

Energy Minister Discusses Water, Energy With Acting Afghan Officials



Photo published by Afghanistan's ruling Taliban group shows Iran's Energy Minister Ali Akbar Mehrabian (L) in a meeting with Taliban's minister of energy and water Mulla Abdul Latif Mansur in the Afghan capital of Kabul on August 10, 2022.

TEHRAN - Iran's Minister of Energy, Ali Akbar Mehrabian, at the top of a delegation, has paid a visit to Afghan capital Kabul and held meetings with the Taliban's ministers of Energy and Water,

Foreign Affairs, Information and Cultures and deputy Prime Minister, Mullah Baradar.

The Iranian officials' visit was aimed at pursuing Iran's rights to water supply from

the Hirmand River as well as boosting cooperation between the two neighbors.

Iran and Afghanistan signed a water-sharing agreement on the Hirmand River in 1973, under which Afghanistan pledged to release around 850 million cubic meters of water each year to Iran. So far, Iran has repeatedly criticized Afghanistan for failing to fulfill the accord.

In the meantime, Afghanistan has been struggling with a looming electricity crisis with vast bills remaining unpaid. Afghan acting officials urged Iran to continue supplying reliable electricity.

Iran and Afghanistan have the potential and opportunity to cooperate in many fields. Energy, in particular, can bring the two neighbors closer.

Iran Says It Will Review Airbus Contract If Sanctions Are Lifted

TEHRAN - Iran's civil aviation chief Muhammad Muhammadi Bakhsh says the country will need to revise a major aircraft supply contract with Airbus in case the two parties return to the deal after a potential removal of US sanctions on Tehran.

Muhammadi Bakhsh said that Airbus had violated its obligations under a 2016 deal with the IranAir which required the European aircraft manufacturer to supply spare parts for planes it had delivered to Iran before the U.S. sanctions were imposed on the country in 2018.

IranAir and Airbus signed a contract in December 2016 for supply of 100 jets to the Ira-

nian flag carrier.

However, Airbus delivered only three of the planes to Iran before May 2018 when the U.S. government cancelled the company's permit for engaging in transactions with Tehran.

That came after Washington decided to pull out of an international deal on Iran's nuclear program and imposed sanctions on the country.

Iranian authorities have criticized Airbus for its sheer compliance with American sanctions while insisting that the company should have committed to a huge commercial contract which could have been worth around \$20 billion.

Muhammadi Bakhsh said Airbus had failed to honor its

obligations under the deal with Iran, including those related to the supply of spare parts.

"Definitely, there should be some changes to the terms of the contract and with these changes we will uphold the contract and will continue to commit to it," Muhammadi Bakhsh was quoted as saying by the ILNA news agency.

The deal with Airbus was part of a larger plan by Iran to renovate its aging air fleet after the country was relieved from a previous round of sanctions in 2015.

The country had signed a similar deal with Boeing for supply of 80 jets and another contract for 20 planes from turboprop manufacturer ATR.

Azerbaijan Set to Link With Nakhichevan Through Iran

TEHRAN - The Foreign Minister of the Republic of Azerbaijan Jeyhun Bayramov has emphasized his country's determination for linking with Nakhchivan via Iran through the Araz River.

Azerbaijan will establish communication links with Nakhchivan, whether Armenia wants it or not, Minister of Foreign Affairs of the Republic of Azerbai-

jan Bayramov, who took part in the 13th conference of ambassadors, told reporters in Ankara, Trend reported.

He noted that Azerbaijan started construction of the first bridge across the Araz River following the agreement with Iran.

Thus, Azerbaijan has an alternative for linking with Nakhchivan via Iran through the Araz

River, bypassing Armenia, said. "This will be implemented, whether Armenia wants it or not. This is a chance for Armenia not to remain aloof from regional development projects. The country itself will make its own decision. If Yerevan doesn't make the right decision it will cause the greatest damage to itself," Bayramov added.

CBI Chief: Trading Cryptocurrency Illegal in Iran

TEHRAN - Governor of the Central Bank of Iran (CBI) Ali Salehabadi said that selling or purchasing cryptocurrencies in Iran is illegal, adding, however, that mining digital currencies and using them for imports is lawful.

Speaking at a televised interview on Thursday night, Salehabadi said the sale and purchase of cryptocurrencies or using them for investment are forbidden in Iran.

Referring to the regulations on cryptocurrencies made by the administration two years ago, the CBI chief said it is legal for the people with official permissions to mine digital currencies for the imports.

Rules and regulations have been prepared in coordination with the Ministry of Industry, Mine and Trade to allow the businesses to pay for the imports in cryptocurrencies, he added.

The top banker also unveiled plans to introduce "crypto-rial or digital



rial", a homegrown cryptocurrency that is issued by the Central Bank and will replace the national banknote.

On Tuesday, a deputy trade minister said Iran has registered the first import order using cryptocurrency as a payment method.

According to Alireza Peymanpak, who leads Iran's Trade Promotion Organization (TPO), the official im-

port order was worth some \$10 million.

The cheap energy in Iran has spurred cryptocurrency miners in recent years.

Officials say every Bitcoin mining machine, powered by the same cheap source of electricity available to houses, consumes the equivalent of 24 dwellings.

UK Economy Shrinks in 2nd Quarter, Sharpening Recession Fear

NEW YORK (CNBC) - The UK economy contracted in the second quarter of 2022, as the country's cost-of-living crisis hit home.

Official figures published Friday showed that gross domestic product (GDP) shrank by 0.1% quarter on quarter in the second three months of the year, less than the 0.3% contraction expected by analysts.

It comes after GDP expanded by 0.8% in the first quarter of the year.

