

Iran-Russia Credit Line to Boost Trade: Minister



Iran's Minister of Economy and Financial Affairs Masoud Karbasian

TEHRAN (Dispatches) - Iran says it expects a recent agreement with Russia over the creation of a credit line to fund Iranian projects to help promote trade between the two countries.

Iran's Minister of Economy and Financial Affairs Masoud Karbasian said the credit line would be provided by three Russian banks which he said would be led by the country's Eximbank.

Karbasian added that based on the agreement with Russia, a mechanism would be created to conduct barter deals with Russian traders.

This, he emphasized, would facilitate Iran's purchases of goods and services from Russian businesses.

In late December, four Iranian banks signed an agreement with the Eximbank

of Russia to receive "unlimited" loans.

The banks involved were Bank Sepah, the Export Development Bank of Iran, Parsian Bank and Bank Pasargad.

Based on the agreement, Eximbank would provide funds "without a ceiling" to the four lenders to finance development projects in Iran, according to an announcement on the website of the Central Bank of Iran (CBI).

Based on the recent agreement signed in Moscow, Iran's public and private sector's approved projects will be able to benefit from the loans, while Russian exporters can use them to export technical and engineering services to Iran, the domestic media in Tehran reported.

The agreement has been signed in line

with implementing commitments set as part of the Sixth Five-Year Development Plan (2017-22) and the annual budget law and as a result of years-long efforts by the government, the Ministry of Economic Affairs and Finance and the central bank to attract foreign finance from various nations, according to a report by the Financial Tribune, one of Iran's leading English-language newspapers.

Iran had earlier been able to seal similar deals with several European as well as Asian financial institutions.

In late September, Austria's Oberbank signed a major finance deal with over a dozen Iranian banks based on which it would provide €1 billion in credits to the country's companies that invest in the Iranian economy.

Oberbank's initiative - that was seen in Tehran as the first of its kind in many years - was followed on the same day by a similar agreement between Denmark's Danske Bank and several Iranian banks.

Accordingly, Danske Bank would allocate a credit line of €500 million for investments by Danish businesses in Iran.

On a related front, France's state investment bank Bpifrance (BPI) announced also in September that it planned to provide funds to French companies that invest in the Iranian economy from next year.

BPI France CEO Nicolas Dufourcq was quoted by media as telling reporters that his bank would grant up to €500 million (\$598 million) in annual credits to companies that venture into the Iranian market.

Persian Gulf Star Refinery Producing 12mn Liters of Gasoline



An aerial view of Iran's Persian Gulf Star Refinery in the southern port city of Bandar Abbas.

TEHRAN (Dispatches) - Iran says its flagship prime quality gasoline production project is now producing as much as 12 million liters of the strategic fuel every day.

Mohammad-Ali Dadvar, the managing director of Persian Gulf Star Refinery, was quoted by media as saying that the refinery - which came on stream last April - had already produced 80 million liters of "Euro 5" gasoline that had been delivered to key fuel storage

points.

Dadvar added that another cargo of 20 million liters of gasoline would also be delivered to storage points tomorrow.

The official emphasized that Iran no longer needed foreign finance for further development of Persian Gulf Star Refinery.

He said a decision had been made to stop efforts to attract foreign loans for the project in order to prevent further costs for

the country.

Dadvar added that the costs for the completion of the refinery would be provided from sales of naphta it produced.

He also said the final production capacity of the project is 36 million liters per day which he hoped would be materialized in the near future.

The official said Persian Gulf Star Refinery was also producing 3.5 million liters per day of gas oil, adding that the required modifications would be made for production of Euro-5 gas oil from the next month.

Persian Gulf Star Refinery - the biggest condensate refining facility in the Middle East - has a final capacity of processing as much as 360,000 barrels per day.

Iran hopes the project would make it independent from imports of gasoline.

Apart from gasoline and gas oil, other daily products of the project after completion would 4 million liters of liquefied petroleum gas and 3 million liters of jet fuel.

Iran's Saffron Needs to Get a Leading Brand

TEHRAN (Dispatches) - The head of Central Organization for Rural Cooperatives of Iran (CORG) Alia Osat Hashemi has offered to form a strong brand for Iranian saffron in a bid to gain 80% of shares in the global market.

Hashemi made the remarks while addressing the officials of private and state sectors of saffron and called for making decisions on export and trade issues in the saffron market.

He also stressed for taking necessary measures for raising Iran's share in the global saffron market from the current 30 percent to as high

as 80 percent.

Referring to the necessity of planning as national level to meet national interests, he added, "Once a powerful brand is dubbed for the Iranian saffron, it will undoubtedly benefit both farmers and businessmen."

