Iran, Nigeria Sign Energy Deals

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TEHRAN – **Iran and Nigeria inked a document on Saturday to expand cooperation in different oil, gas, and petrochemical areas.**

Speaking on the sidelines of the signing ceremony, Iranian Minister of Petroleum Javad Owji said that the document was signed after a good meeting with his Nigerian counterpart in Tehran earlier in the day and another meeting of the two minister which had took place during a GECF Summit.

He said that the agreement included cooperation on exchange of technical and engineering services and expansion of energy cooperation as well.

Under the terms of the agreement, Iran will provide Nigeria with the necessary know-how for hybridization of vehicles and make use of the country's capacities in the LNG area in return, the minister said.

The agreement also includes renovation of Nigerian refineries by Iranian companies, Owji added.

Owji underlined signing of a memorandum of understanding between the two country for cooperation in various fields, including the export of technical and engineering services and petrochemical products (urea).

He added, "In the meeting, according to the previous constructive meetings with the Nigerian side, a favorable memorandum of understanding for cooperation was signed between Iranian companies and Nigeria in various fields of energy, including the export of technical and engineering services to this African country, fueling gasoline cars using the capabilities of Iranian companies, using the capabilities of Nigerian side for production of liquefied natural gas (LNG) and the development of Nigerian oil and gas fields."

Pointing out that the reconstruction and modernization of Nigeria's oil and gas refineries was one of the other highlights of today's memorandum, Owji clarified: "Considering Nigeria's high capacities in the field of crude oil export and LNG production plants and the export of this energy carrier, we can establish long-term cooperation between the two countries."

Industry Minister: Tehran, Moscow Officially Start Using National Currencies in Transactions

TEHRAN - **Iran's Industry, Mine and Trade Minister Reza Fatemi Amin has announced that Tehran and Moscow have officially started doing business in their national currencies, namely rial and ruble.**

Fatemi Amin also said talks are underway over production and distribution of Iranian cars in Russia.

He pointed out that over the past year, a new chapter has opened in economic ties between Tehran and Moscow and these relations have improved.

Fatemi Amin also referred to negotiations with Russia on exports of Iranian made cars to Russia, or their manufacturing in that country.

"We have also started exporting gas turbines, petrochemical products, refiner catalyzers and fruits and vegetables to Russia, and will in return import edible seeds and required automobile industry facilities from Russia," he said.

In a relevant development on Monday, an Iranian deputy industry, mine and trade minister had said at the opening ceremony of Automobility Moscow 2022 exhibition that Iran's presence in that expo is a new beginning for great Iran-Russia cooperation in the field of car manufacturing, and more important than that, in the field of provision and exports of automobile spare parts to Russia.

CEO Eyes $18bn in Petrochemical Revenue

TEHRAN – **The CEO of the National Petrochemical Company (NPC) Morteza Shahmirzaei said the country's petrochemical revenues are planned to hit $18 billion in the current calendar year, which began on March 21.**

Addressing a ceremony to launch a number of major energy projects in the southwestern province of Khuzestan, Shahmirzaei said that the country's propylene production capacity was planned to hit 14 million tons per year by 2033.

"Currently, the petrochemical industry has become a mature and leading industry in the value chain of the oil industry, with the production capacity in this industry reaching more than 90 million tons per year and the sales value of its products reaching $25 billion last year," he added.

The NPC CEO continued, "It is expected that the export of petrochemical products will earn about 18 billion dollars for the country this year."

According to Shahmirzaei, every year a part of the country's hard currency goes out of the country due to the import of petrochemicals that are not produced domestically, which are more important among the imported products of the propylene chain because they include more than 70% of the imported petrochemical products.

Emphasizing that NPC is focused on the development of value chain projects in order to supply imported products and reduce dependence, and helps investors to solve the challenges of implementing these projects, he stated, "Supplying propylene for value chain projects in this area is a big challenge because the demand for this product in the country is much higher than its production."

The official, stating that the production capacity of propylene in Iran is about 1 million tons per year, said, "At the current stage, all the propylene produced in the petrochemical industry is consumed in its downstream units, but the amount required by the propylene consuming units is in the nominal capacity."

He went on to add that 35 propylene production plants have been defined which will bring the item's production capacity to 12 million tons per year by 2033.

Official: Non-Oil Exports Grow 40%

TEHRAN - **Iran's Vice President for Parliamentary Affairs Muhammad Husseini said on Saturday that the country's non-oil exports have witnesses a 40-percent increase.**

"Indicators of investment and tourism have also developed," Hosseini stated at an opening ceremony in an industrial unit in Qom, South of Tehran.

"The current Iranian government has brought development in different parts of the country, particularly in the industrial sector," the official noted.

He added that the government attaches great importance to its ties with the neighboring countries because it sees balanced diplomacy as a tool of power.

