

Iran Extends Insurance, Ships to India for Oil Export



India is Iran's second biggest buyer of oil after China (File)

NEW DELHI (Dispatches) - India's media say Iran has started to provide insurance coverage to oil shipments to India so as to continue exporting the strategic fuel to its second largest buyer in light of U.S. sanctions that are expected to choke its crude trade. Also, Iran is using its own ships to transport oil to India as not many shipping lines participated in recent tenders for transportation of Iranian oil. Earlier this month, Hindustan Petroleum Corp Ltd (HPCL) had to cancel the purchase of an Iranian oil

cargo after it faced insurance issues. When HPCL at the beginning of the month got its insurance for all its installations - from refineries to pipelines and storages, renewed to protect against any accident, the reinsurer refused to cover any incidents involving Iranian oil processed or stored. Sources said this seems to be a temporary problem and a similar situation had arisen when first round of sanctions against Iran were imposed in 2012.

At that time, the insurance cover was extended to all installations minus the proportion of Iranian oil the company processed. So if Iranian oil in a company's portfolio comprised of 10 percent, the insurance cover would be to the extent of 90 percent of the processing.

Sources said HPCL problem should be sorted out soon and the cancellation of one cargo happened because of new insurance company coming in on the renewal of the cover.

Other firms like Indian Oil Corp (IOC) would renew their insurance cover in 2-3 months, by when a clear situation on Iran would emerge, they said.

Iran was India's second biggest supplier of crude oil after Saudi Arabia till 2010-11 but western sanctions. In 2013-14 and 2014-15, India bought 11 million tonnes and 10.95 million tonnes respectively from the country.

Sourcing from Iran increased to 12.7 million tonnes in 2015-16, giving it the sixth spot. In the following year, the Iranian supplies jumped to 27.2 million tonnes to catapult it to the third spot.

In 2017-18, India bought 22.6 million tonnes of crude oil from Iran.

Renault Likely to Pull Out of Iran

PARIS (Dispatches) - Renault is shaping up to be the latest French company to fall victim to Donald Trump's renewed sanctions on Iran -- even if it doesn't sell cars in the United States.

Iran operations are likely to be put on hold to comply with U.S. sanctions, Renault Chief Operating Officer Thierry Bollere told analysts during a conference call about earnings Friday.

"We are looking to new business opportunities, particularly in Africa, with strong growth to offset the missed opportunities in Iran," he said.

Renault's French rival, PSA Group, which makes Peugeot and Citroen cars, also suspended its push in the country after the U.S. canceled a 2015 nuclear accord with the Islamic republic.

French energy companies Total

and Engie also are planning to pull out of Iran.

Renault has no presence in the U.S., but its alliance partner, Nissan Motors, in which Renault owns a majority stake, sells vehicles there.

Renault had been reviewing options, aiming to keep at least a small presence in the Persian Gulf country, like it did after the previous round of sanctions, CEO Carlos Ghosn had told shareholders last month.

Renault signed an agreement last year with Iran's Industrial Development and Renovation Organization and local dealer Parto Negin Naseh to boost its local production by 75 percent.

The company hadn't yet started manufacturing vehicles or making investments under the deal, according to Chief Financial Officer Clotilde

Delbos, but has been producing cars there since 2003 with two other partners.

The U.S. administration this month rejected France's demands for a waiver or exemption for companies seeking to do business in Iran. Even companies with no business ties to the U.S. find it difficult to operate in Iran because banks are reluctant to finance Iranian operations.

Expanding to Iran was already "extremely complicated" due to banks' reluctance, PSA said last month, but was made impossible when Trump decided to pull out of the nuclear accord.

In the first half, Renault's sales in Iran fell 10 percent, for a market share of 8 percent, due to the Iranian central bank policy, Delbos told reporters Friday. She added that Iranian sales would be near zero in the second half.

Report: Iran Saffron Exports Hit 55% Up

TEHRAN (Dispatches) - Iran exported saffron worth \$325 million last Iranian year (ended March 20, 2018) showing a record high for the past decade.

Iran exported 236 tons of saffron during last Iranian year (ended March 20, 2018), a report by Iranian Customs statistics of foreign trade said.

It underlined the sales witnessed a 55 percent growth during last Iranian year.

Iran's saffron is exported to some 20 countries, but about 77% of the shipments go to Hong Kong, Spain and the United Arab Emirates which shows we have not been successful in winning a better share of the world market, the port

added. Countries like Spain, while being a major importer of saffron from our country, are among the largest exporters of this product in the world.

Experts have long said Iran has to improve marketing and find new customers if it wants to secure a bigger slice of the profits from saffron sales.

Bulk production methods in Iran fetch less than what is paid in countries such as Spain which re-export the Iranian products.

Saffron from Spain reportedly sells for 1,400 euros (\$1,861) a kg in Europe, but Iranian varieties command a quarter or less of that price.

2 New Refineries to Come on Stream in South Pars

TEHRAN (Dispatches) - Managing Director of South Pars Gas Company Hadi Hashemzadeh Farhang has said that two more refineries will become operational in the giant South Pars gas field in the near future.

"South Pars gas field currently feeds 10 big gas refineries and two other refineries covering phases 13, 22 and 24 are to come on stream soon," Hashemzadeh Farhang said.

He said that once phase 13 of South Pars gas field is launched, some 56.6 million cubic meters of rich gas, 75,000 barrels of gas condensates and 400 tons of sulfur will be produced daily.

