Iran to Launch New Steel Mill

TEHRAN (Dispatches) - A new steel ingot production unit will open in the city of Sirjan, Iran's province of Kerman, in early February, an Iranian lawmaker has said.

Addressing a business forum in Kerman, Shahbaz Hassanpour, an Iranian Member of Parliament (MP) said the new unit will be inaugurated by First Vice-President Es'haq Jahangiri during the 10-day of Dawn (on February 1-11) marking the anniversary of the 1979 Islamic Revolution.

Kerman province owns one of the world's biggest iron ore reserves.

According to Hassanpour, the mineral-rich province produces over 50 million tons of iron ore, 17 million tons of pellet, and 10 million tons of steel per annum.

Earlier on January 7, it was announced that Iran has produced up to 16,640,000 tons of steel in the first 8 months of the current local calendar year (started on March 21, 2018), which shows an 18% increase in comparison with the corresponding period in last year.

Ireland, Iran to Boost Cooperation on Technology, Agriculture

TEHRAN (Dispatches) - Iran's Ambassador to Dublin Masoud Eslami, in a meeting with Irish Parliament speaker Sean O'Farrel, stressed Tehran is ready to expand all-out relations with Dublin, specially on areas of technology and agriculture.

O'Farrel said, "Bilateral relations should improve further and we will support deepening ties with the country in all fields in Irish parliament."

The Irish top parliamentarian reiterated that his country supports expansion of cooperation with Iran in different fields.

"There are numerous opportunities to be seized in line with promoting commercial relations between the two countries," he said.

Iran's envoy, for his part, appreciated Irish parliament's support, saying that the two countries' parliamentary ties are growing.

However, great measures can be carried out in line with further development of political, economic, trade and cultural cooperation, he said.

Grounds are ready for investment and economic undertakings in Iran, especially in free zones, he said, voicing Iran's readiness for cooperation in different fields such as technology and agriculture.

U.S. Unlikely to Drive Iran Oil Export to Zero: Report

SINGAPORE (Reuters) - The United States is likely to extend waivers from sanctions on Iranian oil imports in May but will reduce the number of countries receiving them to placate top buyers China and India and to decrease the chance of higher oil prices, analysts said.

Washington surprised oil markets after granting waivers to eight Iranian oil buyers when the sanctions on oil imports started in November. Benchmark Brent crude futures fell 22 percent that month and the waivers influenced the Organization of the Petroleum Exporting Countries' (OPEC) decision to agree in December to supply cuts starting in 2019.

Reducing the number of waivers will limit oil exports from Iran, the fourth-largest producer in OPEC, but the United States is unlikely to meet its earlier target of driving Iranian oil exports to zero.

China, India, Japan, South Korea and Turkey are likely to be given waivers after they expire in May that could cap Iran's crude oil exports at about 1.1 million barrels per day, U.S.-based analysts at Eurasia Group said on Thursday. That would remove Italy, Greece and Taiwan from the current waivers list.

U.S. Refiners Scramble as White House Eyes Venezuela Sanctions

WASHINGTON (Reuters) - U.S. refiners are bidding up prices for scarce types of crude oil needed for their most sophisticated plants as the United States reconsiders harsher sanctions on Venezuela that could further reduce imports of the country's oil.

Trump administration officials in recent days met with U.S. oil company executives to lay out potential actions in response to the Jan. 10 inauguration of Venezuelan President Nicolas Maduro.

The proposals that would most affect the energy industry involve banning U.S. exports of refined products or limiting oil imports - a move that, until now, the White House has not taken even after sanctioning individuals and barring access to U.S. banks.

"It's more serious than I've heard before," said a refining industry executive familiar with the White House discussions. "They are setting the table to pull the trigger if they have to."

U.S. refiners have few supply alternatives if the Trump administration were to cut off crude imports from that country. Supplies of the heavy oils preferred by Gulf Coast refiners have been harder to secure in recent months because of cutbacks and production curbs in Western Canada, Mexico and Venezuela.

One type of U.S. heavy oil, called Mars, traded at a $6.80 per barrel premium to U.S. crude futures on Thursday, the strongest in nearly five years and up from a $4.50 per barrel premium on Tuesday, a U.S. oil broker said.

U.S. oil companies that depend on Venezuelan oil have opposed past proposals that would halt imports and did so again this week, said several people close to the talks. Two big refiners, Phillips 66 (PSX.N) and PBF Energy (PBF.N), cut their dependence on the South American country last year, according to U.S. Energy Information Administration data.

Latin American advisors have warned the administration that oil sanctions could backfire by making the United States appear too involved in the Venezuelan political crisis, said a person familiar with talks among the White House, the National Security Council and oil firms.

