

Iran: OPEC Should Stick to Existing Oil Deal



VIENNA (Dispatches) - Iran's OPEC governor Hossein Kazempour Ardebili said on Wednesday his country's opposition to increasing OPEC supplies and stressed should the cartel should maintain its existing deal to cut oil supply until the end of 2018.

The Organization of the Petroleum Exporting Countries meets on Friday to set output policy amid calls from U.S. President Donald Trump to cool oil prices by producing more crude.

"We have a valid deal," Kazempour Ardebili said,

responding to a question whether the agreement would be adjusted on Friday. OPEC's supply-cutting pact runs until the end of 2018.

Iranian Oil Minister Bijan Zanganeh, arriving in Vienna on Tuesday, slammed the U.S. pressure to pump more oil, saying OPEC was not an organization to be instructed by Trump.

Iran said on Tuesday OPEC was unlikely to reach a deal on oil output this week, setting the stage for a clash with Saudi Arabia and Russia, which are pushing to raise production steeply from July to meet growing global demand.

The Organization of the Petroleum Exporting Countries meets on Friday to set output policy amid calls from U.S. President Donald Trump and China to cool down oil prices and support the global

economy by producing more crude.

"I don't believe at this meeting we can reach agreement. OPEC is not the organization to receive instruction from President Trump ... OPEC is not part of the Department of Energy of the United States," Bijan Zanganeh told reporters after arriving in Vienna, where OPEC is headquartered.

Zanganeh said he would leave Vienna on Friday before OPEC holds talks with non-OPEC producers the next day and added a recent rise in oil prices was mainly the fault of Washington, which imposed new sanctions on OPEC members Iran and Venezuela.

In addition to Iran, OPEC members Iraq, Venezuela and Algeria said they opposed a production increase despite supply outages in countries such as Libya and Venezuela.

Swiss Rail Company Matisa Defies U.S. With Iran Deal



A Matisa plain line ballast tamping machine. Iran's RAI railway company has signed an MoU with Matisa for overhaul and retrofitting of railway maintenance machines.

TEHRAN (Press TV) - Iran's state rail company has signed a memorandum of understanding with Switzerland's rail tracks maintenance machines manufacturer Matisa for obsolescence management, Iran's media news agency reported on Wednesday.

Under the MoU, Matisa will cooperate on overhaul and retrofitting of ballast cleaners, tampers and regulators as well as sourcing of 21 track machines with Iran's RAI railway company, the report said.

RAI deputy head Maziar Yazdani said the initial value of the deal is 20 million euros, which will rise to 80 million euros later.

The agreement comes less than a

month after the Swiss firm Stadler Rail said it was ditching a \$1.4 billion railway deal in Iran because of U.S. President Donald Trump's decision to reimpose sanctions on the Islamic Republic.

"Switzerland has been a neutral country for hundreds of years, and has always maintained its neutrality on political issues," Matisa CEO Franz Messerli said during the signing of the agreement in Tehran, according to IRNA news agency.

"And at this stage, it will continue to operate in Iran regardless of US sanctions," said Messerli whose company is the only supplier of existing railway machines in Iran along with Austria's Plasser & Theurer.

Stadler Rail had signed a letter of intent in Tehran at the end of February to deliver 960 subway cars. Its sales chief Peter Jenelten has said he was disappointed that the company had to terminate the agreement.

"The Swiss railway companies have invested heavily in the Iranian market. It is frustrating that all these efforts have now been for nothing," he told Swiss German-language daily newspaper Blick.

Iran's rail sector has become a magnet for rail engineering and rolling stock firms from all over the world, but European companies are most likely to lose out to their Russian and Chinese counterparts.

According to Jenelten, "the craziest thing about the story" it that US sanctions should benefit Russia and China in the first place.

"The Iranians cannot wait forever. That's why the Chinese are likely to take the subway order away from us."

Iran plans to become a transport hub in the heart of Eurasia where regional countries have drawn up their own development strategies.

Iranian officials have announced plans to invest \$25 billion over the next 10 years in the modernization and expansion of the country's railway network.

Under the plan, Iran seeks to stretch out the nationwide railroad line to 25,000 kilometers by 2025 from under 15,000 kilometers now.

Spain's Repsol Hires Tanker for Iran's Pars Oil

NEW DELHI (Dispatches) - Spain's Repsol has hired Malta-flagged suezmax Mabrouk to ship the first export parcel of Pars oil produced from west Karoun fields in southwest Iran, sources and shipping data in Thomson Reuters Eikon showed.

Iran's moved to export Pars crude comes as oil shipments from the Persian Gulf nation are expected to be hit by renewed U.S. sanctions, after Washington withdrew from an international nuclear deal with Tehran.

Mabrouk was berthed at Ras Bahregan oil terminal to load Pars crude, Eikon data showed.

The tanker reached Tehran's Kharg port on Wednesday for loading, the latest port data available with Reuters showed.

Mabrouk was expected to reach Algeciras port in Spain at the end of June or early July, a source familiar with the plans said.

The vessel would load 500,000 barrels of Pars oil from the Ras Bahregan terminal and a similar quantity of Iran heavy oil from the Kharg port, the source said.

A German 'Iran Bank' Could Save Nuclear Deal

BERLIN (handelsblatt.com) - Creating a private German Iran Bank would keep investment flowing into Iran, so that Tehran sticks to its side of the nuclear deal. The bank could even be named Deutsche.