South Pars Phase 13 is being developed by a consortium of PetroPayadar, MAPNA and Sadra companies for production of 56 million cubic meters per day of sour gas, 50 million cubic meters/day of sweet gas, 2,900 tons/day of liquefied petroleum gas (LPG), 2,750 tons/day of ethane, 75,000 barrels/day of gas condensate and 400 tons/day of sulfur.

The giant South Pars gas field, which Iran shares with Qatar in the Persian Gulf, is estimated to contain a significant amount of natural gas, accounting for about eight percent of the world's reserves, and approximately 18 billion barrels of condensate.

The field is divided into 24 standard phases of development in the first stage. Most of the phases are fully operational at the moment.

Official: India to Invest \$85mn in Chabahar



TEHRAN (Dispatches) - Managing Director of Iran's Ports and Maritime Organization Mohammad Rastad has said that

India is resolved to usher in its multi-million investment in the Southeastern Iranian port of Chabahar very soon.

"India will officially start activities in Chabahar port with a capital investment of 85 million dollars," Rastad said.

The senior Iranian official said that India will supply the needed equipment to Chabahar port city.

India is to equip and operate two berths in Chabahar Port's Phase I with a capital investment of about \$85 million and annual revenue expenditure of \$23 million on a 10-year lease.

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.

Venezuela Removes Five Zeroes From Currency

CARACAS (Press TV) - Venezuela's President Nicolas Maduro has announced the removal of five zeroes from the national currency as the crisis-ridden Latin American country grapples with hyperinflation.

In a cabinet meeting, Maduro said the measure was meant to "protect" the national currency — the bolivar — and was part of an "economic recovery" program that involved "monetary reconversion" and would take effect on August 20.

"Five zeroes fewer, so that we may have a new, stable financial and monetary system," he said.

The Venezuelan president said the reforms would tie the bolivar to the recently-launched state-backed cryptocurrency called the petro, without offering details. Cryptocurrency experts have

already said the petro suffers from a lack of credibility due to a lack of confidence in Maduro's government and since the new currency is also targeted with US sanctions.

Venezuela suffers from an acute economic crisis, with people struggling to meet their basic needs, including of food and medical care.

The International Monetary Fund (IMF) has drastically upped its inflation prediction for Venezuela, forecasting a whopping one million percent inflation in the Latin American country by year end amid falling oil production.

Some experts attribute the hyperinflation in Venezuela to a recent move by the country's president to raise the minimum national wage by 40 percent with immediate effect.

VP Advises Foreign Companies on Investing in Iran

TEHRAN (Dispatches) - Iranian Vice-President for Economic Affairs Mohammad Nahavandian on Friday urged the foreign companies to avoid the mistake of pulling out of Iran's market.

"In the long run, the decisions of the Islamic Republic of Iran in cooperation with foreign companies will depend on the level of cooperation and interactions they have with Iran in the time of U.S.

threats," said Nahavandian said. Nahavandian's remarks came in reaction to some giant companies' exit from Iran after U.S. threats to reinstate sanctions against Iran.

The Iranian vice-president underlined that the Iranian economy has a high capacity and big foreign and international giants should take advantage of the current status of affairs.

"We are now monitoring how big foreign companies are interacting with Iran at the current stage and assuredly it will affect our economic relations with them in the long run," he said.

Nahavandian said that the giant foreign companies, as Iran's economic partners, should determinedly make their decisions on continuing cooperation with Iran.

German FM: Trump Cannot Split Europe as EU Gives in to Pressure Over Tariffs

WASHINGTON (Dispatches) - U.S. President Donald Trump and European Commission President Jean-Claude Juncker have announced that during their talks in the White House, they reached an understanding on lowering barriers between the two sides.

Commenting on the results of the Trump-Juncker meeting on his Twitter page, German Foreign Minister Heiko Maas underscored that he perceives the U.S. as "not an enemy," but as "our most important partner and ally outside the EU."

At the same time, he warned that "we need to hold the EU together and confidently defend ourselves against punitive tariffs," which were earlier introduced by the U.S. president.

"We have to set limits to Trump's method. He has to see that he cannot split Europe," Maas emphasized.

His remarks came after Trump said that during his talks with European Commission President Jean-Claude Juncker in Washington, the two sides "agreed, first of all, to work together towards zero tariffs, zero non-tariff

barriers, and zero subsidies on non-auto industrial goods."

Additionally, the U.S. and the EU will cooperate so as "to reduce barriers and increase trade in services, chemicals, pharmaceuticals, medical products, as well as soybeans," according to Trump.

"This was a very big day for free and fair trade. We set out to launch a new phase of close friendship between the United States and the European Union; strong trade relationships where both of us will win," he stressed, referring to the talks.

IMF: China Growth Robust, 2018 Growth Expected at 6.6%

BEIJING - China's economy continues to perform strongly, the International Monetary Fund said on Friday, with growth expected at 6.6 percent this year, a slightly slower rate than last year's 6.9 percent.

The economic growth estimate was unchanged from the IMF's last forecast made in May. The IMF raised its estimate for China's growth in 2018 in January after the economy unexpectedly accelerated last year.

The IMF has praised China's progress on reducing financial sector risks and in further opening its economy.

The IMF said China needs to stick to its deleveraging agenda while implementing much-needed fiscal reforms and economic rebalancing.

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