

# EU Targets Iran's Steel Exports With Hefty Duties

TEHRAN (Dispatches) - The European Union is targeting Iran's hot-rolled steel, planning to hit imports from the country with punitive trade tariffs.

According to a document cited in the European media, the European Commission is proposing duties of up to 23 percent for steel from Iran's Mobarakeh Steel Co.

European steel lobby group Eurofer is at the center of the campaign and has forced Europe's trade policy oversight European Commission to intervene and check imports.

Brazil, Russia and Ukraine are the other countries which the Commission plans to target with duties of up to 33 percent.

There was no immediate reaction to the plan from the countries being targeted. In June, China reacted furiously after the European Union set duties of up to 35.9 percent on Chinese hot-rolled steel.

Eurofer has said Iranian exports to Europe had leapt to more than 1 million tons annually, accusing Mobarakeh of "trade distorting measures."

Europe's tough stance, including its more than 40 restrictive measures aimed at aiding European steel producers, has sparked accusations of protectionism from international steel exporters.

The bloc's steel producers have been pressuring the continent's leaders to copy America's draconian regulations, including levies of more than 500 percent on steel imports in some cases.

Steelmakers across Europe are faced with mass redundancies because of their high energy costs. Their leaders say the 320,000 jobs in the European steel industry are at risk from imports.

Steel is the second biggest industry in the world after oil and gas. The commodity was Iran's largest export item after oil, gas and petrochemicals last year, partly because of the slump in domestic construction.

The country has been boosting steel production, targeting an out-



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put plateau of 55 million tons per year by 2015.

Iran enjoys an advantage because production costs at the majority of its steelworks are internationally competitive because of low energy prices in the country.

It exported 4 million tons of steel last year, according to director of the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) Mehdi Karbasian.

Currently, the nation produces 16 million tons, which is one percent of the world total. A statement on IMIDRO's website says exports are expected to hit 20-25 million tons by 2025.

Steel is a strategic commodity for the country of 80 million, which has the Middle East's biggest car-maker. It is also key to the country's massive oil and gas industry, transportation network, water supply, urban centers and mammoth construction sector.

Last month, Austria said it had allocated a credit line of 1 billion euros for a major steel production project in southern Iran.

**Iran Ranks 14th in World Steel Production: WSA**

Meanwhile, a new report released by the World Steel Association (WSA) shows that Iran has ranked 14th in the world in crude steel production in the first six months

of 2017.

According to the report, Iran produced 9.947 million tons of crude steel in the first half of 2017 which shows 13.7 percent growth in compare to the same period in 2016 which was over 8.75.

The report added that the overall global production of crude steel totaled 836 million tons in the first six months of 2017 which shows 4.5 percent growth in compare to the same period of time in 2016.

According to the WSA report, Iran has graded 14th among major steel producers of the world and its production has been more than many major steel producers including Belgium, France, Spain, Britain and Canada.

The WSA report also said China, which is the largest consumer and producer of steel in the world, produced 419 million tons of steel in this period.

Japan and India rank second and third in steel production by producing 52 and 49 tons of steel, respectively.

The World Steel Association represents approximately 170 steel producers (including 9 of the world's 10 largest steel companies), national and regional steel industry associations, and steel research institutes. Its members represent around 85% of world steel production.

an annual 33 percent in June to 4.9 billion pounds, the highest for any month of June since 2011, reflecting a sharp rise in inflation which has pushed up the cost of index-linked bonds for the government.

The deficit was also widened by higher payments to the European Union budget and bigger purchases of goods and services by the government.

Britain has been struggling to fix its public finances since the budget deficit surged to around 10 percent of gross domestic product in 2010 after the global financial crisis.

Since then it has been cut steadily to 2.4 percent of GDP in the 2016/17 financial year which ended in March, its smallest since before the financial crisis. But the deficit is expected to widen again to 2.9 percent GDP this year when Hammond will have fewer one-off factors to help him than last year.

He is sticking to his plan to balance the budget by the middle of the next decade although he has some room for maneuver, allowing him to spend more if needed to support the economy as the country leaves the European Union.

4.8 billion pounds in a Reuters poll of economists.

In the first three months of the financial year, the budget deficit widened by 8.9 percent compared with the same period in 2016 to 22.8 billion pounds, the ONS said. Hammond has come under pressure from within the ruling Conservative Party as well as from the opposition Labor Party to loosen his grip on public spending, chiefly by relaxing a cap on pay for public workers.

Spending on debt interest jumped

## Iran, Azerbaijan to Transport Goods Via North-South Corridor Soon: Report

TEHRAN (Tasnim) - Iran and Azerbaijan are expected to start transporting goods and cargos through the International North-South Transport Corridor (NSTC), a multi-model route to link India and the Middle East to the Caucasus, Central Asia and Europe, a report said.

The two countries' railways will be connected within the same North-South Corridor through Qazvin-Rasht-Astara route, to increase their imports and exports as well as trade turnover, the report carried by Azerbaijan's Trend news agency said.