Last week, the Bank of England warned that it expects the UK economy to enter its longest recession since the global financial crisis in the fourth quarter. Inflation, meanwhile, is projected to peak above 13% in October.

Monthly estimates showed that GDP fell 0.6% in June, less than the 1.3% consensus forecast, but down from a revised 0.4% expansion in May.

"UK growth is stagnating as the economy faces challenges from a severe real income squeeze amid elevated inflation and higher interest rates," said Hussain Mehdi, macro and investment strategist at HSBC Asset Management.

"In this backdrop, it will be difficult to dodge recession, especially with upside risks to energy prices heading into the winter."

The UK's energy price cap has been projected to hit £4,266 (\$5,191.96), according to consultancy Cornwall Insight, which

would leave millions of households struggling to pay their bills.

Despite the macroeconomic headwinds, however, HSBC backs large-cap UK equities to continue to outperform this year given "exposure to commodity, value and defensive names."

The Office for National Statistics, which publishes the growth figures, said the contraction was largely driven by a fall in services output, with the largest drag coming from health and social work activities, reflecting a decline in COVID-19 activities.

It noted that there was a 0.2% fall in household consumption in the second quarter, offset by a positive contribution from net trade.

IEA Sees Higher Oil Demand This Year

NEW YORK (Oil Price) - Global crude oil demand will rise by 2.1 million bpd this year, the International Energy Agency said in the latest monthly edition of its flagship Oil Market Report, spurred on by the switch from gas to oil for electricity generation.

The new number is a 380,000-bpd upward revision on the IEA's previous monthly forecast. It also means that the IEA now expects global oil demand this year to average 99.7 million barrels daily.

Supply, according to the IEA, already exceeds demand, as it hit 100.5 million bpd last month, with OPEC+ production adding 530,000 bpd in line with the production increase deal and non-OPEC+ output rising by 870,000 bpd.

Oil prices jumped by over 1 percent after the IEA report was released, with Brent inching closer back to \$100 and West Texas Intermediate topping \$92 per barrel.

"With several regions experiencing blazing heatwaves, the latest data confirm increased



oil burn in power generation, especially in Europe and the Middle East but also across Asia," the International Energy Agency said in its report. "Fuel switching is also taking place in European industry, including refining."

The agency also revised upwards its forecast for oil supply for the full year, noting a smaller than expected decline in Russian oil production and exports.

"While Russia's exports of crude and oil products to Europe, the U.S., Japan and Korea have fallen by nearly 2.2

mb/d since the start of the war, the rerouting of flows to India, China, Turkey and others, along with seasonally higher Russian domestic demand has mitigated upstream losses," the agency said.

At the same time, the IEA revised down its supply forecast for North America and noted that the global oil supply remains vulnerable to disruptions. It also highlighted OPEC's reluctance to add too many barrels to current production levels, which adds a downward risk to supply.

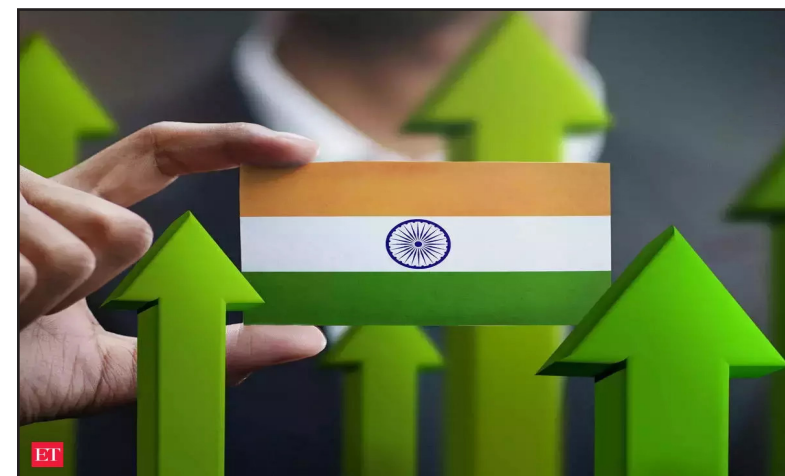
India to Become Asia's Fastest-Growing Economy

LONDON (Business-standard) -The world's sixth largest economy, India, is forecast to become Asia's fastest-growing in 2022-2023, contributing 28% and 22% to regional and global growth respectively, according to experts at Morgan Stanley.

The Wall Street bank projects the South Asian nation to create buoyant demand boosted by a young workforce and business investments, along with the reforms adopted by the current government. It also expects domestic consumption to pick up and services exports to hold up better than goods exports.

Asia's third-largest economy, and second in PPP terms, India managed to grow by 9.2% in fiscal year 2022, marking a sharp recovery from a 6.6% decline in the previous year, when it was hit by series of COVID-related lockdowns. In 2022-2023, the nation's GDP growth is expected to average 7%, according to the bank.

"The recent strong run of data increases our confidence that India is well positioned to deliver domestic demand alpha, which will be partic-



ularly important as developed markets' growth weakness percolates into Asia's external demand," the bank's economists said, in a note dated Tuesday and seen by Reuters. Morgan Stanley highlighted the shift in policy focus towards boosting the productive capacity, with a series of reforms helping to unleash a powerful dynamic in the economy.

"Lower corporate taxes, the production-linked incentive (PLI) scheme and India as a potential beneficiary of supply chain diver-

sification will catalyze and sustain domestic demand, especially in investment," the bank added.

New Delhi cut corporate tax rates to lure manufacturers and revive private investment in 2019, and launched the PLI scheme the next year to help domestic producers.

"The economy is set for its best run in over a decade as pent-up demand is being unleashed," the analysts said, stressing that "healthy" corporate balance sheets and business confidence bodes well for India's investment outlook.