Since U.S. President Donald Trump pulled out of the nuclear agreement with Iran, formally known as the JCPOA, the EU has been looking for ideas to prevent the worst: the exit of Iran from its obligations under the deal, including a nuclear "breakout." The best way to prevent that is to keep private investment flowing from Europe to Iran. To finance such business, I am proposing a novel idea: Germany should start a bank, or convert an existing German bank, into an "Iran bank."

The European Commission could force European businesses to ignore U.S. secondary sanctions under the Blocking Statute of 1996, which it updated on June 6th. The statute has never been used and if the EU enforces it, now it risks being sued for damages by affected European businesses.

Another option for maintaining economic ties with Iran is to finance important Iranian infrastructure projects through the European Investment Bank. But Tehran has already made it clear that it will not be content with the "crumbs" of publicly financed projects.

The best option is to encourage major private-sector investment in Iran. This would, admittedly, be the most unusual path for the German government. Berlin could promote the establishment or conversion of a private bank designed to supply capital to corporations that remain interested in doing business with Iran.

This institution should have experience in corporate finance. It should also be independent of the U.S. financial sector and have no investment arm of its own in the America. One potential candidate would be the troubled Deutsche Bank, which has already largely wound down its investment banking activities in the United States.

If the German government were forced to use tax revenues to rescue Deutsche, which is Germany's largest bank, it would gain a say in running it. For Deutsche Bank this would be an opportunity to expand back into a market it had been forced to abandon due to earlier U.S. sanctions.

A German Iran bank and the investment it enables would also keep the oil and gas flowing from Iran. At a time when Europe is trying to diversify its energy imports, that is a strategic advantage. The EU might be able to keep Iranian oil and gas out of the control of either Russia or China.

The bank I propose would also send a strong message within the EU that its member states are serious about becoming "a Europe that protects," as French President Emmanuel Macron and Commission President Jean-Claude Juncker have promised. To fulfill this vision, the EU must be willing to tread unconventional paths to protect its businesses, and ultimately its citizens.

Envoy Calls For Further Cooperation Between Iranian, Iraqi Private Sectors

BAGHDAD (Dispatches) - Iran's ambassador to Iraq Iraj Masjedi on Wednesday highlighted the importance of strengthening relations between private sectors of the two countries.

"Private sectors play a significant role in developing the two countries' relations," Masjedi said in a meeting held in Baghdad where a number of senior Iraqi economic officials including Chairman of the National Investment Commission Sami Al Araji and President of the Federation of Iraqi Chambers of Commerce Jaafar al-Hamdani attended.

"Efforts to achieve consensus among businesspersons and following up independent and principled policies will help improve marketing," the Iranian envoy said.

The ambassador went on to say that the two countries' chambers of commerce can play a leading role in bilateral trade development.

Iraq's al-Hamdani, too, stressed the need to foster cooperation with Iran, calling for direct presence of the Iranian companies in Iraq and the close cooperation between the Iranian businesspersons and their Iraqi counterparts.

EU Tariffs on U.S. Imports to Begin on Friday



BRUSSELS (Dispatches) - The European Union will begin charging import duties of 25 percent on a range of U.S. products on Friday, in response to U.S. tariffs imposed on EU steel and aluminum early this month, the European Commission said on Wednesday.

The move confirms a tit-for-tat dispute that could escalate into a full trade war, particularly if U.S.

President Donald Trump carries out his threat to penalize European cars.

The Commission formally adopted a law putting in place the duties on 2.8 billion euros (\$3.2 billion) worth of U.S. goods, including steel and aluminum products, farm produce such as sweetcorn and peanuts, bourbon, jeans and motor-bikes.

Russia to Make \$50bn Investment in Iran's Oil Industry



NEW DELHI (Business Recorder) - Russian officials have officially expressed their intention to make a \$50 billion investment in Iran's oil industry, a media report says.

With just five months left to the imposition of the new round of the

U.S. sanctions on Iran following Washington's unilateral withdrawal from the Iran nuclear deal, a number of foreign companies have already decided to stop their operation in Iran.

But, according to the report by Iran's domestic media, there are

many other companies including Russian and Chinese firms which have announced their preparedness to replace European companies which have decided to leave Iran for fear of the U.S. sanctions.

The report says relying on foreign firms particularly the European ones like BP and Total with their huge economic dependence on the U.S. is not a logical option because as the recent case of the U.S. withdrawal from the JCPOA showed they will leave their projects in Iran unfinished without any hesitation.

So far, Russia's Gazprom has expressed its interest in launching projects in Azar and Changoole gas fields in Iran. The report said, Iran and Russia have already begun their talks on the new projects.

Out of 19 memorandums of

understandings signed between Iran and foreign companies in oil industry in the wake of the JCPOA implementation in 2016, Russian firms are directly involved in 12 MoUs and indirectly involved in the remaining deals.

Experts say Russian firms will continue their operation in Iran even under the U.S. sanctions, adding the Russian firms have nothing to lose because they are already under the U.S. sanctions.

Iran-Russia trade volume stands at \$2bn but the figure could increase considerably in the near future, the experts predicted.

As the history of the past four decades show, Asian and non-European companies are more reliable partners when it comes to long-term investments in Iran.