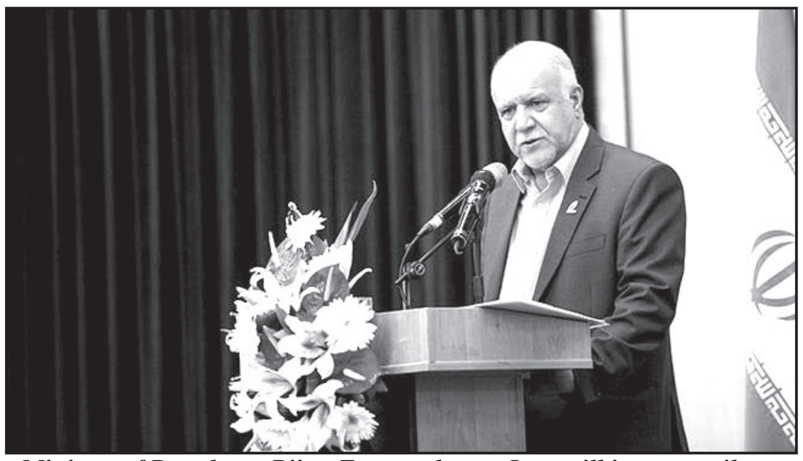
Iran to Add 500,000 Bpd To Oil Exports



Minister of Petroleum Bijan Zangeneh says Iran will increase oil exports by 1 million bpd six months after sanctions are lifted.

TEHRAN (Press TV) -**Minister of Petroleum Bijan Zangeneh says Iran will increase crude oil exports by 500,000 barrels per day (bpd) after sanctions are lifted following the Tuesday conclusion of nuclear talks.**

"We will add 500,000 bdp to our oil exports after the removal of the sanctions. We will then raise this volume to one million bpd after six months," he said on Wednesday.

Zangeneh has already called on other producers to make room for Iran's barrels when production returns to former levels.

"All countries have announced their readiness and interest in cooperation," the minister said, also confirming that German Economy Minister Sigmar Gabriel will arrive in Tehran on his invitation on Sunday.

Iran exported 2.3 million-2.5 million bpd of oil before US and European sanctions targeting its energy sector cut the sales by half. Saudi Arabia, Russia and Iraq ramped up production to replace the Iranian oil.

On Tuesday, Deputy Petroleum Minister Mohsen Qamsari said Iran will try to regain its share in the European market which accounted for 42-43% of its oil exports before the sanctions were imposed.

"How much of this share in the European oil market is reclaimed depends on our performance but we will try to raise it to the maximum possible level," he said.

Qamsari, however, stressed that "the Asian market is still Iran's top priority". Japan, South Korea, China and India buy about 1 million bpd of oil from Iran under a sanctions relief arrangement with Tehran.

On Wednesday, the Japan Ship Owners' Mutual Protection & Indemnity Association said a ban on shipping insurance that has restricted the transport of Iranian oil, petrochemicals and natural gas products for about three years will be lifted.

Platts quoted a Japan P&C source as saying that the association would be able to issue reinsurance to Japanese shipowners for carrying Iranian oil immediately after the sanctions are lifted.

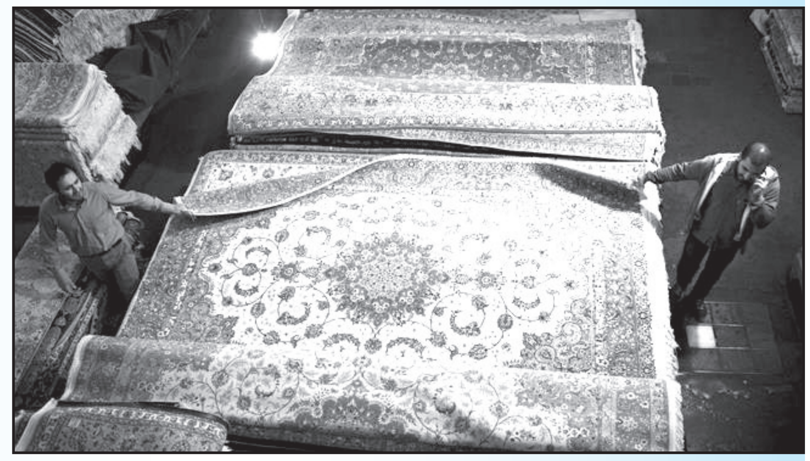
Japan introduced a supplementary insurance scheme in June 2012 to enable crude imports from Iran in the wake of a ban by the EU on protection and indemnity cover for tankers carrying Iranian oil.

According Platts, the Japanese government provided up to $7.98 billion of shipping insurance cover for tankers carrying Iranian crude for fiscal 2015-16.

