

Austria's OMV Calls for More EU Protection for Iran



The CEO of Austrian energy company OMV Rainer Seele

TEHRAN (Tasnim) – The CEO of Austrian energy company OMV has called on Europe's politicians to do more to protect EU companies from the returning U.S. sanctions against Tehran.

"We are defending ourselves from these political threats whose only purpose is to distort the

market in favor of more expensive products," Rainer Seele told Bloomberg.

He added, "The sanctions risk is still heavily with European companies".

"We don't see much protection from European politicians," Seele went on to say.

U.S. President Donald Trump withdrew from the Iran nuclear deal in May, and Washington now plans to reimpose sanctions on Tehran. The first round of U.S. sanctions on Iran goes into effect later in August, followed by ones targeting Iran's oil exports in November.

On July 17, EU countries gave European firms legal cover to operate in Iran despite the US pullout from the nuclear deal, after a report that the Trump administration had rejected calls by Brussels for an exemption from sanctions.

"Today, the (European) Council has endorsed the update of the blocking statute annex on the nuclear deal with Iran," the bloc's foreign policy chief Federica Mogherini said at the time.

The "blocking statute" forbids EU firms from complying with US sanctions, allowing them to recover damages from such penalties and nullifying any foreign court rulings against them.

Pakistan, Iran Trade Increases to \$1.3bn

ISLAMABAD (APP) - Iran-Pakistan Federation of Culture and Trade President Khawaja Habibur Rehman has said that Iran-Pakistan trade is on an upward trend and it has reached \$1.3 billion from \$600 million over past three years.

He said that trade between the two countries would further improve as there are vast opportunities available to enhance bilateral trade ties.

Habib said that next government of Pakistan will resume discussions with Iran on Free Trade Agreement as the caretaker government has voiced its inability to hold dialogue on the agreement, IRNA news agency reported.

He added that lack of banking channel is hampering trade between the two countries and the issue should be resolved on a



prioritized basis.

Khawaja Habib Ur Rehman further said that Iran and Pakistan through their close cooperation can change the fate of the region. Pakistan trader stressed upon the need for early completion of Iran-Pakistan (IP) gas pipeline which would help Pakistan to overcome

its energy woes.

He also called for re-launching passenger train service between Iran and Pakistan to enhance cultural ties.

Iran and Pakistan have already agreed to take the bilateral trade volume upto \$5 billion in five years.

Official: Iran Using Modern Irrigation Systems to Counter Drought



TEHRAN (Dispatches) - Iran's Deputy Agriculture Minister said on Friday that around two million hectares of farmland across the country have been so far equipped with modern irrigation systems.

"Nearly 2 million hectares of lands (out of 8.5 million hectares) have been equipped with modern irrigation

systems in the past ten years," Sarafrazi said, IRNA news agency reported on August 3.

He added that the government has no restrictions in equipping all farmland with modern irrigation systems as this move could help save water, increase yield, and decrease seed, fertilizer and pesticide use.

"Use of modern irrigation systems is top of the agenda," the official said.

The Sixth Five-Year Development Plan (March 2017-22) stipulates that such systems have to be installed across 600,000 hectares per year.

Statistics indicate that Iran ranks 13th among the most water-stressed countries in 2040. Due to unconditional agricultural activities and extraction of too much of its aquifers, today Iran has lost much of its underground water resources causing large holes in almost 50 percent of its plains.

Unlike some who blame low precipitation for all the problems of water shortage, there are others who think mismanagement of water resources is the main cause.

Efficient water usage is a must for Iranians either in industry, agriculture or home usage.

Report: Iran's Exports to Brazil Up 25-Fold

TEHRAN (MNA) – Iran's exports to Brazil in the first four months of the current Iranian calendar year (March 21-July 21) showed a significant 25-fold increase as compared to the same period last year.

According to the latest statistics of the Islamic Republic of Iran Customs Administration (IRICA), 34,124 tons of products, valued at \$14,894,000, were exported to Brazil, showing

a considerable 0.09 and 0.1 percent growth in terms of volume and value respectively as compared to the same period of last year.

According to the statistics, 1,263 tons of products, valued at \$3,235,000, were exported to Brazil in the first four months of the last Iranian calendar year (March 20-July 20, 2017).

Generally speaking, Iran's export of products to Brazil in

the same period has increased 2,601 percent increase in terms of weight.

Moreover, Iran's export value of products exported to Brazil in the same period has registered 360 percent hike.

With due observance to the said statistics, it can be concluded that Iran's goods export growth to Brazil is not satisfactory, so that less value products has been exported to this country.

