

New Steel Mill to Offset Russian Halt to Iran Sales



Hot rolled in the form of coil and plate is a type of steel product produced from hot rolling process.

TEHRAN (Press TV) - Iran's opening of a new steel mill in central Isfahan last month will offset a cut in sales of hot-rolled (HR) steel coils in the face of looming unilateral U.S. sanctions, officials say.

Steel traders, cited media, said that Russian steelmakers Severstal and MMK as well as ArcelorMittal Temirtau, a Kazakh unit of the world's largest steelmaker, were cutting back their sales to Iran.

Alex Agoureev, an adviser to ArcelorMittal Temirtau, said the company will suspend the export of hot-rolled coils to Iran due to the re-imposition of U.S. sanctions.

"Supplies to Iran will be temporarily suspended due to the sanctions. Once sanctions are lifted, the supplies will be resumed," he said.

Iran, however, was slashing imports even before U.S. President Donald

Trump's announcement to impose new sanctions on the Islamic Republic.

Imports of hot-rolled coils from Russia and Kazakhstan constitute a small fraction of Iran's consumption. Last year, the country used up 5.6 million tonnes of HT coils, of which 0.8 million tonnes were imported.

Severstal and MMK shipped 410,000 tonnes and ArcelorMittal Temirtau another 240,000 tonnes of HR coils less than 2mm thick which were not produced in Iran at a time.

HR coil is used in the pipes and profiles sector in the country.

Puneet Paliwal, a senior analyst with market intelligence group specializing in metals CRU, said that the cut in imports should not have a big effect on Iran.

Last month, Iran launched commercial production of HR coils, steel sheet and

ribbed sheet at Mobarakeh Steel Company (MSC) in Isfahan, with a capacity of 1.6 million tonnes.

The new mill, built by Italian steel manufacturer Danieli with 220 million euros of investment, will substantially reduce import dependence of the country for the less than 2mm thick HR coil.

MSC officials have said the mill will ramp up production to completely substitute imports within a year.

According to Bahador Ahrmian, a board member of the Iranian Steel Producers' Association, a decline in Iran's imports of HR coil was highly expected even before the U.S. decision to re-impose sanctions because of the new MSC mill.

He said the only area to watch for possible effect from the sanctions is Iran's steel exports.

Iran's steel exports are already facing an increasingly hostile terrain in Europe where the bloc's executive body, the European Commission, has levied trade tariffs against Iranian products.

Last October, the European Union decided to hit hot-rolled steel from Iran with trade tariffs despite initial opposition to punitive measures by European governments.

Iran is the world's 14th biggest steel producer with 17 million tonnes. The country has set an output target of 55 million tonnes per year by 2025, half of which is intended for exports.

In January, the country brought online its third steel plant which uses domestic technology for production of direct reduced iron (DRI) or sponge iron.

Iran Onshore Oil Stocks Up 3.2 mn Barrels

LONDON (Reuters) - Iran's onshore oil stocks rose 3.2 million barrels in June compared with the previous month to 33 million barrels, data from analysis firm Kayros showed on Wednesday.

Kharg Island inventories lead this increase with a build of 3.1 million barrels, while inventories at Siri, Lavan and Bandar Abbas moved marginally, the data showed.

Iran's oil inventories are expected to increase as renewed U.S. sanctions on its oil industry begin to dent its oil exports.

Washington will consider waivers for certain countries to allow them more time to wind down their Iranian crude purchases after a November 4 deadline.

But most analysts are expecting a significant drop in oil exports from OPEC's third largest producer with some of the worst case scenarios expecting crude exports to come off by two thirds to 700,000 bpd.



Kayros pegged Iranian floating storage at 630,000 barrels in June.

"Following the lifting of sanctions in January 2016, floating storage was first to draw, dropping to a low of 1.7 million barrels in January 2016 from a high of

25 million barrels at the end of November 2015," Kayros said.

Official: Iran's Chabahar Safe Haven for Exporters



TEHRAN (Dispatches) - Chabahar Free Zone in Southeastern Iran provides exporters with a good opportunity to boost their trade activities, a senior trade official said.

"Due to its strategic geographical situation in the region, Chabahar is a paradise for exporters," Secretary of Iran's Free Zones High Council Morteza Bank said.

He pointed to presence of large steel and petrochemical plants in Chabahar, and said, "The plants contribute to creating thousands of jobs in Sistan-Balouchestan province and its development."

Bank reiterated that an industrial logistic park with a capacity

to handle 3,000 trucks a day facilitates the transportation of goods entering Shahid Beheshti and Shahid Kalantari ports to four corners of the country, and will create more than 12,000 jobs.

He also noted that the project of crocodile breeding in the Free Trade Zone with a 50-billion-euro (980,000 euros) investment would promote employment as well as tourism and development of the region.

Chabahar Free Trade Zone is located in southeastern Iran in an area of 14,000 hectares. Chabahar was established following a directive by the Iranian parliament.

Russia: Iran Oil Stabilizes Global Market

MOSCOW (Dispatches) - Russian Permanent Representative to International Organizations in Vienna Mikhail Ulyanov has called for continuation of Iran oil exports.

Speaking in an interview with Russian media 'Interfax', Ulyanov expressed opposition to unilateral sanctions imposed by U.S. on Iran.

"Preserving Iran oil exports will bring stability to world oil market in sanction era," he said.