The construction of Rasht-Astara railway is expected to be launched this year, it added.

Mohammad Ebrahimi, an economic consultant at Iranian Embassy in Baku, told media that the goal of cooperation between the two neighboring countries will be fulfilled in the near future as the construction of Qazvin-Rasht railway segment, which is an essential part of a worthwhile project to connect the two countries' railroads, is almost complete and it will come on stream soon.

The report added that Tehran and Baku have also agreed to

finance the construction of the Astara (Iran) - Astara (Azerbaijan) railway line as part of the North-South corridor, which is forecasted to be inaugurated in the near future.

Azerbaijan earlier agreed to provide 60 million euros for developing railway facilities in the Iranian city of Astara.

The NSTC concept was formalized by India, Iran and Russia in 2000 but it has not taken off in a big way yet. Western trade sanctions on Russia and Iran in recent years have provided a new impetus to put steam on the project.

## Indonesian Bank Opens Credit for Iranian Businessmen

TEHRAN (Dispatches) - Indonesian Ambassador to Iran Ocatvino Alimudin has underlined the cooperation of an Indonesian bank with 10 Iranian banks and opening Letters of Credit (LCs) up to 200 million dollars for businessmen of both countries.

In a meeting with head of tehran chamber of commerce, industry, mine and agriculture, Masoud Khounsari, Alimudin said: "Indonesian government intends to regulate financial exchanges between the two countries in Rials and Rupees."

He added that currently trade exchanges between Iran and Indonesia are around \$340 million, but it will be five folded until the end of this year.

Following implementation of the Joint Comprehensive Plan of Action (JCPOA) Indonesia increased its amount of oil and gas purchase from Iran and added that many Indonesian companies are interested in investment in Iran.

He also pointed to Indonesian companies' interest to invest in oil and gas in Iran and added that Indonesia is ready to invest up to \$7 billion in Mansouri Oil Field south of Iran.

Khounsari expressed Tehran chamber's readiness for cooperation and interaction with Indonesian embassy in Tehran for development of economic relations.

He said the two countries have high economic and industrial ca-

capacity for cooperation and added that the private sectors of Iran and Indonesia could be frontiers in development of economic ties.

Foreign Investment Services Center affiliated to Tehran's Chamber is ready to create ties between foreign investors and domestic corporations and to that end cooperation between the Chamber and Indonesian embassy in Tehran could be very helpful for Indonesian investors.

According to Iran's Customs Office figures for first 10 months of last year (March to December 2016) Iran's export to Indonesia was worth \$126,435,044 and imports from Indonesia stood at \$149,494,834 million in value.

## Dollar Slide Sets Gold Up for Biggest Weekly Rise in Two Months



LONDON (Reuters) - Gold was set for its biggest weekly gain in two months on Friday as a surging euro pushed the dollar to its weakest since June 2016, making bullion cheaper for holders of other currencies.

Bond yields also fell after Mario Draghi said the European Central Bank was in no rush to scale back its asset purchase program.

Lower yields help gold prices by reducing the opportunity cost of holding non-yielding bullion.

Spot gold was up 0.6 percent at \$1,251.61 an ounce at 1329 GMT, after earlier touching \$1,252.07, the highest since June 29. It was on

track for a weekly gain of 1.8 percent.

U.S. gold futures for August delivery were 0.4 percent higher at \$1,250.90 an ounce.

While gold was benefiting from the dollar's weakness against the euro and the move in yields, its gains would be limited by expected interest rate rises by the U.S. Federal Reserve and it would remain in a \$1,200-\$1,250 range, ABN AMRO analyst Georgette Boele said.

Gold is highly sensitive to rising interest rates because they cause bond yields to rise and tend to boost the dollar.

## Tehran, Minsk Trade Exchanges Hit Record High: Official

MOSCOW (Dispatches) Chairman of the House of Representatives of the National Assembly of Belarus Vladimir Andreichenko has said that the value of trade exchanges between Belarus and Iran shows a significant rise compared to a year earlier.

The value of trade exchanges between the two countries stood at \$50 million over just four months of the current year, Andreichenko said during a meeting with Iran's Ambassador to Minsk Mostafa Oveis.

This is equal to trade exchanges between the two nations in total in 2016, he added, describing the level of trade ties between Belarus and Iran as unprecedented.

During their meeting, the two officials also discussed various political, economic and commercial issues and explored possible ways for parliaments in the two countries to broaden ties.

## Inflation Hits UK Public Finances in June



LONDON (Reuters) - Britain's budget deficit came in wider than expected in June as higher inflation since the Brexit vote forced the government to pay more interest on its debt, driving home the challenge facing Chancellor Philip Hammond.

The deficit in June stood at 6.854 billion pounds, up 43 percent compared with the same month last year, the Office for National Statistics said on Friday, citing figures that exclude state-controlled banks.

The shortfall for June was much bigger than a median forecast of