

Iran to Veto Any OPEC Decision Harming Its Interests



Iran Oil Minister Bijan Namdar Zangeneh

Tehran (Dispatches) - Iran Oil Minister Bijan Namdar Zangeneh said his country will veto any OPEC decision that harms the Islamic Republic and warned that some oil producers are trying to create an alternative suppliers' forum that supports U.S. policies hostile to the government in Tehran.

Zangeneh made the remarks in an interview with Bloomberg, and added, "The agreement that the Organization of Petroleum Exporting Countries and allied producers reached in 2016 to cut output is in tatters, and an OPEC committee set to meet this weekend in Algiers has no authority to impose a new supply arrangement."

"I will block any OPEC decision that poses the slightest threat to Iran," Zangeneh said, without specifying possible actions he might take. Any decision on a new production agreement

by OPEC's Joint Ministerial Monitoring Committee that meets on Sunday would be "void" and "invalid," he said. "Decisions can only be made at OPEC meetings in the presence of all OPEC members and by consensus of members."

"Any country that says it can make up for the shortfall in the market is siding with the U.S.," Zangeneh told reporters in Tehran. He said he has written letters to some OPEC and non-OPEC oil ministers expressing his concerns and has complained to the group's secretary-general about "violations" to the original output-cuts agreement, though he wouldn't elaborate.

"I think Mr. Trump made this decision to bring Iran's exports to zero without any consultation with any experts, not even in his own government," he said. "He's realized lately that this is not doable. So, they are looking for a symbolic export

of zero, if they can, even for just one month."

Iran said it will veto any OPEC decision that harms the Islamic Republic and warned that some oil producers are trying to create an alternative suppliers' forum that supports U.S. policies hostile to the government in Tehran.

Zangeneh said he won't be attending the Algerian JMMC meeting, which is to occur just days before the two-year anniversary of OPEC's decision to pare production and curb a glut.

Two OPEC members are seeking to damage the group and carry out "anti-Iranian policies" at the behest of the U.S., Zangeneh said, without directly naming Saudi Arabia and the UAE, the main backers of the U.S. within the OPEC.

The U.S. and some other OPEC members will probably boost crude supplies from their inventories to keep a lid on prices ahead of the mid-term U.S. Congressional elections in November, the Iranian minister added.

Zangeneh said he has written letters to some of his OPEC and non-OPEC counterparts to express his concerns and complain to the group's secretary-general about "violations" to the original output cuts agreement.

"The agreement doesn't really exist anymore. It's finished... Russia initially cut 300,000 barrels a day of production but then added it all back... There's no agreement left, really," he said.

While the Algiers meeting to be held on September 23 is to be attended by most major oil producers except Iran, it will be just a committee review. A full-scale official OPEC meeting is slated to be held in December in Vienna.

Envoy: South Korean Firms Not to Cut Trade Ties With Iran



TEHRAN (Dispatches) - South Korean ambassador to the Islamic Republic of Iran Yu Chang-hwang in a meeting with the deputy chairman of Tehran Chamber of Commerce, Industries, Mines and Agriculture (TCIMA) for International Affairs Mohammad-Reza Bakhtiari has stressed South Korean companies' connections of with Iran despite U.S. pullout from JCPOA.

"South Korean companies did not cut their trade and business cooperation with the Iran in the sanctions period," the ambassador reiterated.

The South Korean envoy pointed to the issues that have recently been raised in relation to the trade and economic cooperation between the two countries and said, "The fact is that South Korean companies are interested in working in Iran and want to continue their trade and business cooperation with Iran. Of course, the problem of unilateral sanctions imposed by U.S. on Iran should be taken into consideration."

He denied some claims released by some media outlets on cutting trade and business relationship of Korean firms

with Iran as baseless and unfounded, noting that, South Korean companies still continue their trade cooperation with Iran.

"Many South Korean companies are heavily dependent on Iranian oil, so that chemical and petrochemical industries based in South Korea will suffer from shortage of Iranian oil," he added.

"We are seeking waivers from U.S. sanctions imposed on Iran in order to continue oil purchase from the Islamic Republic of Iran," the ambassador maintained.

Elsewhere in his remarks, the ambassador pointed to the Joint Comprehensive Plan of Action and said, "South Korean government will strongly back JCPOA, because, we are of the opinion that JCPOA will secure and guarantee peace and security in the region and world in particular."

He added, "As South Korean ambassador to Iran, I will make my utmost effort to promote trade and economic relationship between Iran and South Korea wholeheartedly."

VW Rejects Trump Envoy's Take on Iran Pullout

LONDON (Reuters) - Carmaker Volkswagen AG has rejected a report suggesting it had decided against doing business in Iran after coming under pressure from Donald Trump's ambassador to Germany, saying its position on the country had not changed.

U.S. sanctions against Iran, introduced by President Trump after his decision to pull the United States out of the Iran nuclear deal, have forced companies in Germany and across Europe to reconsider their investments there.

Ambassador Richard Grenell has appeared to take credit for this shift in a series of tweets and interviews over the past weeks, announcing the withdrawal of German blue chips like Siemens, BASF and now Volkswagen, to the surprise of the companies themselves.

