Official: Iran Has Changed Oil Exports Pattern to Counter U.S. Bans

TEHRAN (IFP) - **Chairman of the Iranian Parliament's Economic Commission Mohammad Reza Pour-Ebrahimi has said the country changed the pattern of its oil exports to cope with the unjust U.S. sanctions, which are aimed at cutting the exports down to zero.**

Pour-Ebrahimi said "The pattern of Iran's oil exports has undergone changes by implementing a mechanism to offer crude oil in the Energy Bourse as a countermeasure against the latest U.S. sanctions.

"Over the past 20 days, about one million barrels of our crude oil have been sold to private sector," he noted, describing the mechanism as a significant initiative.

He further noted that today the negative impact of U.S. sanctions on Iran's economy is just 20 percent and with appropriate plans, so Iran can cope with the situation and control the impacts.

"This time, the U.S. has failed to gain a global consensus on imposing sanctions on the Islamic Republic," he said.

He said the number of foreign investors willing to purchase Iran's crude oil has increased over the past weeks despite the U.S. bans.

Pour-Ebrahimi said the parliament's Economic Commission has already established a sub-committee on sanctions, adding the Islamic Republic has great experiences in bypassing sanctions.

Today no international body has imposed sanctions on Iran, and the U.S. has become isolated over its decision to put sanction on the Islamic Republic, he noted.

The Iranian lawmaker then referred to the Europeans' plan to establish a financial mechanism to keep their trade ties with Iran in defiance of the U..S sanctions and said "Though we can't rely on the Europeans, they have already expressed their explicit objection to the U.S."

He further described the U.S. sanctions against Iran as hostile and added Iran's oil exports have always been targeted by the enemies because the exports play a decisive role in Iran's economy.

"Before the Islamic Revolution, about 70 percent of the government's budget was provided by oil exports but today the figure has reduced to 30 percent," he said.

Pour-Ebrahimi then referred to the joint oil reserves between Iran and some Arab states and said "If Iran doesn't extract oil, the other sides will do so without any hesitation."

He referred to the growing price of oil in the world and said under previous sanctions against Iran, the oil price reduced dramatically hampering the country's economy, but this time the prices are high, giving some immunity to the Islamic Republic.

Europe's Losing Credibility on Iran Sanctions

LONDON (Bloomberg) - European Union leaders have long called for the bloc to behave more independently and strengthen its international role. Their failure to build a way to bypass U.S. sanctions on Iran has brutally exposed how far they are from that goal.

In September, Federica Mogherini, the EU's top foreign policy official, announced plans for a special-purpose vehicle to keep some trade with Iran flowing with Europe. The hope was to keep the 2015 Iran nuclear deal alive after it was abandoned by the Trump administration. U.S. sanctions, including a ban on most oil exports, kicked in on Nov. 5 – but the SPV is far from ready.

EU member states haven't even been able to find a country willing to host it. Austria has already refused, and Luxembourg is now coming under pressure from Germany, France and the U.K – the three European signatories of the nuclear deal – to provide it with a home.

It's immensely damaging that, rather than volunteering themselves, the big nations are trying to pass the buck to their less powerful neighbors. Their motivation is clear: the larger a country, the bigger the risk of angering President Donald Trump.

The stakes for Europe's financial system could not be higher diplomatically or financially. Little wonder these country's central banks are buckling. The Bundesbank quietly changed its rules recently to allow it to reject an Iranian request to withdraw 300 million euros ($340 million) from the Hamburg-based trade bank Europaeische-Iranische Handelsbank. The reason? To protect the central bank's relationships with institutions in "third countries." For that, read the U.S.

Few doubt Trump's ability to punish allies if they cross him. And the benefits of the SPV are questionable. It will only be useful for small and medium-sized companies with no U.S. exposure. If it does only a small amount of business, there will be little incentive for Iran to continue accepting restrictions on its nuclear program.

Ever since Mogherini's announcement, U.S. representatives have made the point that large firms are unlikely to use the SPV. But despite dismissing the measures as a "paper tiger," the U.S. is clearly worried, if not about their impact on the Iranian economy, then about their ultimate effect on U.S. power in general and its policy on Iran in particular.

"They reflect a striking effort by the EU to seek to actively undermine U.S. sanctions, and by extension, U.S. policy," David Mortlock and Brian O'Toole, both former U.S. officials who worked on sanctions policy, wrote in a recent paper on U.S. sanctions strategy for the Atlantic Council. "Iran may face economic hardship as a result of the re-imposition of the sanctions, but it will not face the same level of diplomatic isolation this time."

Facilitating trade with Iran is one of the easier steps the EU could take to prove its sovereignty. Other measures, like a joint European military, would be unpopular and expensive. The necessary instruments for the EU to make a clear statement are there; applying them is just a matter of political will.

The EU blocking statute, updated in August to cover the U.S. sanctions on Iran, forbids European companies from complying with non-member countries' extraterritorial restrictions, and allows them to claim compensation for any damages caused by such sanctions. If the EU's strongest members somehow managed to set up the Iran SPV, they could offer assurances to businesses of all sizes that agree to work with the SPV that they would receive the maximum protection under the statue. That could also provide some protection to SWIFT, the global financial messaging system, and make it more reluctant to disconnect Iranian banks.

Robust joint action by the EU, or even just by Germany and France, would limit even Trump's resolve to fight back against his European allies: it would challenge the president's promise to create jobs, since German and French multinationals employ a combined 1.4 million people in the U.S.

And yet, for all their big words about Europeans' "taking their destiny in their own hands," as German Chancellor Angela Merkel likes to repeat, EU leaders' real policy appears to be to string Iran along while waiting for the Trump presidency to end. They are going through the motions, while holding off on any decisive action.

