

# Oil Price Edges Lower as OPEC+ Meeting Seeks Output Cuts



VIENNA (Dispatches) - Oil price decreased on Friday as a meeting between OPEC and its allies later in the day is expected on a formal agreement to more output curbs in early 2020.

Despite the new cuts, OPEC stopped short of pledging action beyond March and analysts questioned the impact of the latest curbs, Reuters reported.

Brent futures LCOc1 were down 10 cents, or 0.2%, at \$63.29 by 0730 GMT.

West Texas Intermediate oil futures CLc1 fell 7 cents, or 0.1%, to \$58.36 a barrel. They hit \$59.12 a barrel on Thursday, the highest since the end of September.

The Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia - a grouping known as OPEC+ - agreed on Thursday to more output cuts to avert oversupply early next year as economic growth stagnates amid the U.S.-China trade war.

The agreement will cut an extra 500,000 barrels per day (bpd) of production, through tighter com-

pliance and some adjustments. The group has been withholding 1.2 million bpd and the increased amount represents about 1.7% of global oil output.

"The key question is whether these reported cuts will actually reflect fresh cuts and so help to reduce the surplus in 1Q20, or whether they will just formalize the over-compliance that we have seen from the group as a whole," ING Economics said in a note.

A panel of ministers representing OPEC and non-OPEC producers led by Russia recommended the cuts, according to Russian Energy Minister Alexander Novak.

Details need to be hammered out at Friday's OPEC+ meeting in Vienna.

Any price gains from the OPEC+ output cut are likely to benefit American producers not party to any supply curbing agreement. American drillers have been breaking production records even as they cut the number of oil rigs in operation, filling gaps in global supplies.

OPEC countries and allied pro-

ducers have limited their production since 2017. The current deal removes 1.2 million barrels per day from world markets and is due to expire at the end of March. There is uncertainty over how much longer the coalition can stick together.

Earlier ahead of the meeting, Iran had backed Russia's request from the Organization of the Petroleum Exporting Countries (OPEC) that oil condensates should not be included in the country's overall output figures as others suggest Moscow is violating a pact meant to reduce the global supply.

Iran's Petroleum Minister Bijan Namdar Zangeneh said on Thursday that Russia was rightfully demanding ahead of a meeting with OPEC members and others, a grouping known as OPEC+, that condensates should be excluded from output figures if quotas set by the organization are to be properly respected in the future.

Iran's ambassador to international organizations in Vienna also said Iran will fully exercise its rights to export oil.

In post on Twitter page of Permanent Mission of Islamic Republic of Iran to UN-Vienna on Friday, Iran's permanent representative to international organizations in Vienna, Kazem Gharibabadi, said Iran will fully exercise its rights to produce and export oil after the illegal sanctions.

"The reduction in quotas should only include Stated who has increased their production," he said.

## World Bank Unveils \$1bn Dollar Lending Plan on China Despite U.S. Opposition



MOSCOW (Sputnik) -The World Bank has approved a plan on annually providing China with \$1 billion to \$1.5 billion in low-interest loans through June 2025 despite U.S. Treasury Department objections.

The plan was published after the

World Bank's board "expressed broad support" for the international lender's engagement in China's structural and environmental reforms.

The blueprint stipulates that lending will "gradually decline" from the previous five-year average of \$1.8 billion.

The bank said that "lending levels may fluctuate up and down from year to year due to normal pipeline management based on project readiness".

It pointed out that China is interested in continued financing from the World Bank's International Bank for Reconstruction and Development division "as platforms for reform, institution building and knowledge transfer."

The goal of the five-year plan's loans is to promote market and fiscal reforms, boost greener growth and increase citizens' access to health and social services, according to the statement.

On Thursday, U.S. Treasury Secretary Steven Mnuchin urged the World Bank to "graduate" China from its loan programs for low-income countries, saying that he opposes the bank's push for Beijing lending.

## France Says U.S. Proposal on International Tax Reform Unacceptable

PARIS (Reuters) - France rejects a U.S. proposal this week that would let companies opt out of a proposed international tax reform, Finance Minister Bruno Le Maire said on Friday, urging Washington to negotiate in good faith.

U.S. Treasury Secretary Steven Mnuchin raised seri-

ous questions about OECD international tax reform proposals in a letter made public on Wednesday, jarring international officials by floating the idea of a "safe harbor regime".

Le Maire said that would mean U.S. companies could opt in or out as they pleased,

which he said would be unacceptable to France and other OECD countries.

