

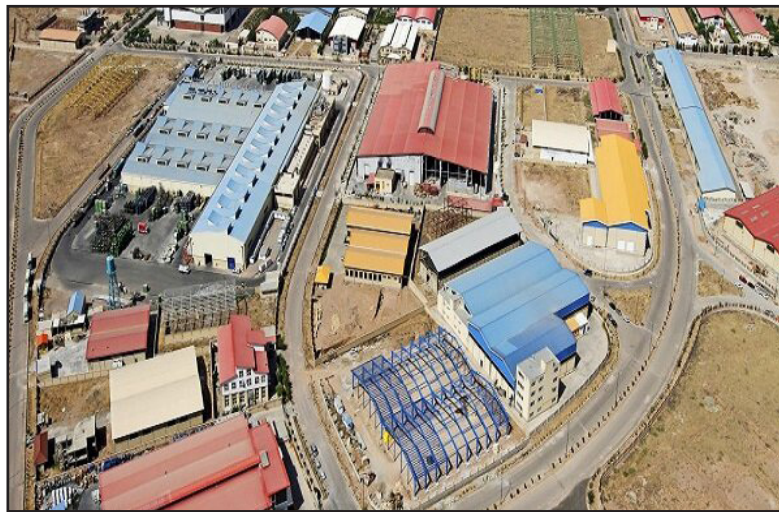
# Report: Foreign Investment Tripled Over Past 4 Months

TEHRAN (Dispatches) - Iran has approved 32 new projects with direct investment from foreign nationals as authorities say the value of foreign direct investment (FDI) schemes approved over the past four months has tripled compared to the similar period last year.

A report by the Iranian finance ministry said that new FDI projects will be scattered in 12 out of the 31 Iranian provinces with an investment value of \$1.6 billion.

The report said the new investment will come from nationals of various countries and will cover projects in energy, manufacturing, agriculture, transportation and services sector.

FDI projects should gain the approval of Iran's Organization for Investment & Economic and Technical Assistance before they can



be implemented. The body has endorsed more than \$2.4 billion worth of new projects in the current Iranian calendar year that began late March.

The figure shows a three-fold in-

crease year on year in late July, said the finance ministry report, adding that foreigners will bring investment to a total of 60 new projects that have been approved this year. The growing foreign investment

in Iran comes despite restrictions imposed by the United States on the country's ability to engage in normal banking and finance activities with other countries.

Chief Executive of Qazvin Industrial Towns Hamid-Reza Khanpour said that total of €470 million worth of investments have been made by foreign investors in Qazvin Industrial Towns within the framework of Foreign Direct Investment (FDI).

So far, a number of 17 foreign investors have invested 470-million-euro worth of capital in Qazvin Industrial Parks and Towns, he reiterated.

He went on to say that foreign investors present in Qazvin Industrial Towns are from countries including Germany, France, Poland, Italy, South Korea, India, Turkey, Iraq, Afghanistan, and Pakistan.

## Iran Eyes 80% Enhanced Petrochemical Revenue by Year-End



CEO of the National Petrochemical Company Behzad Mohammadi

TEHRAN (Dispatches) - The CEO of the National Petrochemical Company Behzad Mohammadi has said that Iran's petrochemical production capacity would increase by 60% this year, adding by launching 17 projects, Iran's petrochemical revenue would increase by 80 percent by the end of the current Iranian calendar year which began on March 20.

Mohammadi said Iran would launch 17 projects this year which would bolster the sector's output dramatically while increasing revenues.

He said Iran would launch 3 major petrochemical projects by Thursday which would add 4 million tons to the country's annual petrochemical production capacity.

These projects include Kaveh Petrochemical, Kimia Pars Middle East and Lorestan Catalyst projects, with a total of \$1.57 billion of investments.

Mohammadi, stating that in the second leap of the country's petrochemical industry, 27 projects have been defined that will be put into operation by the end of 1400 (March 2022), continued: "17 projects from this basket will be put into operation by the end of this calendar year."

He said by inauguration of all the projects in the second leap, Iran's petrochemical production capacity would reach 100 million tons per year from currently 66mn tones per year.

## After Brief Halt Official: Electricity Exports Resume to Afghanistan

TEHRAN (Dispatches) - A spokesman of the Iranian Energy Ministry Mostafa Rajabi Mashhadi says electricity exports to neighboring Afghanistan has resumed following a brief halt caused by a suspected attack on transmission lines.

stan stopped early in the morning on Monday after a "bullet" was fired toward the transmission lines in a location between cities of Herat and Islam Qala, near the border with Iran.

The report cited a local energy official in Herat as saying that the



Rajabi Mashhadi said that the short pause to electricity supply to Afghanistan had taken place earlier in the day because of an "incident" in the Afghan territory. "The repair personnel of this country immediately moved to fix the line and resolve the problem," said Rajabi Mashhadi, adding, "Now the network linking the two countries is connected and there is now specific problem."

The semi-official Fars news agency had said earlier that Iran's supply of electricity to Afghani-

stan had caused a 50-percent decrease in the supply of electricity from Iran to the region.

### Tehran, Kabul Sign MoU on Goods Transit

And also, Managing Director of Sistan and Baluchestan Ports and Maritime Department General Behrouz Aqayee said that a Memorandum of Understanding (MoU) has been inked with Afghanistan's private sector on transit via Chabahar port.

## U.S. to Borrow \$2 Trillion in Second Half of 2020, Treasury Says

WASHINGTON (WSJ) - The Treasury said in a release that it expects to borrow \$947 billion in the July-September quarter, and \$1.216 trillion in the October-December 2020 quarter.

