Iran to Hit Record 52mn Tonnes in Steel Production Soon

TEHRAN (Dispatches) – **Iran's Minister of Mine, Industry and Trade Alireza Razm-Husseini in a meeting with Iraqi Trade Minister Alaa Ahmed al-Jubouri on Wednesday said that his country will soon hit a plateau of 52 million tonnes in steel production, mine, industry and trade sectors.**

The Islamic Republic has sought to boost the steel sector under its plan to increase non-oil revenues. It has succeeded in adding steel capacity which currently stands at 30 million tonnes a year, the minister said.

The country aims to export 20 to 25 million tonnes of steel annually by 2025 when it expects to hit the vision target of 55 million tonnes.

Iran Sets 35% Rise in Steel Exports in One Month

Meanwhile, the ministry in has reported that Iran exported 35 percent more of its steel products in the calendar month of Azar (November 21-December 20) period compared to the similar month in 2019, as the country restores trade of lucrative metals after months of decreased activity due to the coronavirus epidemic.

The report added, the steel exports had increased to over 0.721 million metric tons from November 21 to December 20, showing a 35% growth compared to the same period last year.

The 13 steel mills shipped more than 4.768 million tons of products over the nine- month period, a reduction of 13% compared to the similar period in 2019.

Steel billet exports from Iran surged by more than 500 percent in the same month while mills continued to ship higher volumes of wires and patterned hot-rolled coils compared to the initial nine months of 2019.

However, political and logistical hurdles are high and the sector has had to battle the headwinds of the most intensive U.S. sanctions unleashed in May 2019 when Washington targeted Tehran's export revenues from its industrial metals.

At the time, President Donald Trump put world nations on notice against allowing Iranian steel and other metals into their ports, saying it would no longer be tolerated.

The steel sector accounts for 10 percent of Iran's export economy, but it is largely insulated from the effects of the sanctions because it does not depend on foreign technology. Officials saying the zero to 100 of a steel mill can now be designed and built in the country.

Moreover, there is a buoyant domestic market where more than 50 industries in Iran are linked to the construction industry which uses steel as a basic ingredient.

Steel is also the key component in Iran's automotive industry which is the largest in the Middle East and North Africa. Iran further has a massive oil and gas profile and a sprawling transportation and water supply network that feeds on its domestic metal industry.

Iran ranks 10th among the steel producers in the world based on the volume of output.

Iran Seeking to Boost Trade with Iraq to $20bn

Razm-Husseini said his country is intent to increase the annual volume of trade with Iraqi to $20 billion, noting that Iranian goods comprise 25% of the market demand in Iraq.

"Iran seeks to expand and deepen trade ties with neighbors to boost the export level," he said, adding that Iraq ranks first on exporting Iranian products to neighboring countries.

"Iran will reach production capacity of over 52 million tons of steel in the near future, and in the next four years it will be among the top 10 copper producers in world," the minister said.

Iraqi Minister of Trade Alaa Ahmed al-Jubouri, for his part, called for the development of trade ties between the two countries, especially in the barter trade.

"The trade balance of Iran and Iraq is high, which is a positive field for the interests of the two countries, Jubouri said, stressing the necessity of holding different exhibitions to offer products directly.

He stressed that Iraq is Iran's second largest trade partner after China.

Iraqi Minister of Trade Alaa Ahmed al-Jubouri arrived in Tehran on Monday at the head of a delegation to attend the 4th Iran-Iraq Joint Economic Commission.

Official: Petrochemical Feedstock to Reach 2.2 mbd

TEHRAN (Shana) - **The CEO of the National Petrochemical Company (NPC) Behzad Muhammadi has said that the consumption of petrochemical feedstock in Iran would reach an equivalent of 2.2 million barrels per day of oil by 2026.**

Mohammadi voiced NPC's full support for the private sector, adding in the last 10 years, ceding project to state-owned and private holdings have increased, as at that time the issue of buying petrochemicals by the private sector was not raised, so semi-private holding companies went to buy petrochemical companies, but today the door is fully open for industry development and the National Petrochemical Company, as the custodian of the petrochemical industry, is ready to support investors.

He further added that 30% of the non-oil export market is owned by petrochemicals.

Kangan Petrorefinery Ready for Inauguration

The CEO of Kangan Petrorefining Company Hamid Ghaderi has announced the official commissioning of the project as one of the important and strategic projects of the second leap of the petrochemical industry in mid-February.

Ghaderi stated that the ethane recovery unit of the project has become operational, adding: "The ethane recovery project in South Pars with a capacity of 3.5 million tons is part of the Oil Industry Pension Fund and the Investment Company and is ready for official inauguration."

He stated that construction of the project was carried out in less than five years on a land area of 65 hectares.

The unit of ethane recovery project of Kangan Petrorefinery includes the executive units of ethane extraction, propane, butane, C5 + and utilities.

The unit was bankrolled with €440 million and Rls. 31,000 bn.