He urged Washington therefore to negotiate on the basis that the new tax rules be binding, and said if the efforts at the OECD fell through EU countries should revive talks for a European digital tax.

## Iran's Exports Nearly \$2.8bn Worth of Agri-Food in 7 Months: Official

TEHRAN (Press TV) - Iranian Deputy Agriculture Minister Abdolmehdi Bakhshandeh has said that Iran's export of agri-food products in the seven-month period ending on October 22, 2019 reached a total of 2.794 billion.

Bakhshandeh said on Thursday that the country had exported a total of 3.582 million tons of food and agricultural products since the start of the current calendar year in March.

Bakhshandeh said the value of the exports accounted for 11.42 percent of the total shipments from Iran excluding crude. The destination countries mostly included neighbors and countries like Germany, India and Vietnam, he said.

Agri-food imports, however, was around three times the exports in weight terms with 13.690 million tons. The imports accounted for nearly 30 percent of the value of all shipments arriving in Iran, or \$7.459 billion, said the official.

The major agri-food items exported from Iran between late March and late October included vegetables, fresh and processed tomato, onion, garlic, potato and apple, said Bakhshandeh.



The official added that dairy products accounted for the highest share of the income driven from the exports in the seven-month period with nearly \$400 million and 267,000 tons in value and volume terms, respectively. The top dairy products exported from Iran were cheese, kashk, milk, cream, ice-cream and yogurt, he said.

Pistachio, vegetables, tomato and saf-

ron were other popular export items on the list, said Bakhshandeh.

The deputy minister did not elaborate on figures recorded in previous years. However, government reports and other studies have suggested that agri-food exports from Iran have been on the rise, especially since the United States imposed a series of tough sanctions on the country's sale of oil.

## Exports to Neighboring Countries to Hit \$1bln: TPOI



Head of Trade Promotion Organization of Iran (TPOI) Hamid Zadboum

HAMEDAN, Iran (Dispatches) - Head of Trade Promotion Organization of Iran (TPOI) Hamid Zadboum on Friday announced that plans have been made to boost the annual export of non-oil goods to the neighboring countries to one billion dollars.

"We exported \$24 billion of goods to the neighboring states last year and we have made up our minds to

raise the figure to one billion dollars this year," Zadboum said, addressing a seminar honoring top exporters in Hamedan province.

Noting that intermediaries account for 70 percent of Iran's exports, he added, "Exports are blood in our foreign trade artery and if there is no export earnings, we will not be able to buy the required industrial items.

## No Digital Currencies: European Union Bans Facebook Libra



Facebook Libra, which was created by Facebook and 20 different companies

BRUSSELS (Reuters) - Private digital currencies like Facebook's Libra should not be allowed in the European Union until the risks they could pose are clearly addressed, EU finance ministers agreed on Thursday.

The move confirms the bloc's tough line on Libra, which has attracted criticism from global regulators over its possible impact on the financial system since it was announced last June.

"No global stablecoin arrangement should begin operation in the European Union until the legal, regulatory and oversight challenges and risks have been adequately identified and addressed," the ministers said in a joint statement.

Stablecoins are digital currencies, like Libra, that are usually backed by traditional money and other securities, while crypto coins like bitcoin are not. Both are cryptocurrencies.

## Official: Measures Adopted to Boost Support for Iranian Saffron Farmers

TEHRAN (Dispatches) - Iran has adopted special measures to continue support for its saffron farmers, Iranian Deputy Minister of Agricultural Jihad Hossein Shirzad said.

Shirzad said from the start of saffron harvesting in the current cropping year (started on mid-October), the CORC has succeeded to purchase 39 tones saffron and paid farmers about IR.12 billion.

"In a bit to implement the agricultural ministry's policy on supporting saffron farmers and the enhancement of sustainable production as well as export revenue, the CORC has been purchasing saffron with the supporting prices set by the ministry," he added.

With a target-oriented approach to attain maximum efficiency and minimum intervention, the CORC issued technical and practical guidelines for saffron purchasing procedures.

The guidelines have been announced to the South and Razavi Khorasan where are the main hubs of saffron cultivation in Iran. In each province, a working group is formed to monitor implementing the guidelines regarding market regulating of crops including saffron.

Headed by the Chief of provincial agro-organization and other stakeholders, these working groups have developed regional saffron purchasing center.

"The CORC has also determined 18 reference laboratories for quality control and physicochemical analysis of saffron. Based on the results of these analyses, saffron is categorized to All Red, Negin, Pushal and Bunch. Each category is transacted with a distinctive price," Shirzad noted.