

# US Insurer to Cover Iran Oil Cargos



File photo shows an oil tanker in international waters. A US-based insurance company says it has obtained necessary authorization from US government to cover Iranian oil cargoes transported by non-American companies.

TEHRAN (Press TV) - A US-based insurance company, which covers the global shipping industry, says it has obtained necessary authorization from US government to cover Iranian oil cargoes transported by non-American companies.

According to a Bloomberg report, the development comes after Iran and P5+1 countries - the US, the UK, France, China, and Russia plus Germany - started implementing a nuclear deal they clinched last July on Iran's nuclear program. According to the agreement, known as the Joint Comprehensive Plan of Action (JCPOA), the six countries accepted to remove sanctions imposed on Iran's economic and energy sectors in return for Iran imposing restrictions on its nuclear activities.

According to a circular posed on the website of the American Steamship Owners Mutual Protection and Indemnity Association, Inc. (the American Club), the Office of Foreign Assets Control (OFAC) on Feb. 5 "prospectively removed" the

restriction that previously prevented the American Club from covering the global shipping industry, says it has obtained necessary authorization from US government to cover Iranian oil cargoes transported by non-American companies.

The New York-based insurance company added that following the measure, the club is "now generally available for non-US person Members' transportation of crude and products to and from Iran."

When contacted by phone, Erik Nikolai Stavseth, a shipping analyst at Arctic Securities ASA in Oslo, said when it came to exports from Iran, insurance "is where the biggest problem has been and now that seems to have been resolved, at least that's one problem out of the way."

He added that European insurance firms were now likely to follow suit since the US club has been cleared to provide insurance cover for oil cargoes from Iran.

According to Bloomberg, OFAC's spokeswoman was not available to comment on the report.

The American Club is one of 13 members of the International Group of P&I Clubs in London,

who collectively cover more than 90 percent of the global tanker fleet against risks including oil spills.

On Saturday, an Iranian deputy oil minister and managing director of the National Iranian Oil Company said the country is loading 4 million barrels of oil for shipment to France, Russia and Spain as the first delivery to European buyers since sanctions were lifted.

Rokneddin Javadi added that France's energy giant, Total, will take delivery of 2 million barrels and the rest will go to refiners in Spain and Russia.

Earlier in the day, Iran's first vice president said the country's oil exports will reach 1.5 million barrels per day (mb/d) next month as Tehran moves to benefit from sanctions relief.

"Today, our oil exports have reached 1.3 mb/d, which will reach 1.5 mb/d by" March, Es'haq Jahangiri said, adding that Iran will be exporting 2 mb/d of oil in the next calendar year starting on March 21.

Chinese finance twice as much as its yuan deposits in China," he underlined.

The official went on to add that "a Chinese delegation made a visit to Iran last week and a 15-member Iranian trade group will travel to China on April 3."

"The addition of Chinese yuan to the basket of international currencies has exerted a positive impact on Iran," stressed Askaroladi concluding "Iran possesses a large amount of yuan in China and better finance conditions will arise by conducting transactions in the Chinese currency."

## China to Provide Iran With \$20bn Finance

TEHRAN (MNA) - Head of Iran-China Chamber of Commerce has announced that 20 billion dollars of new Chinese finance will be dedicated in the coming years.

Asadollah Askaroladi said "Iran-China political and business interactions in recent months have brought about a number of promising outcomes in the Iranian economy and 20 billion dollars of Chinese finance will be opened in Iran."

"The new finance will become available to Iran over the coming years while Iran has always been able to receive

understanding commits the North American Free Trade Agreement partners to share data on energy supplies and distribution, as well as new clean energy initiatives, accelerate development of technologies such as carbon capture and storage, and improve energy efficiency across the continent.

The trio will also collaborate on environmental stewardship.

Working groups will be formed to hammer out the details of each segment of the plan, Carr said.

