

Official: Iran Plans to Launch Joint Free Zones in 21 Countries



TEHRAN – The secretary of Iran's Supreme Council of Free Trade-Industrial and Special Economic Zones Hojjatollah Abdolmaleki said on Monday that the negotiations are underway between Iran and 21 countries

in the world to set up joint free zones.

Abdolmaleki stated that cooperation documents have been inked with six countries for setting up joint free zones.

he noted that giant strides have

been taken in the administration of President Ebrahim Raisi to make the balance of trade at free zones positive.

He put the country's total non-oil exports in the free- and special economic zones in 2022 at about \$18 billion.

Iran is one of the countries that has designed a perfect model for the launch of joint free zones, he said.

Abdolmaleki further pointed out that priority has been given to the neighboring states for launching joint free zones, stressing that cooperating with countries like Afghanistan, Pakistan, Qatar, the United Arab Emirates, Iraq, Syria, Turkey, Turkmenistan, Armenia, Kyrgyzstan, Uzbekistan, Russia and China has been put on the agenda of the organization.

Tatarstan, Iran Trade Grows 25%

TEHRAN – The volume of trade exchanges between Iran and Russia's Republic of Tatarstan exceeded \$200 million in 2023, registering a 25-percent hike compared to a year earlier, the consul general of Iran in Kazan announced.

Davood Mirzakhani put the total value of the trade exchanges between Iran and the Republic of Tatarstan in 2022 at about \$182 million.

Referring to the signing of a Free Trade Agreement (FTA) between

Iran and member states of the Eurasian Economic Union (EAEU), he said the bilateral trade exchanges between Iran and Tatarstan are expected to significantly increase upon the implementation of the FTA.

He further said the activation of the International North-South Transport Corridor (INSTC), the operation of the infrastructural transport projects of Iran and Russia and the construction of the Rasht-Astara Railway can help

facilitate the trade exchanges between the two countries to a great extent.

The free trade agreement between the EAEU and Iran was signed during the EAEU summit in St. Petersburg on December 25.

In 2018, Iran and the EAEU inked a Preferential Trade Agreement (PTA), which came into effect on October 27, 2019. The two sides later began negotiations to upgrade the PTA to an FTA after the success of the former.

German Economy to Keep Shrinking, Bundesbank Warns

FRANKFURT (Reuters) - Germany is likely in recession now as external demand is weak, consumers remain cautious and domestic investment is held back by high borrowing costs, the Bundesbank said in a regular monthly report on Monday about Europe's biggest economy.

Germany has struggled since Russia, Ukraine war pushed up energy costs, and its vast, industry-heavy economy is now in its fourth straight quarter of zero or negative growth, weighing on all of the euro zone.

"There is still no recovery for the German economy," the Bundesbank said. "Output could decline again slightly in the first quarter of 2024. With the second consecutive decline in economic output, the German economy would be in a technical recession."

This weak performance has raised questions about the sustainability of the German economic model and critics argue that much of its energy-reliant heavy industry is now being priced out of international markets, warranting an economic transformation.

The government, however, has pushed back on gloomy projections, arguing that it is



merely a perfect storm of high energy costs, weak Chinese demand and rapid inflation that temporarily holds back growth but does not fundamentally question economic strategy.

For now the weakness will persist, the Bundesbank argues. Foreign industrial demand is trending down and the order backlog is dwindling.

Firms are also holding back investment, partly because financing costs have risen sharply since the European Central Bank pushed up interest rates to a record high to combat inflation, the central bank said.

High nominal wage growth is also impacting firms and strikes in key sectors, such as transport, could also weigh on

growth in the quarter.

Disruption of shipping in the Red Sea will, however, not have a significant impact because there is plenty of spare capacity in shipping and because freight costs are only a minor part of the overall cost of goods, the Bundesbank said.

While the outlook is weak, the bank said it expects no major deterioration in the labour market, which has insulated the economy so far, and Germany was not facing a broad-based, prolonged recession.

"The weak phase in the German economy that has been ongoing since the beginning of the Russian war of aggression against Ukraine will thus continue," the bank added.

Iraq, Iran to Cooperate on Sustainable Soil Management

TEHRAN – Iranian and Iraqi officials in the soil and water sectors held an expert-level joint meeting aimed at taking advantage of Iran's capabilities and potential in the field of sustainable soil management.