Managing director of the Central Organization for Rural Cooperatives of Iran (CORG) said it was also possible to create a basis for creation of a global stock exchange for Iran's saffron, and to this end, bodies involved in production and exports of the precious product need to join

hands with the FAO representative.

Hashemi went on to urge businessmen to encourage farmers to be more productive; adding, "The move will undoubtedly exert a positive effect on the country's trade balance by providing the necessary coherence in protecting domestic production".

The official recalled that Iran accounted for 70 percent of the world's saffron output and said, "We may not have much control over oil prices, but we can definitely be more effective in controlling those of saffron."

Petrochemical Plant Eyes Maximum Output Next Year



TEHRAN (Shana) - The managing director of Morvarid Petrochemical Plant said his company will reach its full production capacity next calendar year which begins on

March 21.

Gholamreza Jokar said the company has registered 75% productivity this year which is expected to reach 100 percent next calendar year, NIPNA reported.

The rise will be made possible by increased feedstock supply to the plant, he said.

The company is also seeking to increase its ethylene production capacity by 30% to bring it from 500,000 tons per year to 650,000 tons/year.

A major Monoethylene Glycol (MEG) supplier in Iran, the plant exports 95% of its MEG output to the Asian market and the rest to the Turkish and European markets, he added.

Tehran, Baghdad Stress Broadening of Mutual Cooperation

TEHRAN (Dispatches) - Iranian ambassador to Iraq Iraj Masjedi and Iraqi Parliament speaker Salim al-Jabouri have stressed the need for the expansion of bilateral ties in different fields.

During the meeting in the Iraqi capital, Masjedi and al-Jabouri explored avenues for bolstering and

reinvigorating mutual cooperation in different political and security fields.

The two sides also discussed the latest political developments in the region.

Holding a meeting of Parliamentary Union of the Organization of Islamic

Cooperation member states (PUIC) in Tehran was among the issues raised during the meeting.

Masjedi, for his part, voiced Iran's readiness to help Iraq and cooperate in various sectors.

The meeting of PUIC to be hosted by the Iranian parliament in Tehran and it slated for January 16-17.

China Set to Top Japan as World's Biggest Natural Gas Importer

SINGAPORE (Reuters) - Beijing's crackdown on pollution has put China on track to overtake Japan this year as the world's biggest importer of natural gas, used to replace dirtier coal.

China - already the biggest importer of oil and coal - is the world's third biggest user of natural gas behind the United States and Russia, but has to import around 40 percent of its total needs as domestic production can't keep up with demand.

Data compiled from the Thomson Reuters Eikon terminal indicates China's 2017 imports of pipeline gas and liquefied natural gas (LNG) will top 67 million tonnes, up by more than a quarter from a year earlier. LNG imports alone surged more than 50 percent.

The data, which includes LNG tanker arrivals to China and pipeline monthly import flow

estimates, is preliminary as December figures are not yet available.

China still lags Japan, with gas annual imports of around 83.5 million tonnes, all as LNG, but its overall gas imports topped Japan's in September and again in November, government data and shipping flows show.

Analysts say the trend is set and China should top Japan for the full year in 2018.

China last year started to move millions of households and many industrial facilities from coal to gas as part of efforts to clean its skies, sparking an unprecedented rally in overseas import orders.

China's three biggest LNG suppliers are Australia, Qatar and Malaysia, while pipeline imports come from Central Asia and Myanmar. A pipeline connecting China to Russia is under construction.

UK Looks to Join Pacific Trade Group After Brexit

LONDON (FINACIAL Times) - Britain has held informal talks about joining a flagship Pacific trade group, in an audacious bid to kick-start exports after Brexit.

The proposal, being developed by Liam Fox's Department for International Trade, would make the UK the first member of the Trans-Pacific Partnership that does not border the Pacific Ocean or the South China Sea.

It would help to reinvigorate TPP, a key initiative of Barack Obama's administration that appeared fatally wounded when Donald Trump withdrew the U.S. last January. The 11 remaining members, including Australia, Japan and Mexico, agreed in November to continue

with a successor deal, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

The UK discussions to join the distant trade group that has lost its biggest member come as Mr Fox embarks on a three-day trip to try and woo Chinese business. Greg Hands, a UK trade minister, said there was no geographical restriction on Britain joining TPP.

"Nothing is excluded in all of this," he told the Financial Times. "With these kind of plurilateral relationships, there doesn't have to be any geographical restriction." However, UK accession would almost certainly have to wait until TPP itself has been revised, and the UK



has agreed its post-Brexit relationship with the EU. The UK's trade relationship with TPP countries pales in comparison to its existing one with fellow EU members or the US. Japan, by far

the largest economy in the TPP, accounted for just 1.6 per cent of the UK's goods exports in 2016, according to MIT's Observatory of Economic Complexity, which compiles global trade data.