U.S.-China Tariffs Threaten European Capital Goods Supply Chains

STOCKHOLM (Reuters) - European capital goods companies are starting to show the strain of Washington's trade conflicts with China and other countries, as tariffs push up costs for machine parts and raw materials and threaten to worsen supply bottlenecks.

Makers of machines that rely on thousands of small parts from around the world - from Swedish lawnmower maker Husqvarna to wind-turbine manufacturer Siemens Gamesa - are feeling the effects on their supply chains.

Carmakers, directly in the firing line with tariffs on cars built in the United States for export to China hiked to 40 percent, have already raised the alarm on profits and price hikes.

But analysts estimate that between 65 and 80 percent of the \$34 billion (£26.1 billion) of affected goods shipped from the United States to China are not sold directly to consumers but are rather key components used in other products.

"While some of the 'direct' financial exposures are quite limited, we believe that it is the 'indirect' effects that could be more meaningful," Morgan Stanley capital goods analysts Ben Uglow and Lucie Carrier wrote in a note published this week.

"So far, most companies have not provided much details

regarding the risks related to these tariffs whether this is in terms of their supply chain or direct exposure - and we see this situation as an overhang to our sector currently."

Investors in European capital goods companies, which have been riding a wave of global economic growth, have not really flinched so far.

After the U.S. announced steel and aluminium tariffs on March 8, investors fled industrial funds during March and April. But they made a U-turn and returned in May, Thomson Reuters Lipper data showed. <https://tmsnr.rs/2M2iwEK>

Furthermore, the Dow Jones European industrial goods and services index has outperformed the wider European stocks index by 2 percent since the latest tariffs were imposed on July 6.

Michael Nicol, European equities investment manager at Scottish asset manager Kames Capital, is an outlier, having significantly cut exposure to the industrial sector over the past nine months, also due to already-full valuations.

"It is impossible to accurately predict the final outcome of the various proposed tariffs but for the portfolio manager clearly market and stock specific risk has increased," he said.

Morgan Stanley estimates that machinery, engineering

and lighting groups are most vulnerable to tariffs among European capital goods companies.

It singled out Wartsila, Siemens, GEA, Kion, IMI, Rotork, Osram, Weir, Senvion, Schindler, Signify and Zumtobel

The new U.S. tariffs impose duties of up to 25 percent on 818 categories of Chinese goods ranging from plastic tubings and parts used for connectors to printed circuit boards and medical imaging equipment.

Supply for electrical goods firms is most at risk, Morgan Stanley says, as China makes nearly half of the world's printed circuit boards, used in computers to transformers to medical equipment, and a fifth of all electronics.

German industrial group Siemens said on Thursday it saw a risk that its customers would slow spending because of supply-chain issues.

"We see potential clouding on investment dynamics due to geopolitical tensions in some areas," finance chief Ralf Thomas told analysts.

"In particular, threats to free trade by tariffs are an area of concern. The global supply chains are deeply interconnected, and it's of utmost importance to have reliable framing conditions to foster confidence and economic growth,"

Japan Overtakes China as World's Second-Biggest Stock Market

BEIJING (China Daily) - China just lost its ranking as the world's number two stock market.

After a Thursday slump, Chinese equities were worth \$6.09 trillion, according to data compiled by Bloomberg.

That compares with \$6.17 trillion in Japan. The U.S. has the world's largest stock market at just over \$31 trillion.

China's stock market overtook Japan's in late 2014, then soared to an all-time high of more than \$10 trillion in June 2015. Chinese equities and the nation's currency have taken a beating this year amid a trade spat with the U.S., a government-led campaign to cut debt and a slowing economy.



Wealthy Singapore, a Prime Target for Global Hackers

NEW YORK (Bloomberg) - Singapore's status as a hyperconnected financial hub makes it a prime target for hackers, and recently reported attacks have intensified the focus on cyber security as it pushes to become one of the world's leading technology hubs.

In what local media have been calling the largest data breach in the country's history uncovered last month, hackers stole information on 1.5 million patients including Prime Minister Lee Hsien Loong during an attack on Singapore's

biggest public health-care group, SingHealth. Within days, the Securities Investors Association (Singapore) also reported that hackers stole the personal data of 70,000 members in 2013.

"Singapore certainly has attractive assets that would be of significant interest to cyber threat adversaries from across the motivation spectrum, including financial crime and state-sponsored espionage," said Tim Wellmore, director of Asia Pacific government security programs for cyber

security firm FireEye. "It certainly is raising the attention of the right officials within the Singapore government," he said by phone.

Singapore, ranked the world's seventh wealthiest country by Allianz in a recent report and home to 127 foreign and local banks with total commercial bank deposits of more than S\$613 billion (\$449 billion), promptly launched a police investigation into the attack and convened a Committee of Inquiry to conduct an independent external review.