President Raisi Unveils 82 Projects in FSTZs

TEHRAN - **Iranian President Ebrahim Raisi has unveiled 82 industrial, construction and agricultural projects in Iran's free and special trade zones via video conference.**

Raisi opened a total of 82 projects in Qeshm and other SEZs on Thursday as he promised more financial support for those regions to help expand Iran's trade ties with neighboring countries.

The president added that to realize an 8% economic growth under the budget act of the Persian year of 1401, Iran needs foreign and domestic investors and an increase in productivity.

Raisi referred to the need for his administration to let the private sector play a more active role, saying free and special trade zones must avoid administrative and prolonged paperwork.

The president then underlined activities must be science- and technology-based.

He added that if knowhow and science is mixed with economic possibilities, the finished product will be lasting.

The projects across Iran were inaugurated with an investment of 6,100 billion tomans ($224 million) in Qeshm, Kish, Anzali, Maku, Parsian, Sahlan, Bushehr, Lorestan, Lamerd and Namin. They are projected to create 8,000 direct and indirect jobs in the country.

320 MW Power Plant Launched

President Ebrahim Raisi also launched the 320 megawatt (MW) power plant in the island of Qeshm was opened.

The gas-fired power plant is part of Qeshm's Pasargad electricity station, a system that works on combined cycle basis, a system where the exhaust heat from the turbines is used to raise steam.

Local authorities said private companies had provided the 95 million euros ($100.7 million) needed to finish the power plant over the 18 months to early April.

The company operating the Qeshm electricity station said that the 300-ton power transformer used in the new facility is the largest ever manufactured inside Iran with a capacity of 400 mega volt-ampere (MVA).

While opening the power plant, Raisi said his administration will welcome the contribution of private investors to building mega projects in Iran.

"Any effort by the private sector to increase investment and productivity should be welcomed," said Raisi.

Qeshm, located to the north of the Persian Gulf on the mouth of the Strait of Hormuz, is one of the largest islands in the world.

It is one of Iran's key special economic zones (SEZs) where trade regulations are eased to help boost investment and manufacturing activity.

Zagros Petrochemical Fully Productive

TEHRAN -- **Zagros Petrochemical Company, after emergency repairs of the second unit of this large methanol complex, was put into production with a daily production of 10,000 tons of methanol that is 100% of its capacity.**

According to Zagros Petrochemical Company, the plant is one of the leading companies in production of methanol in the world and has always tried to produce a quality product in accordance with international standards.

In order to maintain continuous production and optimize production capacity, the emergency repair operation of the second unit synthesis reactor of Zagros Petrochemical Complex was completed in 19 days.

In these emergency repairs, all routines related to the industrial parts of the second unit were reviewed and updated by capable experts and engineers of Zagros Petrochemical Company.

China GDP Forecasts Slashed as Lockdowns Hit Growth

HONG KONG (Bloomberg) - **A slew of economists have cut their forecasts for China's full-year economic growth in recent days after the country reported worse-than-expected data for April while still signalling that its tough COVID-19 curbs are not going anywhere.**

Standard Chartered and Bloomberg Economics downgraded their estimates for 2022 on Thursday (May 19), after Goldman Sachs and Citigroup did so earlier in the week.

Stringent COVID-19 controls weighed heavily on activity in April and early May, disrupting production and consumption, the StanChart economists wrote. They cut their full-year growth forecast to 4.1 per cent year on year from 5 per cent, and also lowered their second-quarter growth estimate to 0.3 per cent from 3.5 per cent.

Beijing's growth target is looking harder to hit as COVID-19 outbreaks and lockdowns hit economic activity. The authorities have ramped up calls for support in recent weeks, with Chinese Premier Li Keqiang telling local governments on Wednesday to "act decisively" in an effort to bring the economy back on track as soon as possible.

Also on Wednesday, Goldman Sachs economists cut their 2022 economic growth forecast for China to 4 per cent from 4.5 per cent, citing the government's doubling down on zero Covid-19.

And Citi economists on Tuesday downgraded their gross domestic product forecast to 4.2 per cent from 5.1 per cent, saying that the impact of Covid-19 lockdowns on economic activity looks set to extend into June and beyond.