During the latest such meeting in Vienna on July 6, the participants outlined a whole range of quite ambitious tasks, the accomplishment of which is aimed at ensuring the full-fledged implementation of the economic aspects of this agreement and offsetting the damage caused by the United States' withdrawal from it, Interfax quoted Ulyanov as saying.

"There is still a great deal of work to be done in order to achieve these goals, which are linked, among other things, with maintaining banking, investment, industrial, technological, trade, and transport cooperation with Iran. In all likelihood, it will be required to hold another whole series of meetings at different levels, including the ministerial level, in the coming months," he added.

Ensuring the sustainable implementation of the Joint Comprehensive Plan of Action (JCPOA) is not a single-step act, but a process that could take quite long, he was quoted as saying.

Shazand Petrochemical Plant Mulls Enhanced Productivity

TEHRAN (Shana) - The CEO of Iran's Shazand Petrochemical Plant Ebrahim Valadkhani has said the company was planning to enhance its annual production capacity in the current Iranian calendar year which began on March 21.

According to NIPNA, Valadkhani said, "We are trying to increase the production of the

petrochemical complex this year."

The complex produced 1.8 million tons of various petrochemicals last calendar year, which, in addition to domestic sales, generated \$300 million for the country, he said.

"Right from the beginning, we were focused on production of quality items instead of grounding up large amounts," he said.

The facility, fed by naphtha, was constructed in 1993 and supplies end-used polymer as well as chemical products. The diverse products of the complex include ethylene, propylene, hydrogenated hydrocarbons, and various chemicals and polymer products in various grades in 17 process and 6 utility units.

EU to Curb Steel Imports After Trump Tariffs

BRUSSELS (Reuters) - The European Union will launch measures on Thursday designed to prevent a surge of steel imports into the bloc following the U.S. imposition of tariffs on incoming steel and aluminium, the EU's official journal said.

The European Commission has proposed a combination of a quota and a tariff to counter EU concerns that steel products no longer imported into the United States would instead flood European markets.

The measures are the third part of the EU's response to U.S. tariffs. It has also imposed tariffs on 2.8 billion euros (£2.49 billion) of U.S. imports, including bourbon and motor bikes, and has launched a legal challenge at the World Trade Organization.

The quotas for 23 steel product categories have been set at the average of imports over the past three years, with a 25 percent tariff set for volumes

exceeding those amounts. These quotas are allocated on a first come first serve basis.

The main exporters of steel to the EU are China, India, Russia, South Korea, Turkey and Ukraine.

The Commission said that the EU steel industry was "in a fragile situation and vulnerable to a further increase in imports", with U.S. tariffs reducing its capacity to sell there making them even more vulnerable.

"In the absence of provisional safeguard measures, it is likely that the situation will develop into actual serious injury in the foreseeable future," the EU official journal said.

European Trade Commissioner Cecilia Malmstrom said in a statement that the bloc was faced with no choice given the threat of serious harm to EU steelmakers and workers, but that EU markets would remain open with traditional trade flows.

The Commission will continue its investigation, which was launched on March 26, until the end of the year. The provisional safeguards can be in place for up to 200 days.

Imports of 28 products increased by 62 percent from 2013 to 2017, most noticeably in 2016 and with further rises this year. However, for five products, imports did not increase, leading the Commission to exclude them from its measures.

For 12 steel product categories, imports from countries including China, Russia and Ukraine are already subject to anti-dumping and anti-subsidy duties. The Commission said it would consider suspending or reducing them to avoid the imposition of "double duties".

EU manufacturers of the products ranging from hot and cold rolled sheets, plates, coated steel and tubes include ArcelorMittal Voestalpine and Tata Steel.

Singapore Snatches World's Best Airline Crown From Qatar

BEIJING (Dispatches) - If you want to fly premium, the best route around the globe is via Singapore.

Travelers voted Singapore Airlines Ltd the best carrier in the world, according to SkyTrax, which surveys more than 20 million fliers every year. It was also named the best in first-class. This is the fourth time the Asian company has won the honors since the annual award was

established in 1999.

For the last two years, Singapore Air has been revamping its cabins to provide bigger entertainment consoles and more space, including double-beds in its A380 first-class suites and full-flat beds for business class in regional flights, to help compete against Middle Eastern carriers. The airline is set to resume nonstop flights to New York from the island-city in

October after a gap of five years.

Asian carriers dominated the list with seven among the world's top 10 airlines this year, including All Nippon Airways and Cathay Pacific Airways Ltd. Persian Gulf-based Qatar Airways and Emirates took the second and fourth spots. Deutsche Lufthansa AG was the only European airline to make it to the rankings, while there were none from the U.S.

Swedish Volvo, Iran in Talks on Mineral Equipment



TEHRAN (MNA) - CEO of Insurance Fund for Investment on Mining activities Farid Dehghani said Iran is in talks with the Volvo

Company for importing mineral equipment and machinery into the country.

Dehghani said "talks with Volvo

Company for importing mineral machinery into the country is of the main objectives of the Fund."

Supporting private sector investors in the mines and mining field has been put atop agenda of the Fund, Dehghani reiterated.

The Volvo Group is a Swedish multinational manufacturing company headquartered in Gothenburg. While its core activity is the production, distribution and sale of trucks, buses and construction equipment, Volvo also supplies marine and industrial drive systems and financial services. In 2016, it was the world's second largest manufacturer of heavy-duty trucks.