Borrowing for the three final quarters of the 2020 calendar year, or April-December 2020, which excludes the pre-pandemic first quarter, is expected to come in at \$4.916 trillion.

The Treasury said it would be borrowing \$270 billion more in the July-September quarter than it initially predicted in May. The upward revision is mostly driven by higher expenditures, the department said, partly due to a shift from the prior quarter and partly due to anticipated new legislation.

The revised estimates "assume \$1 trillion of additional borrowing need in anticipation of additional legislation being passed in response to the COVID-19 outbreak," the Treasury said in the statement.

Since March, Congress has authorized around \$3.6 trillion in new spending to help American families and businesses weather the fallout from the pandemic, which has sparked an economic contraction of historic proportions.

The U.S. economy contracted by a staggering 32.9 percent annualized rate in the second quarter, more than triple the previous all-time gross domestic product drop of 10 percent in the second quarter of 1958.

The unemployment rate shot up from a 50-year low of 3.5 percent in February to 14.7 percent in April, recovering to 11.1 percent in June as total nonfarm payroll employment rose by 4.8 million.

Congressional leaders and the White House are in talks over the next relief package, with Democrats pushing for a broad fiscal aid bill estimated at around \$3.5 trillion that includes aid for state and local governments, food stamp increases, and assistance to renters and homeowners. Many Republicans, concerned about rising levels of debt, have argued for a slimmer aid package of around \$1 trillion, with Treasury Secretary Steven Mnuchin telling reporters on Aug. 2, "We have to be careful about not piling on enormous amounts of debt for future generations."

## Gold Price Rockets Past \$2,000 Per Ounce

LONDON (CNN Business) - Gold has rallied past \$2,000 per ounce for the first time ever, with spot prices jumping as high as \$2,041 per ounce on Wednesday.

The metal's spectacular rally is the result of a weakening dollar, which makes it cheaper for foreign investors to buy gold, as well as rock-bottom yields on other safe-haven assets like U.S. Treasuries. Some investors also fear that trillions in unprecedented stimulus from central banks could feed long-dormant inflationary pressures, and are turning to gold for protection.

## Auto Industry Begins to Absorb Shock of U.S. Sanctions



TEHRAN (Press TV) -When the U.S. unleashed its most aggressive sanctions ever on Iran in August 2018, it reserved the first hammer blow for the car industry to hurt as many Iranians as possible.

The auto industry is a key driving force in Iran, the operation and prosperity of which keeps more than 60 other industries moving. The industry is only second to its energy sector, accounting for some 10 percent of the gross domestic product and 4 percent of employment.

Iran began manufacturing its own car in 1967, churning out the box-shaped Paykan which was a replica of the British-made Hillman Hunter. It also imported mainly from Western Europe and the United States, which accounted for approximately 40 percent of Iran's market.

However, the baby boom during the first decade of the Islamic Revolution of 1979 generated a young population which was almost 75 percent urbanized by 2017 and hungry for cars.

The post-war governments decided to give a new lease of life to the auto industry, but opted to stop manufacturing and start assembling instead, because they thought Iran could not compete with strong international carmakers.

International players, meanwhile, showed interest in the Iranian market and policies were put into place that allowed car imports without technology transfer.

France, a partner of Iran in the automotive industry for a long time, entered into new joint ventures with main producers Iran Khdro (IKCO) and Saipa.

To meet the demand, automotive production rose by more than 18 percent in 2017. Iran produced 1.4 million cars and commercial vehicles, ranking sixteenth in the world.

However, foreign companies that made cars in Iran — including France's Peugeot and Renault — decided to leave after U.S. President Donald Trump announced new sanctions on the Islamic Republic.

Renewed sanctions led to delays in car deliveries and a shortage of parts and by June 2018, a month after sanctions were renewed, car production dropped by 29 percent compared with the same month a year earlier.

Iran has gone through waves of sanctions since the Islamic Revolution that have spilled over into daily life in the country of about 85 million.

On the flip side, the pressures have been a boon to domestic manufacturers who have thrived under the new situation because Iran cannot afford to drop automotive industry altogether. The sector is so massive with its solid infrastructure in production, which holds both economic and political importance for the government.

More than 100,000 people are employed by the two largest local manufacturers Iran Khdro (IKCO) and Saipa, while another 700,000 Iranians work in industries related to car manufacturing.

There are around 13 public and private auto manufacturers in Iran, with IKCO and Saipa accounting for about 94% of the domestic production.

After the U.S. imposed its sanctions, Iran's union leaders warned that up to 450,000 jobs in the auto parts industry were at risk, prompting the defense ministry to wade into the quandary.

The ministry is now helping the Iranian carmakers manufacture hi-tech auto parts which Iran used to import.

Cars produced in Iran under license from foreign manufacturers rely on critical imports of parts ranging from airbags, pistons and cylinder heads to computer chips including engine control units and sensors.

IKCO Managing Director Farshad Moqimi said Iran is now producing more than 50 parts which were imported.

"With the measures we have taken in the field of domestic production and self-sufficiency... we have been able to reduce more than \$50 million in production costs and planned for another \$300 million in reduced costs," he said.

Moqimi said IKCO has produced more than 172,000 cars since the beginning of the Persian year in March, up 36 percent against the period last year.

"A 30 percent increase in car delivery to customers is also one of Iran Khdro's recent achievements," he said, adding 51,000 cars among more than 200,000 units not delivered on time have been released to their owners.

"When the United States has targeted the automotive industry and started its sanctions from this sector, we must work together to maintain the flag of production in this industry flying high," Moqimi said.

Iran is now self-sufficient in the production of some parts, "but we have a problem in supplying raw materials, and we have to supply it from foreign sources," he said, adding domestic manufacturing of the raw materials should also be on the agenda.