Iran to Resume Carpet Exports to US When Sanctions Removed

TEHRAN (Press TV) - **Head of the Iranian National Carpet Center says the country has plans to resume carpet exports to the United States once sanctions imposed on Tehran over its civilian nuclear program are removed.**

Hamid Kargar told IRNA on Wednesday that when Iran and the P5+1 group of countries clinch a final deal over Iran's nuclear program, exports of Iran's hand-made carpets to all markets, especially the United States, will see a sharp rise.



File photo shows Iranian carpet sellers folding carpets in Tehran's Grand Bazaar on March 18, 2015. ©AFP

The official added that before 2009, the United States ranked first among countries importing Iranian hand-made carpet accounting for 16.5 percent of total Iranian exported carpets, worth USD 82 million.

He added that sanctions imposed on Iranian carpet imports by the US in 2010 practically "deprived Iranian carpet exporters of trading in the US as the biggest importer of hand-made carpets from Iran."

Kargar stated that Iranian carpet exporters have not been present in American market for five years as a result of which Indian carpets have taken the place of Iranian rugs.

The official said once anti-Iran sanctions are removed as result of a final nuclear deal, Iranian exporters should first monitor the American market for any change of taste and also assess the situation of rival countries in that market.

He said by making meticulous plans for the resumption of carpet exports to the United States, Iranian exports can bring about a boom in their exports to the US by 2016.

Sanctions were imposed on Iran by the US and EU at the beginning of 2012 with Western countries alleging that Iran's nuclear program was diverted toward military purposes; an allegation Iran categorically denied.

Earlier on Tuesday, Iran and the P5+1 group – the US, the UK, Germany, France, China, and Russia – reached the conclusion of negotiations over Tehran's civilian nuclear program, with the Islamic Republic and the sextet sealing an agreement.

Based on the agreement, the world powers have recognized Iran's civilian nuclear program, including the country's right to the complete nuclear fuel cycle. Iran and the six powers also agreed that all economic and financial sanctions against Iran will be removed through a Security Council resolution. In addition, all bans on Iran's Central Bank, shipping, oil industry, and many other companies will be lifted and billions of Iran's blocked revenues will be unfrozen.

China Pays a Price to Avert Stock Market Crash

SHANGHAI (AFP) - **China's Communist government has averted a stock market crash -- for now -- but it will take the world's second-largest economy longer to repair tarnished reform credentials and investment sentiment battered by its heavy-handed intervention.**

After whipping and driving the Shanghai bourse up 150 percent in a year through looser monetary policy, glowing state media comment and margin trading -- the use of borrowed funds on the exchange -- the government was forced to intervene when sentiment turned and the market plunged 30 percent in just three weeks.

A rescue package using the full power of the state included the extraordinary steps of banning stockholders with more than five percent of a listed firm from selling shares, and a police crackdown on short selling -- a bet prices will fall.

"The equity market's gyrations have raised questions about the future direction of the economy and policy," US investment bank Goldman Sachs said in a research report.

"Fissures in the equity market structure and regulations have been revealed, and damage to investor confidence has been severe and will take time to heal."

Beijing also shut off initial public offerings (IPOs) at the flick of a switch and threatened what one analyst called the "nuclear" option by hinting the government could simply wade into the market and directly buy stock.

The moves were decidedly interventionist for an administration which two years ago pledged to allow the market to play a greater role in the economy, but analysts said economic and social stability outweighed such considerations.

"There is little hesitation in using administrative measures when they are viewed as necessary," Goldman Sachs said of Beijing's approach. "This balance reflects the government's desire to avoid a hard landing or a crash."

Stock volatility means a setback for China's economic reforms -- which proceed gradually, rather than a "big bang" approach.

"It is a fact that the market reform process will be delayed," Chen Xingyu, a Shanghai-based analyst for Hong Kong's Phillip Securities, told AFP. "The market transformation sometimes relapses and retreats."

The timing of several proposed changes has been put in question, including a scheme linking trading on China's Shenzhen and Hong Kong stock exchanges following a similar initiative for Shanghai, and a new system for IPOs.

At present the government rather than the market decides who lists and new issues tend to be underpriced, offering guaranteed profits to those lucky or connected enough to buy in.

As a result they drain funds away from the rest of the market, heightening volatility.

More broadly, in the longer term analysts say China needs to build a class of commercially motivated investment institutions rather than allowing the markets to be ruled by tens of millions of sentiment-driven retail investors.

"Big swings like this reflect that the market is rife with speculation with no difference from gambling," Chen said.

Most analysts say the turmoil on the exchanges will cause relatively little direct damage to the overall economy, where growth is already slowing. The International Monetary Fund (IMF) last week called the stock market rout a "sideshow" to the economy.

