Iran's Non-Oil Exports Hit $47bn

TEHRAN (Dispatches) - **Head of the Trade Promotion Organization of Iran Mojtaba Khosrotaj has said that the country's non-oil exports have significantly increased in the last Iranian year (ended March 20, 2018).**

"The value of Iran's non-oil exports has reached $47 billion during last year which shows a growth of 6.5 percent as compared to the year before," Khosrotaj said.

"By considering only the export of mineral and industrial commodities except gas condensates and petroleum, the sector has increased 22 percent during the said period," he added.

Iran's major export products during the period included gas condensates valued at $6.33 billion, liquefied natural gas valued at $2.509 billion, liquefied propane valued at $1.338 billion, methanol valued at $1.077 billion and light oils and byproducts except gasoline valued at $1.067 billion.

Azeri Envoy: Iran Most Cost-Effective Route for Transit of Goods

TEHRAN (Dispatches) - **Azeri ambassador to Tehran Bonyad Hosseinov has described Iran as the most efficient and cost-effective route for transit of goods from his country to other regional states.**

"Iran's transit route in comparison to other routes is much economic and is 40 percent cheaper in terms of costs and 60 percent shorter in terms of time," the Azeri envoy said.

The Azeri diplomat said that the commodities are shipped from Mumbai in India to Iran's Bandar Abbas on the southern coast of Persian Gulf and then transited to Azerbaijan's Astara and then Russia," Hosseinov said while elaborating on the low cost of Iran's transit routes.

He said that if the two countries' railways are connected, commodities loaded on trains in Bandar Abbas can be easily transferred to Europe and Russia.

Hosseinov also referred to electricity swap contract between Iran and Azerbaijan, and said that Iran as a large country can help his country to export its electricity to other countries.

Azeri ambassador to Tehran Bonyad Hosseinov

He said Tehran-Baku cooperation is not limited to their bilateral ties, and there have been trilateral and multilateral agreements between the two neighboring countries with other partners in the region, including Georgia, Russia and Turkey.

And also, Iranian Foreign Minister Mohammad Javad Zarif has expressed the readiness of his country to export medical services to Azerbaijan's autonomous republic of Nakhchivan.

"Proper grounds exist for expansion of cooperation in the fields of industrial livestock production, medical treatment, and creation of pharmaceutical enterprises as well as dispatching physicians, tourism, transportation, and joint production," the visiting foreign minister told Chairman of the Supreme Assembly of the Nakhchivan Autonomous Republic Vasif Talibov.

Speaking about existing cooperation between Iran and Nakhkchivan, he said the sides have already launched joint projects in power generation and dam construction.

Zarif arrived in the Nakhchivan Autonomous Republic as part of his two-day visit to Azerbaijan on Thursday.

Zarif attended the Mid-Term Ministerial Conference of the Non-Aligned Movement (NAM), titled "Promoting International Peace and Security for Sustainable Development" in Baku.

Stocks Fall as Trade War Fears Escalate

Traders work on the floor of the New York Stock Exchange on March 29, 2018.

NEW YORK (Dispatches) - **U.S. stock indexes opened lower on Friday as renewed fears of a trade conflict between the United States and China outweighed a lower-than-expected March jobs data that eased concerns over aggressive interest rate hikes.**

Trump said on Thursday he had ordered U.S. trade officials to consider tariffs on an extra $100 billion of imports from China, escalating tensions with Beijing.

The Dow Jones Industrial Average fell 234.05 points, or 0.96 percent, to 24,271.17. The S&P 500 lost 22.96 points, or 0.862237 percent, to 2,639.88. The Nasdaq Composite dropped 78.46 points, or 1.11 percent, to 6,998.10.

Oil Inches Down

Meanwhile, oil prices fell on Friday after Trump's threat of new tariffs on China reignited fears of a trade war between the world's two biggest economies.

"There is a risk for oil prices that China uses the bazooka option as it has on U.S. crude oil exports. China is the main importer (after Canada) of U.S. crude oil, to the tune of about 400,000 barrels per day," Petromatrix said.

