

India's Push on Iran's Chabahar Puts U.S. in Tight Corner



TEHRAN (Press TV) - India and Afghanistan have signaled their commitment to the development of Iran's strategic Chabahar port ahead of a Thursday meeting with the U.S. which is pushing for economic strangulation of Tehran.

Afghan deputy minister for foreign affairs Hekmat Khalil Karzai, Indian foreign secretary Vijay Gokhale and Iranian deputy foreign minister Abbas Araqchi met in New Delhi Tuesday to

discuss a whole gamut of issues related to the project.

"The meeting focused on consolidating economic cooperation, including Chabahar," the Indian foreign ministry said in a statement.

They also discussed enhancing cooperation on counter-terrorism, counter-narcotics, and continuing support to the peace and reconciliation process that is led and owned by Afghanistan, it

added.

Their meeting came ahead of the first ever "2+2" talks between Indian and U.S. foreign and defense ministers in New Delhi on Thursday to discuss issues of strategic and security interest.

Indian officials have said in their talks with the Americans, they would emphasize the importance of Chabahar to economically stabilize Afghanistan. They expect Kabul also to press Washington on giving a waiver to develop Chabahar.

On Monday, a U.S. official said

no decision had been made yet on extending exemptions to India for a carve-out in Chabahar.

India hopes to utilize Iran's transit potentials to embolden its connectivity footprints, with Chabahar being the stepping stone to those ambitions.

For India, the Iranian port is key to access Afghanistan as well as the landlocked Central Asia, the Caucasus and Russia.

In February, Iran signed an agreement to lease the operational control of phase one of Chabahar port to India for 18 months.

Oil Revenues Jump 60% in March-July, Iran Says



TEHRAN (Dispatches) - Iran's crude oil and oil product revenues in the first four months of the Iranian year beginning March 21 until July 23 jumped by 60 percent on the year to reach the equivalent of \$9.9 billion, the Central Bank of Iran reported.

Oil sales revenues soared 84.2 percent, to \$8.3 billion, setting a record, according to the central bank.

The increased revenues were the result of much higher oil prices this year compared to last year, and Iran's high oil export volumes in March, April, and May.

Over the past two months, Iran's oil exports have already started to drop, as some buyers started to shun Iranian oil due to the coming sanctions and lack of insurance coverage, and others scaled back purchases hoping to win U.S. waivers.

Between August 1 and 16, Iran's oil exports plunged by 600,000 bpd compared to July loadings, Platts preliminary tanker tracking data showed.

Iran's key customers in Asia—no. 1 China and no. 2 India—are not expected to cut off their imports of Iranian oil.

U.S. Trade War, Iran Sanctions Not Helping Oil Markets: Russian Minister

MOSCOW (Dispatches) - The U.S. trade war against China and sanctions regime is contributing to instability in the global oil market and putting pressure on prices, Russian Energy Minister Alexander Novak told CNBC on Wednesday.

"We can see that the pricing situation today depends not just on the supply/demand balance or the general economic situation but also on the uncertainty that we observe today in the global markets: the trade wars, the sanctions that the U.S. pursue," Novak said, speaking to CNBC's Geoff Cutmore at the Eastern Economic Forum (EEF) in Vladivostok, Russia.

Novak said geopolitical uncertainties such as the U.S.' decision to impose a massive package of tariffs on Chinese imports, as well as its sanctions on Russia and those coming up on Iran, could prompt oil prices to rise modestly.

"If we talk figures, I think that the additional premium is about \$5-6 on top of the usual oil price, that would reflect the supply/demand balance," he said.

Benchmark Brent crude futures are currently trading at \$79.21 while U.S. West Texas Intermediate (WTI) futures are at \$69.82 per barrel.

Novak's comments come as oil market focus shifts away from a successful 2016 deal between OPEC and Russia (and other non-OPEC producers) to curb output in order to support prices, to current threats to the global oil supply.

Forthcoming U.S. sanctions on Iran's oil sector, coming into effect in November, are seen as the biggest disruptive force with oil market analysts predicting that Iran's daily production could fall by as much as 1.5 million barrels a day.

Iran Issues Tender to Buy 30,000 Tons of Rice From India



TEHRAN (Tasnim) - Iran's state grains buyer GTC (Government Trading Corporation of Iran) has issued an international tender to buy 30,000 tons of rice to be sourced from India, European traders said.

The tender closed on October 9.

The sella grade rice of type 1121 is sought in two 15,000 ton consignments for shipment in containers between

Oct. 15 to Nov. 15.

Iran has been one of the largest importers of Indian basmati rice in recent years.

Both India and Pakistan have claimed geographical indication on aromatic long-grained basmati rice, saying the variety is unique to the respective countries. Uruguay is another rice exporter to Iran.