Energy products worth Can\$167 billion (US\$119 billion) were

traded across the continent in 2015, government figures show.

According to the Canadian National Energy Board, benchmark West Texas Intermediate crude oil prices hit a six-year low in 2015, ending the year around \$35 per barrel. Natural gas prices also remained low.

But Canadian exports of electricity to the United States reached a record high.

Meanwhile, both solar and wind generation increased but at a considerably slower pace than in previous years.

## IME Weekly Trade Reaches \$185mln

TEHRAN (FNA) - The Iran Mercantile Exchange (IME) announced that around \$185mln of various commodities weighting over 583,942 tons were traded in its domestic trading and exports halls in the past working week (Feb 06-10).

The IME said that over 649,299 tons of various oil and petrochemical products, including 105,269 tons of bitumen, 43,540 tons of polymer products, 98,600 tons of

VB, 34 tons of lube cut, 17,350 tons of chemical products, 340 tons of insulation, 540 tons of sulfur and 10 tons of argon with the total value of \$90mln were traded in its domestic and exports halls during the last week.

Also, 282,693 tons of metal and mineral products, including 152,814 tons of steel products, 110,000 tons of iron ore, 13,890 tons of copper, 9 tons of molybdenum concentrate,

10 Kg gold bullion and 5,840 tons of aluminum with the total value of \$95mln were traded in the IME domestic and exports halls in the last week.

In the meantime, 225 tons of sugar, 200 tons of crude vegetable oil, 1,150 tons of date, 558 tons of maize worth over \$119,000 were traded by the customers in the agricultural trading hall of the IME in the last week.

## NIORDC to Build More Refineries

TEHRAN (MNA) - National Iranian Oil Refining and Distribution Company announced in a report the company has allocated €15b for expanding its refining capacity.

During the 1,460 days that Iran's oil industry suffered unfair sanctions production and processing of oil in the company was persistently continued and 2.6 billion barrels of various products have been produced, indicated the latest report released

by National Iranian Oil Refining and Distribution Company (NIORDC) on Thursday.

The company also announced that there are over 130 projects under running at the moment that would need another \$14.3 billion investment to be completed.

Three new refineries, condensate refinery of Persian Gulf Star, and upgrading of 7 working refineries are among the projects to be completed.

It is calculated that at the end of the sixth plan of Iran's development the refining capacity of Iran's industry will increase by 1 million barrels a day the country would export its extra gas and diesel production.

Iran's Oil Minister Bijan Namdar Zanganeh had told the media a day earlier that Iranian refineries would have an output of 3.2 million barrels a day at the end of the sixth plan of Iran's development.

## German Growth Keeps Eurozone Economy Steady Amid Global Turmoil

Brussels (AFP) - Solid growth in powerhouse Germany kept the eurozone economy steady in late 2015 despite the buffeting from global market turmoil and a sharp slowdown in China, data showed Friday, but the outlook is clouded.

Analysts said the figures were "something of a relief" after recent weakening data had suggested a modest recovery in the 19-nation single currency bloc was running out of steam.

The Eurostat statistics agency said the eurozone grew 0.3 percent in the last three months of 2015, the same pace as in the previous quarter and in line with analyst forecasts.

German gross domestic product (GDP) growth, at 0.3 percent, offset weaker performances from southern countries by virtue of its sheer size.

"The economic situation in Germany was characterized by solid and continuous growth in 2015," federal statistics office Destatis said.

France slowed to 0.2 percent from 0.3 percent in the fourth quarter.

The Italian recovery stalled, with just 0.1 percent growth after 0.2 percent, complicating Italy's efforts to start reducing its 2.2 trillion euro (\$2.5 trillion) debt mountain this year.

"Italy is still struggling to emerge from the great recession of 2008-14 and despite some encouraging signs in the first part of 2015, growth lost momentum in the second half," said Lorenzo Codogno, chief economist at LC Macro Advisors.

Spain, meanwhile, led the pack with another gain of 0.8 percent.