Official: Iran Determined to Enhance Trade Ties With African States

TEHRAN – **Iranian ambassadors to African states in an online meeting with Iran Deputy Foreign Minister for Economic Diplomacy explored avenues for resolving barriers to the growth of country's economic cooperation with African countries.**

In this virtual meeting, envoys of the Islamic Republic of Iran in African countries called for taking advantage of opportunities as well as resolving hurdles ahead of exports growth of the country to the African countries.

Turning to the efforts of 13th government to improve foreign trade balance and also strengthening economic and trade ties with African countries, Mehdi Safari Deputy Foreign Minister for Economic Diplomacy said that several expert-level meeting were held with African countries' economic delegations in the past nine months.

Through the coordination made in this regard, joint economic commission will be held with other countries in the first six months of this year (started March 21, 2022), he emphasized.

Non-oil products especially in the field of knowledge-based, technical and engineering services, medicine and medical equipment, food products and construction materials are among the sectors that have great potential for export growth to African countries, Safari added.

Need to launch a shipping line and direct airlines between Iran and African countries as well as opportunity of transiting products from Eurasian Economic Union (EAEU) to Africa via Iranian land and sea routes was one of the other topics discussed at this virtual meeting.

Fitch: European Recession Likely If Russia Suddenly Halts Gas Supply

LONDON (Anadolu) - **An economic recession in the euro area is likely if there is a sudden halt in Russia's natural gas supplies to the bloc, Fitch Ratings warned Thursday.**

"Exposures are so large that an immediate and total cessation of Russian natural gas supplies would result in gas shortages and rationing, causing a major macroeconomic shock," the rating agency said in a statement.

While 38% of the EU's gas imports come from Russia, Fitch said it estimates 60% of domestic gas use in Germany was supplied by Russia.

The European Central Bank estimates that the eurozone economy would contract 0.7% if the natural gas supply declined 10%, Fitch noted.

"A 30% loss of gas supply would therefore translate into a 2% decline in eurozone GDP. For Germany, the loss of Russian gas supply would imply a GDP fall of close to 4%," it said.

Fitch said Russian natural gas supplies could be replaced with other sources of gas and energy over time, but an immediate loss poses a significant risk for Europe.

Japan's Trade Gap Widens as Import Costs Surge

TOKYO (Reuters) - **Japan's exports extended double-digit gains for a third straight month in April, but surging global commodity costs inflated the country's import bill to a record, adding to worries about the rising cost of living.**

Shoring up the prospects of a private demand-led recovery, however, was a gauge of capital expenditure that posted its first monthly gain in three months.

The mixed data on Thursday followed the yen's falls to two-decade-lows against the dollar earlier this month, which stoked fears of worsening terms of trade and added financial burdens for the resource-poor Japanese economy as import costs soar.

A weak yen, once considered a boon for the export-led economy, now has less of an impact as shipments grow smaller due to the ongoing shift by Japanese manufacturers to offshore production.

Japan's exports rose 12.5 percent in April from a year earlier, Ministry of Finance data showed, led by US-bound shipments of cars, slightly missing a 13.8 percent increase expected by economists in a Reuters poll. It followed a 14.7 percent rise in March.

"Import gains caused by rising crude oil prices and a weak yen mean a transfer of national wealth to oil-producing nations, depriving Japan of purchasing power," said Takeshi Minami, chief economist at Norinchukin Research Institute.

Imports rose 28.2 percent in the year to April, versus the median estimate for a 35.0 percent increase, as the weaker yen lifted already surging global commodity prices. Imports hit a record 8.9 trillion yen ($69.27 billion), topping exports worth 8 trillion yen.

That resulted in a trade deficit of 839.2 billion yen, narrower than the median estimate for a 1.150 trillion yen shortfall but posting a ninth straight month in the red.

Analysts have warned of risks of prolonged cost-push inflation to the fragile economy with external factors, not domestic demand, pushing import bills higher.

"If the zero-COVID policies are extended it will have a really harsh impact," said Taro Saito, executive research fellow at NLI Research Institute.