Ryanair Pilots, Cabin Crew in Germany Stage Strike



BERLIN (Reuters) - Pilots and cabin crew at Ryanair in Germany staged a full-day walkout on Wednesday and threatened further strikes to put pressure on management in labor talks with Europe's biggest low-cost carrier.

Ryanair had said on Tuesday it would cancel 150 out of a total 400 flights scheduled to fly to and from Germany on Wednesday due to the strike and warned that such "wildcat" strikes would lead to job cuts if they continued.

German pilots union Vereinigung Cockpit (VC) has called on

Ryanair to agree to mediation in its dispute over pay and terms, but there has been disagreement over who the mediator should be.

The union threatened that it could call further strikes if management does not make a better offer.

"As long as Ryanair does not make improved offers, there may have to be further strikes here," said VC negotiator Ingolf Schumacher.

Ryanair says its latest offer to VC addressed all of the union's demands and that the walkouts were unreasonable.

Ford Defies Trump, Won't Make Hatchback in U.S.



WASHINGTON (Dispatches) — Ford won't be moving production of a hatchback wagon to the United States from China — despite President Donald Trump's claim that his taxes on Chinese imports mean the Focus Active can be built in America.

Citing Trump's new tariffs, Ford on Aug. 31 said it was dropping plans to ship the Focus Active from China to America.

Trump took to Twitter to declare victory and write: "This is just the beginning. This car can now be BUILT IN THE U.S.A. and Ford will pay no tariffs!"

But in a statement, Ford said "it would not be profitable to build the Focus Active in the U.S." given forecast yearly sales below 50,000.

For now, that means Ford simply won't sell the vehicle in the United States. Kristin Dzikczek of the Center for Automotive Research said that Ford can make Focuses "in many other plants around the world, so if they decided to continue to sell a Focus variant in the U.S. market, there are several options other than building it in the United States."

In April, Ford announced plans to stop making cars in the United States — except for the iconic Mustang — and to focus on more profitable SUVs. It stopped making Focus sedans at a Wayne, Michigan, plant in May. The plan, said industry analyst Ed Kim of AutoPacific, was to pare down the Focus lineup to Active wagons and import them from China.

"Without the tariffs, the business case was pretty solid for that model in the U.S. market," Kim said.

Demand for small cars in the U.S. has been waning for years with relatively low gasoline prices and a shift from cars to SUVs and trucks.

If Ford sold fewer than 50,000 Focus Active wagons per year, it would run a U.S. factory on only one shift per day, which isn't cost-effective, Dzikczek said. Automakers like to run plants on at least two shifts, and preferably three per day to cover the cost of building and equipping the factory, and to turn a profit.

Ford also wouldn't want to spend millions on equipment to build the Focus Active here because at low sales volumes it wouldn't get a good return on its investment, Dzikczek said.

If sales were high enough to justify production at a U.S. plant, the price of a compact vehicle isn't high enough to cover the difference in wages here, she said.

In China, labor costs for motor vehicle and parts manufacturing are about \$8 per hour including benefits, but it's more than \$52 per hour in the U.S., according to Dzikczek.

Ford, BMW, Mercedes and others export about 250,000 vehicles to China from the U.S. each year, Dzikczek said. Most of them are luxury cars and SUVs with higher profit margins that can cover higher U.S. wages, she said.

Tehran to Sue ATR for Breaking Deal



TEHRAN (MNA) — Iran will file a lawsuit against the Franco-Italian turboprop planemaker ATR over breaking its contract with Tehran under US sanctions, head of the Iranian parliament's Civil Commission said Wednesday.

IranAir signed a contract worth over

\$400 million with the Franco-Italian aircraft manufacturer in 2017 for the delivery of 20 ATR 72-600s. The country received the first four ATR aircraft last May, two more in September, and another two in December 2017. Five more planes were delivered in August this year, before Washington imposed new sanctions on Iran, which brought the number of delivery to 13 out of the 20 planes under the contract.

Following the U.S. withdrawal from the Iran nuclear deal and reinstatement of sanctions, ATR announced that it is giving up on the delivery of the seven remaining of the planes to Iran.

Speaking to media, Mohammadreza Rezaei-Kouchi, head of the Iranian parliament's Civil Commission, criticized ATR's decision to break its contract with Iran, adding "Any company under any circumstance is obliged to implement its agreement and cannot dodge its commitments over some issues."

"ATR should have predicted this situation given the U.S. measures," he added.

He went on to say that ATR should not yield to U.S.' political pressure, adding that the company's current approach shows they have no freedom of choice to fulfill their own commitments.

Back in July, ATR Chief Executive Christian Scherer had said the Franco-Italian company would sustain "serious damage" to its finances if its contract with Iran broke under U.S. pressure.

Rezaei-Kouchi further stressed that Iran would file a lawsuit against ATR at international communities; "This company is obliged to either comply with its remaining commitments, or pay compensations to Iran," he added.