

Total to Invest \$2bn in Iran's Petrochemical Plan



The French energy giant Total is expected to invest \$2 billion in Iran's petrochemical industry.

TEHRAN (Press TV) - Iran says it expects the French energy giant Total to invest as much as \$2 billion in its petrochemical industry.

Adel Salimnejad, the managing director of Iran's Persian Gulf Holding Company, told the domestic media that Total's investment will be made in an olefin project.

Salimnejad added that a deal to the same effect will be signed with the company before April 2017.

He added that Total had signed a basic agreement with Iran after a nuclear deal that Iran signed

with the P5+1 came into effect in January.

The official said Total had voiced its interest in the agreement to invest in Iran's petrochemical industry.

Salimnejad said the French company had been studying Iran's petrochemical sector over the past months, adding that it has already picked a project to develop for which a final agreement will be accordingly signed.

Elsewhere in his remarks, Salimnejad emphasized that a second major deal will also be signed

with another global energy company within the next few months.

However, he did not name the company on grounds that it has no plans to make its Iran investment plans public until talks are finalized.

Officials in Tehran have already announced that the Islamic Republic will need to increase its production of petrochemical products to as high as 130 million tons per year until 2020. For this to happen, they said, the country will need a collective investment of \$52 billion most of which should be made by foreign companies.

What has already paved the way for investment of foreign corporations in Iran's petrochemical industry is the removal of sanctions against Iran in January that followed the implementation of the nuclear deal between Iran and the P5+1 – the five permanent members of the Security Council plus Germany.

Based on the deal which was sealed last year, Iran agreed to restrict certain aspects of its nuclear energy activities in return for measures by the P5+1 to remove a series of economic sanctions – including those that barred foreign investments in the country.

Azerbaijan Seeks Iran's Help to Build Power Plants

TEHRAN (FNA) - Baku called on Tehran to expedite the implementation of a plan according to which the two countries would cooperate on construction of power plants.

"The joint construction of new power plants by Azerbaijan and Iran will enhance energy stability in the region," Head of AzerEnergy JSC Etibar Pirverdiyev said.

In August, Iran's lawmakers approved a bill on joint construction of two hydropower plants with Azerbaijan.

"This project is very important for both Azerbaijan and Iran," Pirverdiyev said.

The bill authorizes the construction of the plants near the Aras River borderline in the Iranian town of Marazad and Azerbaijan's Ordubad.

This was part of several topics that Iran and Azerbaijan agreed on in a basic agreement they signed in



December 2015.

The document envisages cooperation in construction of power plants at Khoda Afarin and Qiz Qalasi dams on Aras river as well as the construction of Ordubad power plant on the Azerbaijani side and Marazad power plant on the Iranian side.

Iran and Azerbaijan have been

recently increasing their cooperation in different areas. Iran's President Hassan Rouhani visited Baku in early August for a tripartite summit that also involved Russia. During his stay in the Azeri capital, Iran and Azerbaijan signed a series of basic agreements to promote cooperation in several key areas.

Gold Steadies, Set to End Week Higher



ISTANBUL (Reuters) - Gold barely budged on Friday as rising demand from Asia was offset by a strong dollar, but the precious metal was on track for its first weekly rise in three weeks.

Upbeat dollar strength in the last few weeks accounted for a slip in the gold price on a slew of data that indicated an improvement in the U.S. economy that would support a rate increase later this year.

A rise in U.S. rates increases the opportunity cost of holding non-yielding assets such as bullion and creates a flight to investments that may offer higher

returns.

Spot gold steadied at \$1,265.54 an ounce at 1210 GMT. It was headed for a weekly gain of over 1 percent, clawing back part of the 6.5 percent shed over the last three weeks.

Gold demand from Asia, including China, India and exchange-traded funds (ETF) have propped up prices.

"There is accelerating physical gold demand in Asia and particularly in India which has helped prices," Commerzbank

commodity analyst Carsten Fritsch said, adding that Indian demand had improved from lackluster sales last year.

U.S. gold futures fell 0.2 percent to \$1,265.

The dollar index, which measures the greenback against a basket of currencies, was up 0.3 percent at 98.590. It touched a new seven-month high of 98.564 on Friday.

"The dollar is still the most important driver of gold movements," said ABN AMRO commodity strategist Georgette Boele.

Holdings of the SPDR Gold Trust, the world's largest gold-backed ETF, rose 0.31 percent to 970.18 tons on Thursday. SPDR holdings have risen 2.3 percent so far this month.

MKS PAMP Group said in a note that ETF inflows continued to support gold. "However, dollar strength is likely to weigh upon moves higher over the short term amid euro and pound weakness".

A slew of data including U.S. home resales and unemployment filings appeared to indicate an improving U.S. economy that would support a rate hike later this year.

Silver fell 0.3 percent to \$17.46.

Platinum was down 0.5 percent at \$929.40. Palladium fell 0.9 percent to \$623.70 after dipping to its lowest point since July 13.

Maersk Shipping Line Eyeing Return to Iran

TEHRAN (FNA) - Danish Maersk International Maritime Transportation Company voiced readiness to resume transportation of goods to Iran.

Maersk that had cut its trade relations with Iran five years ago due to the sanctions imposed by the West on Iran announced that it will resume its activities in Iran soon.

Maersk announced that its customers can send their cargo to Iran via sea by Maersk cargo ships.

A major portion of imports, including foodstuff and consumer goods such as cars, to Iran takes place via sea.

In early January, the world's second biggest container shipping line, MSC, had become the latest firm to resume direct services to Iran.

The deal reached over Tehran's nuclear program in exchange for sanctions annulment came into effect in January.