Central Bank of Russia Shifts Reserves Away From Dollar

MOSCOW (The Economist) - Central Banks weigh a host of factors—such as stability, liquidity and returns—when managing their foreign reserves. Most opt to hold dollars: according to the IMF, the dollar accounts for 62% of global foreign-exchange reserves. The Central Bank of Russia (CBR), though, must also consider geopolitics.

On January 9th it revealed that it had dumped $101bn in dollar reserves last spring, shifting instead to euro and yuan holdings. The dollar had accounted for nearly half of its $430bn of reserves at the end of 2017 (see chart). Six months later only 22% of reserves were held in dollars, at least half of which were held outside America. Strikingly, yuan holdings jumped to nearly 15%, a share ten times the average for global central banks, and a reflection of China's growing importance for Russia's economy.

The shift took place against a flurry of sanctions-related news. In April 2018 President Trump's administration had slapped restrictions on Russia, including Oleg Deripaska and Viktor Vekselberg, as well as their publicly-traded companies, such as Deripaska's aluminium firm, Rusal. The move roiled markets and sent the rouble tumbling. American lawmakers were threatening tougher measures, including bans on trading new sovereign debt that would limit Russia's ability to tap bond markets.

Although freezing central-bank assets would have marked a radical escalation—beyond even the toughest measures discussed in Washington—the CBR opted for what Oleg Kouzmin of Renaissance Capital, an investment bank, calls "ultra-cautious portfolio management". American officials, fearing the impact of sanctions on industry, are considering lifting them on Deripaska's companies provided he gives up control. But this week Congress sought to block the step.

The central bank's decision is the most dramatic manifestation of Russia's broader desire to hedge against further sanctions. Vladimir Putin, Russia's president, has endorsed a plan to "de-dollarize" the Russian economy. The government wants to encourage Russian companies to transact in other currencies. Andrei Kostin, the head of VTB, a state bank under American sanctions, has pushed for Russian firms to de-list from foreign stock exchanges and re-list at home. Some companies are testing dollar-free waters: in August Alrosa, a diamond giant, announced it would accept payment from Chinese and Indian customers in roubles. In November Russia's finance ministry issued a €1bn euro-denominated bond, its first since 2013.

Yet the plan to de-dollarize ultimately comes up against market and economic realities. Dmitry Dolgin of ING, a bank, reckons that the central bank will need at least $65bn in dollar reserves to cover the finance ministry's foreign-exchange liabilities. Moreover, the Russian economy remains heavily dependent on commodities, which are typically traded in dollars: nearly 70% of its exports are processed in the currency. Although the share of rouble- and yuan-denominated transactions has been growing, the finance ministry reckons three-quarters of bilateral trade with China still rides the greenback. Ending the dollar's dominance is not so easy.

5th Iran-Austria Energy Working Group Meeting Held in Vienna

TEHRAN (Dispatches) - Iran's Foreign Ministry spokesman Bahram Qassemi said on Friday that representatives from Iranian and Austrian energy companies reached news agreements in a 4-day meeting in Vienna where they held the 5th joint workgroup of the two countries.

Iran and Austria held the fifth round of their joint workgroup session in Vienna between January 14 and 17, according to Iran's Foreign Ministry spokesman Bahram Qassemi.

Qassemi said that members of relevant Iranian and Austrian institutions and ministries along with the representatives of prominent companies from the two countries active in the energy sector took part in the four-day event.

According to Iranian diplomat, the two sides discussed a wide area of topics on boosting mutual cooperation in the energy sector, with a special focus on the latest technologies for harnessing renewables and reaching optimal energy consumption.

India Pharmacy to Boost Exports to Iran

NEW DELHI (Dispatches) - The Indian pharmacy industry now has an opportunity to increase exports to Iran, following a rupee payment mechanism agreed upon recently by India and the Persian Gulf nation.

Under the agreement, Indian refiners make payments in rupee for oil imports from Iran, to designated accounts maintained with UCO Bank. A portion thus received is to be used by Iran to pay for imports from India, including pharmaceuticals.

"Indian pharmacy exports to Iran were at $124.05 million last fiscal. Iran has a well-established pharmacy industry that meets 80% of the country's requirement. The remaining 20% is met predominantly through imports from Europe," said Ravi Uday Bhaskar, director general, pharmaceuticals export promotion council of India (Pharmexcil).

With a cloud of uncertainty hovering over continued pharmaceutical supplies from Europe in the wake of the U.S. sanctions against Iran, the Indian pharmacy industry could explore opportunities to step up exports, he emphasized.