A Bloomberg News story on Thursday, quoting Grenell, said he had led talks with Volkswagen over the past weeks, hammering out the final details of its new Iran stance on Tuesday.

However, a company source said there had been no talks with Grenell on Iran. And a VW spokesman told Reuters that the company's position had not changed in recent weeks.

Asked about the VW response, U.S. embassy spokeswoman Christina Higgins said: "The U.S. ambassador has been speaking for quite some



time to CEOs and industry leaders urging that they comply with U.S. sanctions."

VW has no major investments in Iran, although it had been considering establishing a sales network for imported cars. Its Spanish division Seat announced last year that it had abandoned exploratory plans to enter Iran.

Grenell, a former U.S. spokesman at the United Nations and outspoken defender of Trump, has ruffled feathers since arriving in Germany in May.

Within hours of landing he sent a tweet warning German firms to halt all activities in Iran. Weeks later he drew fire from German politicians for telling right-wing website Breitbart News that he wanted to empower

"other conservatives" in Europe.

His remarks on Thursday about Volkswagen's Iran plans triggered more criticism.

Bijan Djir-Sarai, foreign policy spokesman for the business-friendly Free Democrats (FDP) in parliament, said it was ridiculous to think that German companies would make decisions based on pressure from the U.S. ambassador.

"The policies coming out of Washington are having an impact. But this has nothing to do with the ambassador," he said, urging Grenell to be more careful in his choice of words.

"The German and European economies are strong. We don't need to take orders as if we were an occupied zone."

Japan Big Tourism Fair Hosts Iran

TOKYO (Dispatches) - Japan International Tourism Fair (JATA 2018), kicked off on Friday and Iran is among tens of other countries that are attending the fair.

More than 1,300 companies from 130 countries, including Iran and 56 tourism regions are present there.

Touring & Automobile Club of the Islamic Republic of Iran along with three more tourism companies from the country are attending the fair.

Iran's ambassador to Japan Morteza Rahmani Movahed was special guest to the fair inauguration and met the World Tourism Organization Secretary



General Zurab Pololikavil. He then visited Iran pavilion and talked to Iran representatives on the sidelines of the four-day event.

Report: India to Pay in Rupees for Iran Oil Purchase

TEHRAN (Fars) - Indian refiners will pay in rupees for oil from Iran from November 4 when crude-related sanctions against Iran will take effect, media reports said.

"India will make use of its UCO and IDBI banks to pay for its crude purchases from Iran," India's

Economic Times quoted informed sources as saying.

"Indian Oil Corp, Mangalore Refinery and Petrochemicals (MRPL) and Nayara Energy (formerly Essar Oil) are some of the heaviest Indian importers of Iranian oil that comes with cheaper freight

and a longer 60-day credit period," wrote the paper, adding, "Indian refiners' plan to lift Iranian oil in September and October means they would need to pay for these after the sanctions have become effective on November 4."

It noted that the payments will be made in rupees by refiners, saying, "The Indian government has identified UCO Bank and IDBI Bank to route oil payment to Iran since both banks have no exposure to the U.S. financial system; the UCO Bank will be the preferred partner since it has handled this during previous sanctions."

Following its withdrawal from the landmark nuclear deal officially known as the Joint Comprehensive Plan of Action (JCPOA) on May 8, the U.S. has given 90 to 180 wind-down period to other countries before it starts re-imposing sanctions on Tehran on November 4.

Many countries, including India, have been trying to find an exemption from U.S. anti-Iran sanctions.

GE Stock Going From Bad to Worse



NEW YORK (Dispatches) - General Electric Company confirmed this week that it has had a major failure in one of its turbines at the Colorado Bend power plant. While GE is downplaying the impact of the issue, GE investors and analysts are losing patience with the struggling stock.

J.P. Morgan analyst Stephen Tusa says it's unclear just how big of a deal the failure is at this point. Regardless, Tusa says GE can't afford more blows to its battered reputation, and the failure will negatively impact its power segment business in the near term.

General Electric says the failure was an "oxidation issue," and the

company is working on running the turbines utilizing the same blade with additional maintenance runs.

After reaching out to industry experts, Tusa says one channel participant said a breakdown after less than 10,000 hours resulting in a plant shutdown suggests the issue is worse than GE is acknowledging.

The power segment has been an albatross for GE as of late. Power business orders were down 26 percent in the most recent quarter, and power sales were down 18 percent. GE stock has followed suit, declining 47.8 percent in the past year.

A difficult power market has been partly to blame for GE's woes, but

Tusa says the turbine problem suggests GE Power may have some long-term problems.

"We believe there should no longer be any doubt that GE Power has company-specific issues, not only due to the decline in the profit pool from its large installed base of services, but now around the H-frame technology and potentially on the profitability of the related future services stream that is key to replacing the one currently running down," Tusa says.

In light of the turbine incident, J.P. Morgan has reiterated its "underperform" rating and lowered its price target for GE stock from \$11 to \$10.