development Abbas Akhondi has said that Tehran and New Delhi agreed to sign memoranda of understanding (MoUs) worth 2 billion dollars to develop railway transportation and Chabahar Port project.

"Three important issues were discussed at the meeting with the Indian authorities, one of which was the development of the Chabahar to Zahedan railway worth one billion dollars," Akhondi said.

He noted that the officials of the Indian company which is involved in this project visited Iran last week to make the necessary inspections and returned to New Delhi with proposals about the development of the railroad link.

Akhondi said that the second issue discussed in the meeting with Indian officials focused on

production of 200 locomotives for freight trains. "It was an important deal between India and Iran. India is ready to fund the project."

First phase of Chabahar port development project is of prime importance for both countries. India sees Iran's Chabahar Port project as a golden opportunity for New Delhi to enhance its regional role and cooperation.

India has reiterated its commitment to complete the port that would contribute to bilateral and regional trade and economic development and also provide alternate access to landlocked Afghanistan to regional and global markets.

India managed to transit its first tranche of 110,000 tons of wheat from India to Afghanistan through the Chabahar Port based on a Trilateral Transit and Trade Agreement signed in May

2016 between India, Iran and Afghanistan.

Iranian President Hassan Rouhani opened the first phase of Shahid Beheshti Port in the Southeastern city of Chabahar on December 3, 2017 during a ceremony attended by 60 foreign guests from 17 countries.

As Iran's only oceans port and thanks to its very sensitive geopolitical position, Chabahar plays a vital role in connecting India to Afghanistan, Central Asia and Europe.

India has committed \$500 million to building two berths at Chabahar to process trade and develop an economic zone around them, as well as \$1.6 billion for a 650-km rail link from Chabahar to Zahedan and into Afghanistan. Iran is completing the current construction at Chabahar at a cost of \$340 million.

Pakistan, Iran Agree to Enhance Bilateral Trade

ISLAMABAD (Dispatches) - Pakistan and Iran on Friday agreed to promote bilateral trade between the two brotherly Muslim countries.

According to press statement issued by the Ministry of Finance, Ambassador of Iran, Mehdi Honardoost called on the Minister of State for Finance and Economic Affairs, Rana Muhammad Afzal Khan and discussed matters related to the bilateral interest.

During the meeting, the two dignitaries agreed on enhancement of bilateral trade between the two brotherly Muslim countries.

Keen interest was evinced in the banking sector and both sides expressed their desire to enhance



cooperation in it. Both sides expressed satisfaction over the ongoing Free Trade Agreement negotiations.

Besides, commonality of viewpoints

was found on various national and international issues and it was affirmed that both sides will cooperate in all sectors.

Boeing Still Needs OFAC Nod for Jet Sales: Official

TEHRAN (Press TV) - Iran says U.S. aviation giant Boeing will have to obtain an authorization from the administration of President Donald Trump within the next month for sales of 30 planes to its Aseman Airlines.

Mohammad Gorji, the deputy for aviation affairs of Aseman Airlines, was quoted by Iran's domestic media as saying that Boeing was trying to obtain the authorization from the Office of Foreign Assets Control (OFAC) of the U.S. Treasury Department.

Gorji added that the American aviation giant was struggling to make the agreement for sales of the planes - 737 MAX jets - operational "as soon as possible".

He said Aseman Airlines had a serious plan to purchase another 30 planes of the same class after the delivery of all the jets subject to the current agreement.

The official emphasized that Boeing was to provide 95 percent of the funding required for the purchase of the jets to Aseman Airlines. The remaining 5 percent, he said, would be provided by Aseman Airlines,



itself.

The agreement to buy 737 MAX jets was signed between the two sides last August.

This came after almost a year of negotiations between Aseman Airlines and the U.S. aviation giant, according to an IRNA report published at the time the contract was signed.

Boeing is to provide 50 planes of the same type to Iran's flag-carrier airline Iran Air through a similar agreement. The overall

value of Iran Air's order that also involves 30 long-range wide-body 777 aircraft is estimated to be \$16.6 billion.

Boeing 737 MAX planes have a passenger capacity of 130 people and are specifically adequate for domestic and regional flights, IRNA added in its report.