"The economic impact from China's leverage-driven equity boom-bust should not be overstated," British bank Barclays said in a research report, adding the impact on domestic consumption -- which helps drive the economy -- will be limited.

"Compared with the start of the year, the stock market is still up, so it seems more sensible to think about wealth redistribution rather than wealth destruction."

But beyond the capital markets, reform to lumbering state-owned enterprises and moves towards making China's tightly controlled yuan currency freely convertible could be hurt by the market swings, analysts said.

China's listed state companies already float only a small proportion of their total shares, leaving majority ownership with the government.

As such they are less motivated to operate on market principles, but authorities remain reluctant to give up control.

The market rout and IPO suspension could shut off a funding channel for debt-laden state firms, reducing their future investment.

"This could delay some aspects of SOE (state-owned enterprise) reform, particularly as it hinders a potential channel for deleveraging," Goldman Sachs said.

On the currency front, worries over capital flight are likely to prevent the government from allowing free flows.

Beijing has pledged to reduce its foreign exchange intervention and increase the yuan's flexibility, but Barclays said that if volatility persists and "selling pressures on the yuan continue, we think it may reconsider its approach".

For stock investor Wang Yu, a bank worker in the southwestern city of Chongqing, the government intervention has left him bewildered about the direction of the market and suspicious about the government's motives.

"The big ups and downs have made me confused," said Wang, who estimated his losses at around 180,000 yuan ($30,000). "China's stock market is not transparent and it's hard to know the truth."

IMF Says Greece Needs Much Larger Debt Relief From EU

WASHINGTON (AFP) - **The International Monetary Fund said Tuesday that Greece's EU creditors will have to go "far beyond" their existing estimates for debt relief to stabilize the country's finances.**

The EU needs to decide between a dramatic extension of grace and payment periods for the debt, direct cash payments to the government to finance its deficit, or a debt "haircut", or write-down, the IMF said.

The Fund also warned that given "considerable" downside risks to the country's economic situation, Greece could need more than the 85 billion euros ($94 billion) tentatively agreed on Monday for the country's third bailout.

In an updated study of the country's situation -- which was provide to EU leaders during negotiations over the weekend -- the IMF said Greece's debt burden over the next decade will be much higher than it estimated just two weeks ago, before the country shut down its banks and instituted capital controls in a showdown with its EU creditors.

For example, the new projections said the debt level would rise to almost 200 percent of GDP next year, compared to 177 percent in the previous estimate, in part due to the economy enduring another year of recession in 2015.

For 2022, the ratio would still be a huge 170 percent, instead of 142 percent in the previous estimate.

Given that profile, in addition to more financial aid for the government, the IMF said the country needs a large level of debt relief.

"The dramatic deterioration in debt sustainability points to the need for debt relief on a scale that would need to go well beyond what has been under consideration to date," the new study said.

"We are reiterating our policy conclusions ... that Greece's debt is unsustainable and will require a significant debt operation," a senior IMF official said of the paper.

It said that if a debt re-profiling is chosen, it will require an extension of the grace period on debt payments of 30 years.

"Other options include explicit annual transfers to the Greek budget or deep upfront haircuts. The choice between the various options is for Greece and its European partners to decide," it said.

Toyota Recalls 625,000 Prius Cars, Other Hybrids Globally

The Prius was one of the first hybrid cars to go mainstream and was quickly adopted as a symbol of green technology.

TOKYO (AFP) - **Toyota on Wednesday recalled 625,000 hybrid vehicles globally, mostly the Prius model favored by the eco-conscious including Hollywood celebrities, over a defect that can bring the car to an unexpected stop.**

The Japanese automaker said the problem was linked to software that controls a power converter, similar to an issue last year that led to the recall of 1.9 million Prius cars -- Toyota's biggest ever for its signature petrol-electric vehicle.

Toyota, the world's biggest car maker, added that no accidents or injuries had been reported.

"In limited instances, the hybrid system might shut down while the vehicle is being driven, resulting in the loss of power, bringing the vehicle to stop," it said.

The latest call back affected the Prius V, which is also sold as the Prius Alpha and Prius+, as well as some Auris hybrid vehicles.

More than half the recalled vehicles were sold in Japan with most of the others in North America and Europe between May 2010 and November 2014.

The Prius was one of the first hybrid cars to go mainstream and was quickly adopted as a symbol of green technology, with the likes of actors Leonardo DiCaprio and Cameron Diaz snapped behind the wheel.

Toyota has sold more than seven million hybrid cars globally since the debut of its Prius hybrid in 1997 in the first mass production of green cars.

It has roughly 30 hybrid models sold in more than 90 countries worldwide.