Bailed out Greece fell back into recession as its economy contracted by 0.6 percent, however that was a distinct improvement from a 1.4 percent contraction the previous quarter.

Athens remains saddled with a huge mountain of debt and it is struggling to meet the tough terms laid down in a third debt rescue agreed with its international creditors last year.

But despite the positive fourth-quarter headline figure, the report

also pointed up the risks and the European Central Bank, which has launched an unprecedented one-trillion-euro stimulus programme, may have to do even more to get the economy back on track, they said.

For all 2015, it expanded 1.5 percent, coming in short of the 1.6 percent estimate given by the European Commission last week.

Outside the eurozone, Britain rose to a 0.5 percent quarterly expansion from 0.4 percent.

For the full 28-nation European Union, the economy gained 0.3 percent in the fourth quarter, down from 0.4 percent in the third, and expanded 1.8 percent for the year.

- Risks mounting, ECB must do more -

Howard Archer at IHS Global Insight said that while the 2015 growth rate of 1.5 percent was the best since 2011, the fourth-quarter performance was only "lacklustre" and the outlook was not promising.

"We have been expecting eurozone growth to improve modestly to 1.7 percent in 2016 but this is currently looking ever more questionable and may well need to be revised down," Archer said in a note.

"There are clearly mounting downside risks to the eurozone growth outlook coming from global growth problems and financial market weakness and volatility," he said.

Other analysts were equally guarded.

"The fact that eurozone growth did not slow in the fourth quarter provides little comfort in the current environment of global market turmoil and does not preclude the need for further decisive policy action from the ECB," Capital Economics said.

Capital Economics even warned that it may have to cut its already low 1.2-percent growth forecast for this year.

"We have pencilled in growth of 1.2 percent in 2016 but the recent turmoil in global financial markets and signs of renewed stress in peripheral eurozone (countries) have increased the downside risks even to our forecast," it said.

## VW Says Global Sales Climb, Worsen in US

BERLIN (AFP) - German automaker Volkswagen said Friday global sales of all its brands rose by 3.7 percent in January compared to the same month last year, although they worsened in the United States which is at the centre of a pollution cheating scandal.

The group sold 847,800 vehicles worldwide last month, with sales of VW vehicles alone climbing by 2.8 percent.

In China, the carmaker's largest market, sales jumped 14 percent to a record 400,100 vehicles.

"Developments on world markets at the beginning of the year are mixed," chief executive Matthias Mueller said in statement.

While sales were gaining "regaining momentum" in China, according to Mueller, the performance worsened in January in the United States, which is at the centre of the scandal of rigging pollution controls, with sales falling by 7 percent.

The company has admitted fitted 11 million diesel engines worldwide with devices aimed at cheating emissions tests, and is facing penalties there that could reach more than \$20 billion.

VW sales there plunged by 15.3 percent in November after the scandal broke, but clawed back to a 2.0 percent drop in December.

The company said "the sales stop for several models with diesel engines had an impact" in January. Mueller, however, expressed concern about markets where the trend is much worse.

The VW chief executive said "the situation in Brazil and Russia remains tense".

Sales in Brazil, which is stuck in a recession and whose currency has slumped to record lows against the dollar, sales have plunged nearly 39 percent. In South America overall they are down nearly a third.

In Russia, where demand has been battered by falling oil prices and a weak ruble, sales were down by over 29 percent in January.

European sales overall climbed by 1.8 percent in January.

## US, Canada and Mexico Sign Clean Energy Pact

OTTAWA (AFP) - Canada, Mexico and the United States signed a draft agreement Friday to curb greenhouse gas emissions while increasing their energy interdependence.

The deal will see the three nations working together to better coordinate their energy resources as they move "towards a continental approach to energy," Canadian Resources Minister Jim Carr told a joint news conference with his US and Mexican counterparts in Winnipeg, Manitoba.

The memorandum of