Iran Energy Exchange to Trade Petchems Soon

TEHRAN (FNA) - **Managing Director of Iran Energy Exchange (IEE) Ali Hosseini said ground has been paved for petrochemical companies to offer their products in the IEE.**

"The refineries and petrochemical plants will soon sell their new products in the IEE," Hosseini said.

"In addition to gas condensate from South Pars (gas field), liquefied gas from Abadan Refinery will be also accepted under the aegis of National Iranian Oil Refining and Distribution Company," he further added.

Hosseini said crude oil trading has stopped at the IEE, but fuel oil is to be accepted for transaction.

He said that the IEE is ready to handle new petroleum and petrochemical products.

Iran produced 40mln tons of petrochemicals in the last calendar year, with $9bln worth of its products being exported.

The country plans to increase its petrochemical exports to $12bln this year.

Exxon to Wind Down Russian Drilling Project

NEW YORK (AP) — **Exxon Mobil said that it will wind down a drilling project in Russia in compliance with U.S. sanctions, but said it received a license to keep working beyond the sanctions' deadline in order to complete the work.**

U.S. sanctions against Russia over its involvement in the Ukraine require the removal of U.S. workers on projects in the Russian Arctic and other select locations by September 26.

Exxon is drilling an exploratory well in the Kara Sea in the Russian Arctic, and had planned to stop drilling in October in order to remove equipment and personnel before winter set in.

Exxon said it has received a license from the U.S. Treasury Department for more time to wind down operations safely and close up the project before winter "to ensure a safe and environmentally responsible completion," said Exxon spokesman Richard Keil. "The license is non-renewable and no further work is permitted."

Unless the sanctions remain in place for many more months, they are not expected to lead to a delay in the Kara Sea exploration project.

The project is part of a broad collaboration between Exxon and the Kremlin-controlled Rosneft, Russia's largest oil company. The two aim to explore for oil and gas in technically challenging formations in Russia.

These formations are thought to hold large troves of hydrocarbons, but producing oil from them requires the type of expertise found at western oil companies such as Exxon.

Even if successful, the projects aren't expected to result in new oil and gas production for several years. But they represent an important and possibly enormous resource that could help both Exxon and Russia keep oil production high as current fields naturally deplete.

US Urges EU to Do More to Stimulate Its Economy

LONDON (Financial Times) - **The US and Canada have urged the EU to resolve its internal political differences and do more to stimulate its economy, amid concerns the bloc could impede a global recovery as geopolitical tensions and financial market risks grow.**

"If the efforts to boost demand are deferred for too long there is a risk that the headwinds get stronger," Jack Lew, US Treasury secretary, said on Sunday at a G20 meeting of finance ministers and central bankers.

He said the US had "philosophical differences with our friends in Europe" and called on European countries to agree to boost short-term demand to stimulate growth.

The pressure exerted by the EU's international partners comes amid a fractious debate within the eurozone over the best way to boost growth. France and Italy are pushing for fiscal stimulus while Germany is an advocate of budgetary restraint.

Mario Draghi, president of the European Central Bank, last month urged governments to match the central bank's efforts to revive the economy with growth-boosting measures of their own. Mr Draghi urged member states with room to spend, such as Germany, to raid their fiscal coffers, while at the same time demanding France and Italy revamp their economies through labor market reforms.

China Says Will Not Alter Policy Because of One Economic Indicator

BEIJING (Reuters) - China will not dramatically alter its economic policy because of any one economic indicator, Finance Minister Lou Jiwei said on Sunday, in remarks that came days after many economists lowered growth forecasts having seen the latest set of weak data.

Lou made the comments at a meeting of finance ministers and central bank governors from the G20 countries in Australia, according to a statement from the People's Bank of China, China's central bank.

"China will not make major policy adjustments due to a change in any one economic indicator," he said.

Economists dialed back their growth forecasts last week after data showed factory output grew at its weakest pace in nearly six years in August.

China's total social financing aggregate, a broad measure of lending in the economy, was the weakest in nearly six years, data showed earlier this month, indicating credit levels were far below average.

China cannot rely on government spending to increase infrastructure investment, Lou added.

The economic stimulus measures adopted by China to confront the international financial crisis had boosted economic growth, but they also brought excess capacity, environmental pollution, and the growth of local government debt along with other problems, Lou said. As a result, China cannot completely rely on public financial resources to make large-scale investments in infrastructure.

Macroeconomic policy will continue to focus on comprehensive goals, especially maintaining employment growth and stability in the price of goods, Lou said.

G20 Vows to Breathe New Life Into World Economy

CAIRNS, Australia (AFP) - **G20 nations including the United States and China said on Sunday they can overcome geo-political tensions and financial risks to achieve extra combined growth of 1.8 percent, adding trillions of dollars to the world economy.**

Their two-day meeting in Cairns was focused on developing a suite of policies to reach an ambitious goal of raising the total GDP of the 20 major world economies by two percent above current projections over the next five years.