Iran Using Digital TIR With Turkey, Azerbaijan

TEHRAN (Dispatches) - **Director General of the Sarakhs Customs Administration Office Seyyed Hassan Rahimzadeh has said Iran and Azerbaijan are using the digitized TIR carnet system after successfully co-operating the system with Turkey, and now Pakistan is eager to establish the same joint system with Iran.**

The event is sponsored by the World Customs Organization in its European regional office in Baku.

Rahimzadeh added that after Turkey, Azerbaijan is the second country with which Iran has initiated such a system.

He also recounted that Pakistani officials have also asked for such a system to facilitate transit between the two countries.

Iran's Customs Administration (ICA) and its Azerbaijani counterpart have recently come to an agreement on the e-TIR customs cooperation.

Mutual consent was given to the introduction of a digital version of TIR on routes between these countries. In addition, further plans are to extend the digital passes to the entire International North-South Transport Corridor (INSTC), which connects India, Iran, Azerbaijan, Russia and Central Asia.

Euro Zone Inflation Confirmed at Six-Year High in October

BRUSSELS (Reuters) - **Euro zone inflation rose in October at its fastest pace in nearly six years, driven by energy prices, the European Union statistics agency said on Friday, confirming its earlier estimate.**

The core inflation measure which excludes energy and food was revised down.

Eurostat said that consumer prices in the 19 countries sharing the euro rose 2.2 percent year-on-year in October after a 2.1 percent increase in September and a 2.0 percent gain in August. It was the biggest increase since December 2012.

The headline figure supports the European Central Bank's decision to end its price-boosting bond-buying program at year-end, as inflation is now overshooting the ECB target of price growth below, but close to, 2 percent over the medium term.

In less positive news for the ECB, inflation excluding the volatile components of energy and unprocessed food -- the core indicator that the central bank watches in its policy decisions -- was revised down by Eurostat to 1.2 percent on the year, from a previous estimate of 1.3 percent. It was however still growing faster than the 1.1 percent increase posted in September.

On the month, headline inflation went up by 0.2 percent in October, in line with market expectations, but slowing from 0.5 percent in September.

The narrower core indicator, watched by many market participants, which excludes energy, food, tobacco and alcohol, was confirmed at 1.1 percent on the year.

The rise in headline inflation was mostly driven by energy prices which

jumped 10.7 percent year-on-year in October, while prices for other industrial goods went up by only 0.4 percent.

Inflation in the services sector, the largest in the euro zone economy, was 1.5 percent on the year, but prices dropped by 0.3 percent on the month.

Turkey's Budget Sees $12.3bn Deficit

ANKARA (Dispatches) - **Turkey's central government budget balance posted a deficit of 56.7 billion Turkish Liras ($12.35 billion) from January to September with a 79.4 percent year-on-year increase, the Treasury and Finance Ministry has announced.**

The country's budget revenues totaled 546.8 billion liras ($119 billion) in the first nine months of this year, up nearly 20 percent year-on-year, data showed.

During the same period, budget expenditures rose 23.6 percent to 603.5 billion liras ($131.5 billion)**—marking a 56.7 billion lira ($12.35 billion) deficit.**

The budget balance, excluding interest payments, saw a surplus of 3.7 billion liras ($800 million) from January to September.

Official figures showed tax revenues rose 19.2 percent to reach nearly 459.4 billion liras (around $100 billion), while interest payments were 60.4 billion liras ($13.2 billion) over the same period.

The New Economic Program estimates a 72.1 billion lira budget deficit in 2018, or 1.9 percent to the country's GDP.

World Markets Subdued on Trade, Brexit Tensions

SINGAPORE (AP) - **World markets were subdued on Friday as trade tensions and political risks surrounding Britain's exit from the European Union kept investor cautious.**

KEEPING SCORE: France's CAC lost 0.2 percent to 5,021 while Germany's DAX was down 0.1 percent at 11,344. Britain's FTSE 100 shed 0.3 percent to 7,016. Wall Street was set for a weak open, with Dow futures down 0.4 percent and S&P 500 futures 0.5 percent lower.

ASIA'S DAY: Japan's Nikkei 225 index lost 0.6 percent to 21,680.34 while the Hang Seng in Hong Kong added 0.3 percent to 26,183.53. South Korea's Kospi rose 0.2 percent to 2,092.40

BREXIT: Discord over British Prime Minister Theresa May's plan for Britain's departure from the European Union next year has shaken major European stock indexes and the pound. May persuaded a majority in her Cabinet to back an agreement that would allow Britain to stay in a customs union while a trade treaty is negotiated, but the deal faces an uncertain fate in Parliament and two of her Cabinet ministers, including the Brexit minister, resigned in protest.

Oil Heads for Week of Losses Despite Talk of Supply Cut

LONDON (Reuters) - **Oil rose on Friday on expectations that OPEC and its allies would agree to cut output next month but prices were still down on the week on concerns that the global market was oversupplied.**

Brent was up $1.15 at $67.77 a barrel by 1150 GMT. The global benchmark looked set for a third day of gains since hitting an eight-month low on Tuesday. But it was still down more than 3 percent on last week's close.

U.S. light crude was up 90 cents at $57.36 after their steepest one-day loss in more than three years on Tuesday.

Ministers from the Organization of the Petroleum Exporting Countries meet on Dec. 6 in Vienna to decide on production policy for the next six months. They have to decide what to do about a growing surplus in world markets.

The United States imposed sanctions on Iran this month, asking international consumers not to buy its oil, and Iranian crude exports have fallen sharply in recent months.

"The trend is down - stick with it," PVM technical analyst Robin Bieber said.

OPEC is widely expected to start trimming output soon, fearing a repeat of the 2014 price rout.