The planes that Aseman Airlines has purchased from Boeing would increase the company's passenger transportation capacity to above 8,000 seats.

Brexit Could Cost Nearly 500,000 UK Jobs: Study

LONDON (AFP) - Brexit could cost the UK nearly 500,000 jobs in a worst-case scenario, according to a study which was commissioned by the mayor of London.

Britain could lose 482,000 jobs by 2030 if the country crashes out of the European Union, according to research by Cambridge Econometrics.

A scenario in which the UK fails to agree a transition deal and future trading relationship with the bloc would also cost Britain £46.7 billion (\$62.9 billion, 52.7 billion euros) in investment over the same period.

The report compares four possible post-Brexit scenarios to the option of maintaining the status quo -- already ruled out by the British government -- of staying in the European single market and customs union.

The most optimistic Brexit scenario outlined, of a two-year transition period leading to single market membership without the customs union would still lead to a loss of 176,000 jobs and £20.2 billion in investment.

London Mayor Sadiq Khan, who campaigned against Brexit, commissioned the study and said the findings show "the potential economic risks -- and human costs -- at stake in the negotiations" in Brussels.

In a statement the Europhile mayor accused the government of a "complete lack of preparation"



London Mayor Sadiq Khan speaks at a rally before the Brexit referendum in central London on June 22, 2016.

in assessing the impact of Brexit, urging ministers to change their negotiating position and agree to remain in the single market and customs union.

A spokeswoman for the Brexit department said the UK and Brussels believe they will "achieve an ambitious deal securing prosperity" for Britain and the bloc, having concluded the first stage of exit talks last month.

"The UK wants a deep and special partnership with the European Union, a partnership that spans a new economic relationship and a new relationship on security," the

spokeswoman said.

Cambridge Econometrics also forecast that the worst-case scenario would lead to the largest drop in immigration, allowing the government to reach its target of under 100,000 arrivals from 2020 onwards but hitting productivity.

Comparatively, maintaining the status quo would see migration falling from 232,000 in 2020 to 220,000 a decade later.

Transition arrangements, trade and security will be on the agenda of Brexit negotiations later this year before Britain leaves the bloc in March 2019.

Brent Breaks Above \$70 a Barrel to Hit Highest Since 2014

LONDON (Dispatches) - Brent crude, the international oil benchmark, have risen above \$70 a barrel for the first time since 2014, extending the market's strong start to the year.

Oil has increasingly found support as crude stockpiles have fallen and market participants have focused on geopolitical risk in producer countries. Separately, Houthi combatants have threatened to cut off Red Sea shipping lanes in response to Saudi-led coalition advances. Local news reports also said that Saudi air defense forces had intercepted a ballistic missile fired by Houthis on Najran city, in

the south west of the kingdom. Brent rose as high as \$70.05 a barrel on Thursday, its highest since December 2014. It pared its gains in late afternoon trading, up 53 cents to \$69.72 a barrel.

"There is a really strong bullish sentiment in the market and it is feeding off itself, taking Brent to \$70 a barrel," said Alexander Poegl at consultancy JBC Energy.

"Question is how long this upside rally can continue." West Texas Intermediate, the U.S. marker, gained further ground adding 98 cents to \$64.56 a barrel -- also its highest in more than three years.

Weak Dollar Drives Gold Prices Higher

NEW YORK (KITCO) - Gold is traded moderately higher on Friday, with the most active futures contract currently trading up \$3.70 at \$1323 per ounce. Friday's gains have taken gold to its highest value so far in 2018. Gold prices reached the former 2018 apex when it closed at \$1322 per ounce.

Although gold prices surged to an intraday high of \$1327 on Thursday of last week, on a closing basis gains are not only a new record high close for the year but also a four-month high for the

precious yellow metal.

This rally, which began in mid-December with gold trading at \$1238, has been driven by multiple factors, but it has been the tailwinds provided by a weakening U.S. dollar that has had the most enormous impact. Since gold is paired for price in U.S. dollars, there is an exact inverse relationship between gold and the U.S. dollar. Therefore, a weak or strong U.S. dollar will always move gold prices with an exact negative correlation.