Finance ministers and central bank governors, including US Federal Reserve Chair Janet Yellen, want to take their plan to the G20 leaders' summit in Brisbane in November.

In a communiqué, they said that the 1,000 measures agreed so far -- including to accelerate infrastructure investment, financial reform and encourage free trade -- could add 1.8 percent to GDP and create millions of new jobs.

But more reforms were needed to meet the two percent goal, agreed in Sydney earlier this year.

"Preliminary analysis by IMF-OECD indicates these measures will lift our collective GDP by an additional 1.8 percent through to 2018," they said.

"In the lead up to the Brisbane (leaders') summit, we will continue to identify a series of additional measures to meet our collective growth ambition.

"We will hold each other to account in implementing these policy commitments."

International Monetary Fund chief Christine Lagarde hailed what she called "significant progress" despite increased geo-political tensions, including in Ukraine and the Middle East, since the ministers last met in February.

"Despite the global recovery continuing, the pace of growth remains low and uneven, in part given increased geopolitical tensions and risks of financial market turmoil," she said.

"Promoting economic policies that can contribute to a more robust and job-rich recovery is therefore critical at this stage.

Bundesbank Warns of Risky ECB 'Change of Course'

BERLIN (AFP) - **The head of Germany's powerful Bundesbank sharply criticized what he called a radical new approach by the European Central Bank of easy money, in an interview published Sunday.**

The central bank chief, Jens Weidmann, told Der Spiegel news weekly that the bank's recent moves of setting interest rates at record lows while pumping liquidity into the financial system set a risky precedent.

The package of measures marks "a fundamental change of course and a decisive change for the ECB's monetary policy", he said.

"Whatever you want to say about the content of the decisions, the majority of the ECB Council is saying it is ready to go very far with monetary policy and break new ground."

He said the policy went beyond encouraging banks to make private loans and amounted to pumping money directly into the real economy.

He added that plans announced this month by the ECB to launch an asset-backed securities (ABS) purchase program could, "depending on how it is set up"; eliminate "risk to banks at the expense of taxpayers".

Weidmann said if the bank pressed ahead with the program it should buy low-risk securities, although he questioned whether there were enough on the market to meet the volume the ECB has targeted.

In a bid to prevent deflation, the ECB this month cut its interest rates to new all-time lows and unveiled plans for an ABS purchase scheme to help kick-start credit in the eurozone.

Asset-backed securities are bundles of individual loans such as mortgages, auto credit and credit-card debt that are sold on to investors, allowing banks to share the risk of default and encouraging them to offer more credit.

Some ECB watchers believe the ABS scheme is the first step towards much broader quantitative easing, where the central bank would buy up sovereign bonds on a large scale to inject cash into the economy.

Germany's Central Bank Governor Jens Weidmann (R) speaks with IMF chief Christine Lagarde (L) at the G20 finance ministers and central bank governors meeting in Cairns, Australia, on September 20, 2014.

Miliband Pledges to Raise UK Minimum Wage to £8 an Hour

LONDON (Financial Times) - **Business leaders criticized Ed Miliband's pledge to lift the UK's national minimum wage to £8 an hour by 2020, saying it would threaten jobs and jeopardize the independence of the commission which advises the government on low pay.**

The Labor leader put the low-paid at the heart of his general election campaign, pledging at the start of his party's annual conference to increase the minimum wage from its current level of £6.31 an hour – or £6.50 from October.

Mike Cherry, chair of the Federation of Small Business, said it was a "huge ask" for many businesses as he expressed alarm over the "politicization" of the Low Pay Commission, which sets the minimum wage at arms length from Whitehall.

"If it goes up to £8 over that period there is always a danger that it will cost jobs. No one can forecast what the economy will do over the next three to five years," he told the Financial Times. "The important thing is that I don't want the Low Pay Commission, which is incredibly sensible in setting credible rates, to be politicized – that is my biggest concern over this sort of statement."

The CBI, the employers' organization echoed Mr Cherry's concerns as it criticized Labor's decision to interfere with the work of the commission.

"Raising wages in this way would put serious strain on businesses, particularly hard-pressed smaller firms with tight margins, which would end up employing fewer people," it said. "The national minimum wage has enjoyed broad business support and a move to a politicized US-style system is not in the interest of companies or workers."

The commitment to an £8 target is particularly difficult for some employers in retail, hospitality and care sectors, where low pay is most prevalent. The British Retail Consortium issued a cool response to the proposal on Sunday, saying that "any significant rise needs to move at a pace which enables retailers to make any changes necessary to absorb costs associated with the rise."

Wages in the UK have fallen in real terms since the last general election in 2010. The Miliband pledge of an extra £1.50 an hour is equivalent to an annual increase of 4.3 per cent, higher than the average earnings growth anticipated in the coming years.

Mark Carney, governor of the Bank of England, told the TUC conference last week that he expected wage growth to surge from next summer but not to reach 4 per cent a year until 2017.