Iran had depended on foreign ships for much of its imports, but has relied more on land routes and its own



commercial fleet, particularly since 2012, as layers of sanctions led to an exodus of Western shipping firms.

Following the nuclear agreement last year between Tehran and the world powers, foreign container lines started to trade with Iran, although companies fear they may still fall foul of sanctions, which include restrictions on banking, Hellenic shipping news reported.

Privately owned Swiss-based MSC said its first ship arrived at Iran's major container port Bandar Abbas on Dec. 31 as part of weekly calls, "paving the way" for deeper business ties.

MSC had suspended services between 2012 to April 2014 and after that only provided shipments using smaller feeder ships via third parties that shipped containers to Iran from Jebel Ali in the United Arab Emirates.

Insurance Firms Expect Iran Opening in 2017

TEHRAN (Press TV) - International insurance companies say they expect to see a major opening in the Iranian market in 2017 with several key players saying they have already won deals to cover businesses in the country.

Industry experts told Reuters that industry executives say aviation and energy are two main sectors in focus in Iran's multi-billion insurance market.

They emphasized that top tier European export credit agencies had specifically become active in guaranteeing trade finance for Western companies doing business with Iran.

Reuters further added that Germany's Hermes, Italy's SACE, and France's Coface have all recently signed agreements to guarantee a certain trade activity with the Islamic Republic.

"About a dozen transactions have been approved so far," an unnamed Hermes spokesman told Reuters.

"The demand is there from the exporters' side but they need a lot of information. There is a continuous and rising flow of applications (for export credit guarantees)."

SACE emphasized that it had also undertaken its first small transactions with Iran.

"The lingering risks should not be underestimated, however, as they might create problems ... legal, documentary, operational, for companies interested in building or restoring commercial or financial relationships with local counterparties," a SACE spokesman said.

Furthermore, France's Coface told

Reuters that the company had signed an agreement with Iran to guarantee trade finance on behalf of the French government.

Christian Bieri, EMEA reinsurance head at insurance group MS Amlin, said Iran was "very much under discussion" by insurance companies.

"It's very high up the agenda," Bieri told Reuters. "It's going to be something for 2017."

Lloyd's Chairman John Nelson emphasized that his company had historically been active in Iran, stressing that the Islamic Republic was a "market we would like to get back into".

Other large insurers and reinsurers such as Hannover Re are also looking closely at Iran, Reuters added.

China Scores WTO Victories Against Some U.S. Anti-Dumping Methods

GENEVA/WASHINGTON (Reuters) - China won the bulk of a World Trade Organization complaint against certain U.S. methods of determining anti-dumping duties on Chinese products in a WTO dispute panel ruling.

China brought the complaint in December 2013, one of a string of disputes challenging Washington's way of assessing "dumping," or exporting at unfairly cheap prices.

Specifically, the panel found fault with the U.S. practices of determining dumping margins in certain cases of "targeted dumping," in which foreign firms cut prices on goods aimed at specific U.S. regions, customer groups or time periods.

Dumping is normally found when a foreign producer's U.S. prices are lower than its home market prices for the same or similar goods, or when the imports are

sold at prices below production costs.

The panel ruled against the U.S. Commerce Department's practise of "zeroing" in cases involving targeted dumping. In zeroing, the department typically assigns a value of zero any time a producer's export price is above that producer's normal home market price, partly to account for freight and customs charges.

In practice, the zeroing methodology tends to increase the level of U.S. anti-dumping duties on foreign producers.

Some points of China's argument were rejected by the WTO panel, including a claim that the Commerce Department systematically punishes Chinese state enterprise by assigning them high anti-dumping rates.

Either side can appeal the ruling within 60 days.

China's Ministry of Commerce welcomed the ruling saying that the WTO panel had "upheld China's principal claims" on the unlawfulness of targeted dumping and the separate rate applied in certain U.S. anti-dumping measures.

The dispute related to several industries including machinery and electronics, light industry, metals and minerals, with an annual export value of up to \$8.4 billion, it said.

"The United States is disappointed by these findings," a spokesman for the U.S. Trade Representative's office said in a statement.

"We will carefully review the report and consider next steps. Nothing in the report will undermine the commitment of the United States to impose antidumping duties to address injurious dumping," the USTR spokesman added.

Greece to Pay Oil Debts on Installments

TEHRAN (MNA) - Deputy oil minister has announced that the Greeks will clear all oil debts to Iran within an installment-payment plan in a period of two years.

Iranian Deputy Oil Minister for International Affairs Amir Hossein Zamaninia described the new agreement between Iran and Greece over collection of oil revenues saying "final agreement has been reached on the venue for retiring Greece's oil debt to Iran."

"Several rounds of talks have been conducted between Iranian and Greek officials in Tehran and Athens,"

underlined the official noting that Greece has agreed to settle its oil debts to Iran over two years."

He also noted that sales of Iranian crude oil to the European country have been resumed as currently a daily average of 60 thousand barrels per day are shipped to Greece.

In response to a question on credit sales of oil to Hellenic Petroleum company as Greece's largest refinery, Zamaninia asserted "in accordance with terms of National Iranian Oil Company (NIOC), all oil sales to foreign parties are carried out in cash."

Deputy oil minister of Iran had

previously maintained that Hellenic Petroleum's amount of debt to be 900 million euros; "Greek oil officials will make a visit to Tehran in order to finalize the cooperation agreements between Iran and Greece," he had highlighted.

In the years 2010 to 2012, Greece had paid about 5 to 6 billion dollars for the purchase of Iranian oil, but the halt in imports from Iran due to international sanctions as well as the stoppage in Libya's oil production in the same period, had forced Greek companies to increase oil purchase from Russia and Kazakhstan.