"If China was to impose counter tariffs on U.S. crude, it would become quickly very heavy for the U.S. supply and demand picture, resulting in U.S. crude oil price pressure that would have a negative impact on global oil prices."

Brent crude for June delivery briefly traded flat at 1322 GMT at $68.33 per barrel after falling as much as 66 cents earlier.

U.S. West Texas Intermediate crude for May delivery erased some of its previous losses, but was still down 15 cents at $63.39 a barrel.

Indian State Firms Plan to Nearly Double Iranian Oil Imports

NEW DELHI (Dispatches) - **Indian state refiners plan to almost double oil imports from Iran in 2018/19, drawn by incentives offered by Tehran potentially helping Iran increase its share in the world's third-biggest oil importer.**

Iran is pushing to retain its oil customers in Asia, offering better terms than other Middle Eastern suppliers including Saudi Arabia.

Tehran recently deepened freight discount to firms in India, its second-biggest oil client after China, in return for higher volumes.

In the current fiscal year to March 2019, state refiners Indian Oil Corp, Mangalore Refinery and Petrochemicals Ltd, Bharat Petroleum and Hindustan Petroleum plan to import 396,000 barrels per day (bpd) Iranian oil, according to two sources familiar with the plans who spoke on condition of anonymity.

Four other sources had knowledge of the import plans of some of the refiners.

Indian Oil Corp, Mangalore Refinery and Petrochemicals, Bharat Petroleum and Hindustan Petroleum declined to comment.

All four refiners imported about 205,600 bpd Iranian oil in the previous fiscal year.

Iran, which used to be the second-biggest oil supplier to India before sanctions, has been gradually growing back its market share in New Delhi since the lifting of sanctions against the conutry in 2016, becoming the No. 3 supplier to India in 2016/17 after Saudi Arabia and Iraq, government data shows.

Official government data for 2017/18 is not yet available but information from sources showed Iran remained the third-biggest oil exporter to India during April 2017-February 2018, while Iraq replaced Saudi Arabia as top supplier.

Indian oil minister Dharmendra Pradhan in February, after a meeting with his Iranian counterpart Bijan Zanganeh in New Delhi, said state-refiners will boost purchases in the current fiscal year as Iran sweetened terms.

Zangeneh had said Indian refiners - state-owned and private - will buy about 500,000 bpd of Iranian oil in 2018/19.

India's overall purchase from Iran could cross 600,000 bpd, one of the sources said. "Terms offered by Iranians are better compared to other producers... Iranian crude suits us," one of the sources said.

Indian refiners usually secure higher volumes than those agreed under term deals, spurred by strong domestic fuel demand.

Also, several private refiners which previously sourced oil from Venezuela have turned to Iran to make up for low supplies from the ailing Latin American nation.

ME Emerges as Possible Energy Winner in U.S.-China Spat

NEW YORK (Bloomberg) - The Middle East is emerging as a potential beneficiary of the brewing trade war between the U.S. and China as the Asian nation strikes back with retaliatory tariffs on American petrochemical products.

If China goes ahead with its proposal to slap a 25 percent tariff on polyethylene and liquid propane, which were among 106 American goods targeted, buyers in the Asian nation may look elsewhere for alternatives to pricier U.S. supplies. And the energy-rich Middle East with plenty of petrochemical supplies looks well-suited to meet the substitution requirements.