Oil Rallies Above $53 as Cold Weather Adds to Market Tightness

WASHINGTON (Dispatches) - **Oil crept higher, with a demand increase from cold weather the latest addition to a rally that has pushed crude to a 10-month high.**

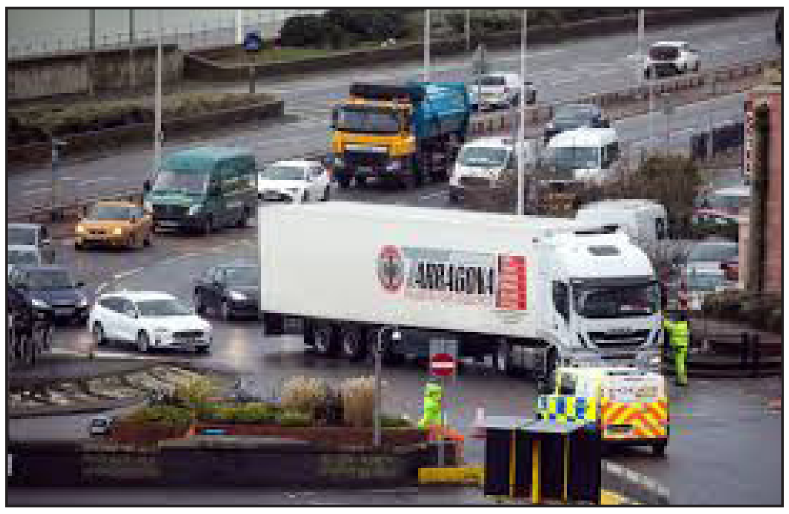
Demand could get a boost of at least 1 million barrels a day, Goldman Sachs Group Inc. said, as frigid temperatures in Asia and Europe send other energy markets booming. In Japan, power generators have been buying several cargoes of low-sulfur fuel oil for the purpose of direct burning, according to traders.

West Texas Intermediate crude gained 0.4% to $53.44 a barrel. Brent crude increased 0.2% to $56.72 a barrel.

The market outlook has already been tightening. Saudi Arabia trimmed February supplies to at least 11 refiners in Asia and Europe after announcing surprise production curbs last week. U.S. inventories are also expected to decline in government data later, after the American Petroleum Institute reported that crude stocks dropped by 5.82 million barrels last week.

Covid-19 vaccine breakthroughs and the recent Saudi pledge to deepen cuts have underpinned a meteoric rise for oil since the end of October, with prices up almost 50%. There are still concerns about global fuel demand as the virus continues to spread in some regions. Japan expanded its state of emergency and an outbreak in China appears to be worsening.

UK Businesses Drowning in Red Tape Under Brexit Border Rules



LONDON (Bloomberg) - **While the mile-long lines of trucks have dissipated at ports, UK businesses are waking up to less visible forms of friction at the border with the European Union that may cause more enduring damage.**

From health certificates to new taxes and additional paperwork, the cost of moving goods across the English Channel is rising due to Britain's exit from the EU. Just 6% of firms told the Bank of England they were fully prepared for what was to come, and the headaches are just starting less than two weeks into the new system.

While each one of the new rules marks a minor shift from the border-free trade Britain enjoyed for four decades as a member of the EU, together they add up to a significant constraint. That's already starting to upend supply lines and limit shipments for companies of all size. Those hit hardest are the UK's 5.9 million small- and medium-sized businesses, which employ about three-in-five of those working in the private sector.

All told, Brexit may cost British exporters 25 billion pounds ($34 billion) this year as a result of weak demand and more red tape, shaving 1.1% off gross domestic product, according to a report Tuesday by the trade insurance company Euler Hermes Group SAS.

British firms post Brexit must show where their goods were made -- and where the components in those products come from -- to determine whether tariffs are levied on goods into the EU. Those regulations don't exist for trade within the EU, making the old system far simpler. In addition, VAT is now payable on all imports from the UK into the EU.

Russia Holds More Gold Than U.S. Dollars in $583bn Reserves

LONDON (Bloomberg) - **A multi-year drive to reduce exposure to U.S. assets has pushed the share of gold in Russia's $583 billion international reserves above dollars for the first time on record.**

Gold made up 23% of the central bank's stockpile as of the end of June 2020, the latest date for which data on the breakdown is available, according to a report published late Monday. The share of dollar assets dropped to 22%, down from more than 40% in 2018.

The shift is part of a broader strategy outlined by President Vladimir Putin to "de-dollarize" the Russian economy and lower its vulnerability to U.S. sanctions amid deteriorating relations with Washington. Gold is now the second-biggest component of the central bank's reserves after the euro, which makes up about of a third of total assets. About 12% of the stash is in yuan.

The increase in Russia's gold reserves was aided by a 26% surge in prices between June 2019 and June 2020. The central bank also bought $4.3 billion worth of the precious metal over the period, according to the report.

Russia spent more than $40 billion building a war chest of gold over the past five years, making it the world's biggest buyer. The central bank said it stopped buying gold in the first half of last year to encourage miners and banks to export more and bring in foreign currency into Russia after oil prices crashed.