Further, Husseini appreciated the moves taken in the past year to put Iran as a member of ultra-regional organizations to improve trade and economic capacities.

Back in mid-July, Iran's Minister of Industry, Mine and Trade Reza Fatemi Amin stated the country's foreign trade amounted to $120 billion during the past Iranian calendar year (ended on March 20, 2022) despite Washington sanctions.

The Iranian minister referred to Western sanctions imposed on his country over the past four decades, and noted that Tehran has made progress despite those measures.

Statistical data in early July showed Iran's exports to the neighboring and friendly states have grown drastically in the past few months amid the country's fight against the US unilateral sanctions.

The surge in foreign trade comes in the backdrop of the President Rayeesi administration's agenda to expand economic ties with countries in the region and those across the globe.

Europe's Natural Gas Prices Climb 10 Times

LONDON (Bloomberg) -**Natural gas prices in Europe are now more than 10 times their average for this time of year — sparking the destabilization of economies and undermining the euro.**

Much of it is due to Russia curbing its shipments against sanctions imposed for military operation in Ukraine.

Meanwhile lower flows from Norway are anticipated into September as a result of maintenance.

In the U.S., a natural gas plant, damaged by an explosion earlier this year, is not expected to restart until October.

The European Union had been depending on natural gas shipments from the U.S. and Norway to make up for Russia's curtailment.

A number of industries — ranging from aluminum to fertilizers — have been hurt by the soaring costs, Bloomberg noted.

Adding to woes, Russia's Gazprom PJSC will stop flows on the Nord Stream gas pipeline for three days starting on Wednesday to perform maintenance. Some European officials fear the flows may not start up again.

"Europe simply doesn't have access to enough alternative supplies to easily compensate for those Russian gas losses," Samantha Dart, Goldman Sachs Group Inc.'s head of natural gas research, told Bloomberg.

Salomon Fiedler, an economist at Berenberg Bank, told CNN that the sharp increase in natural gas prices makes him confident that Europe is already entering a recession.

"With the recent surge in energy prices — wholesale gas prices in particular — we will probably see quite a bit more inflation for the remainder of this year," he said.

IME Weekly Trade Exceeds 1.8 Million Tonnes

TEHRAN – **The Iran Mercantile Exchange (IME) on Saturday reported that over 1,861,842 tonnes of commodities with a total trading value of more than $374 million were traded on its physical market in the last week.**

The IME's report said that, over 1,550,000 tonnes of metal and mineral commodities, including 844,516 tonnes of cement, 445,000 tonnes of iron ore, 118,752 tonnes of steel, 127,000 tonnes of sponge iron, 2,175 tonnes of zinc, 8,600 tonnes of aluminum, 4,200 tonnes of copper, 200 tonnes of molybdenum concentrate and 11 kg of gold bars with total value of $217 million were traded on its domestic and exporting halls in the last week.

It also added on oil and petrochemical trading floor, over 300,644 tonnes of commodities including 82,952 tonnes of polymeric products, 65,600 tonnes of vacuum bottom, 12,000 tonnes of lube cut, 26,954 tonnes of chemicals, 36,000 tonnes of sulfur, 3,579 tonnes of base oil, 100 tonnes of insulation and 72,085 tonnes of bitumen with total value of $155 million were traded on its trading halls.

The IME also traded within the same week 11,155 tonnes of commodities on its side market.

Central Banks Will Fail to Tame Inflation Without Better Fiscal Policy, Study Says

JACKSON HOLE, Wyo. (Reuters) - **Central banks will fail to control inflation and could even push price growth higher unless governments start playing their part with more prudent budget policies, according to a study presented to policymakers at the Jackson Hole conference in the United States.**

Governments around the world opened their coffers during the COVID-19 pandemic to prop up economies, but those efforts have helped push inflation rates to their highest levels in nearly half a century, raising the risk that rapid price growth will become entrenched.

Central banks are now raising interest rates, but the new study, presented on Saturday at the Kansas City Federal Reserve's Jackson Hole Economic Symposium argued that a central bank's inflation-fighting reputation is not decisive in such a scenario.

On track this fiscal year to come in at just over $1 trillion, the U.S. budget deficit is set to be far smaller than earlier projected, but at 3.9% of GDP, it remains historically high and is seen declining only marginally next year.

The euro zone, which is also struggling with high inflation, is likely to follow a similar path, with its deficit hitting 3.8% this year and staying elevated for years, particularly as the bloc is likely to suffer a recession starting in the fourth quarter.

The study argued that around half of the recent surge in U.S. inflation was due to fiscal policy and an erosion in beliefs that the government would run prudent fiscal policies.

While some central banks have been criticized for recognizing the inflation problem too late, the study argued that even earlier rate hikes would have been futile.

To control inflation, fiscal policy must work in tandem with monetary policy and reassure people that instead of inflating away debt, the government would raise taxes or cut expenditures.