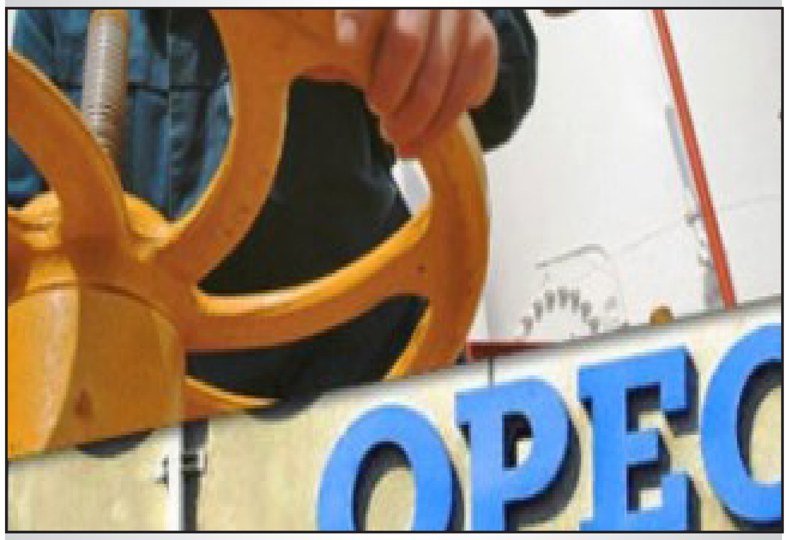
The region is already China's biggest source for polyethylene -- one of the most commonly used plastics in the world -- and can further boost exports to the country along with another major seller South Korea, according to Goldman Sachs Group Inc. China may need to replace 2.3 million metric tons of PE next year if the tariffs are implemented, the bank said.

China imports 12.7 million tons of the product a year, of which the U.S. currently accounts for only 600,000 tons, Goldman estimates. But purchases from the U.S. have the potential to grow more than threefold over the next two years if the tariffs aren't implemented, it said.

As for propane, China is the third-biggest export market for the U.S. and has boosted purchases from there in recent years. Although the tariffs won't hurt America as much as intended, the most likely alternative option is the Middle East as more supplies come on stream there, according to industry consultant Energy Aspects Ltd.

In particular, Iran stands out as a likely beneficiary as the Persian Gulf nation can sell the gas at a discount to regional contract prices, said FGE consultant Ong Han Wee. "Iran is an attractive alternative," he said. "Chinese companies will have to diversify their supply sources more toward Iran."

Qatar Says Too Early to Exit OPEC Oil Cuts



DOHA (Dispatches) – **OPEC and its allies should maintain oil supply curbs to guarantee healthy price levels which will allow increased investment in the industry and help avoid a big supply and price shock in the long run, OPEC member Qatar said.**

Qatar's Energy Minister Mohammed al-Sada told media he also supported the idea of creating a permanent platform for OPEC's cooperation with Russia even after the current round of joint oil supply cuts ends.

"There is a clear recovery in oil prices. But it has not been met with an increase in investments ... Investment has been very low. My concern is that medium- to long-term demand is met comfortably," Sada said in an interview. "Investors are still cautious and over-conservative".

Sada said that global oil demand was set to rise by at least 1.5 million barrels per day a year or by a healthy 1.5 percent.

But the global oil investment purse of around $400 billion was still too small to guarantee the required level of investment to replace production from mature fields and the launch of new projects.

"I would see the need to keep the (OPEC cooperation) momentum ... We need to restore investments. It could take months ... OPEC could start being concerned about gross over-tightening."

OPEC and its allies led by Russia have reduced production since the start of 2017 to ease a global oil glut stemming from the U.S. shale oil boom that saw oil prices crashing to below $30 per barrel and investment in the oil sector falling by over $1 trillion in the past three years.

OPEC's production restraints have helped cut global oil stocks in industrialized nations from as high as 350 million barrels to as low as 50 million barrels, Sada said.

The tightening of the market propelled oil prices above $70 per barrel this year but also encouraged U.S. shale oil drillers to increase investments and return to record production growth.

"Even with shale, the market is heading for balance," said Sada.

He said record U.S. shale output was almost fully absorbed by demand increases but elsewhere investments were not growing.

Some 6.5 million bpd of U.S. shale production have become an integral part of the global supply portfolio and demand could absorb even more as production was falling in places like Venezuela, Mexico, Colombia and China, said Sada.

Russia has been hinting that OPEC should start considering exiting the cuts sooner rather than later to avoid giving too much of a boost to U.S shale oil output.

Sada said he supported the idea of longer term OPEC and non-OPEC cooperation, "The platform should stay. It is in the interest of everybody. The agreement on supply curbs is another thing".