During the meeting, Director General of Iran's Soil and Water Research Institute (SWRI) Hadi Asadi Rahmani said the achievements of the research institute play a key role in formulating Iran's cultivation pattern which can be implemented in neighboring Iraq as well.

Rahmani outlined the seven topics of the strategic program of the research institute, namely identifying soil resources, quantitative and qualitative monitoring of agricultural soil and water, demand-oriented management of water at farm and improvement of the productivity, recognition and management of soil and water in



saline conditions, identification and management of soil fertility and plant nutrition, management of soil organic carbon and tackling soil, water and plant pollution in agriculture.

He pointed to the activities and the most important achievements of the departments of the research institute and expressed hope for the development of cooperation

between Iran and Iraq in the soil management field.

The executor of the project for developing modern irrigation systems of Iran's Ministry of Agriculture further noted that Iraq has a good capacity for providing technical and engineering services and Iran can have good interactions with this Arab country within the framework of a research contract.

Energy Ministry to Build Iran's Tallest Dam on Bkhatiari River



TEHRAN – The deputy CEO of Iran Water and Power Resources Development Company Mashallah Tabe Jama'at said that Iran's tallest dam, the "Bakhtiari Dam", will be constructed using Chinese finance. As high as 275 meters, Bakhtiari

Dam will be the tallest dam in the country, with 2.7 billion cubic meters of storage capacity and 750-megawatt electricity generation capacity.

After a decade of hiatus, the important and infrastructural project

of building the Dam in western part of the country will resume using the Chinese financing scheme.

The official pointed to the status of the construction operation of the dam, and noted that it was introduced by the Central Bank of Iran to the Chinese financier and will be launched on the scheduled date.

Taba Jama'at further pointed out that the company has thus far constructed tens of large national projects throughout the country.

The ground was broken for the construction operation of the Bakhtiari Dam, as the world's tallest concrete-based dam, in 2013 with the participation of the then president.

The Bakhtiari Dam is an arch dam currently under construction on the Bakhtiari River within the Zagros Mountains on the border of Lorestan and Khuzestan Provinces, Iran.

French Car Parts Supplier Forvia to Cut 10,000 Jobs in Europe by 2028

LONDON (Financial Times) - French car parts supplier Forvia aims to cut 10,000 jobs, or more than a tenth of its workforce, saying it was bracing for an influx of Chinese competition in Europe as suppliers follow automakers to the region.

The group, one of the world's biggest producers of car seats and dashboards, said it was "immediately and drastically reducing recruitment in Europe" as part of efforts to boost margins in the region, where it has struggled with overcapacity.

The job cuts would be spread over five years, Forvia said, and would be mainly carried out by replacing departing staff and cutting back on temporary employees. It usually has an attrition rate of about 2,000 people a year, while staff stood at 75,000 at the end of last year.

The move reflects the broad

fallout from the car market's shift towards electric models, which is forcing suppliers to reinvent themselves. Suppliers have been caught between Europe's slow recovery in vehicle production to pre-pandemic volumes and sluggish demand growth for battery-powered cars, partly as consumers are still put off by high price tags.

Europe's carmakers are starting to see Chinese rivals with more competitively priced electric vehicles making inroads in the region. Companies including BYD are planning European factories which, in turn, could offer Chinese suppliers an entry into the market.

Forvia, which ranks itself as the world's seventh biggest auto technology supplier, said it was clamping down on costs in Europe in part to cope with "the arrival of newcomers from Asia."

The plan was aimed at "reinforcing the competitiveness and agility of our operations in Europe and achieving significantly higher profitability", chief executive Patrick Koller said in a statement.

The group, which closed a €6.7bn takeover of its German rival Hella in 2022, said its operating margins in Europe had shrunk in recent years, from 6.6 per cent pre-Covid to 2.5 per cent in 2023.

Although nearly half of Forvia's €27.2bn in annual sales came from Europe in 2023, the region accounted for only 22 per cent of its €1.4bn operating profit. The company aims to increase that to 35 per cent as part of its five-year plan that includes the job cuts. The group said it would also slash its reliance on external research and development.

Forvia returned to profit in 2023, with net income of €222mn, after it was hit the previous year by its exit from Russia. The industry has also struggled in recent years from semiconductor shortages, although these have now eased.

The French group said it was aiming to increase sales to between €27.5bn and €28.5bn in 2024, or by up to 4.6 per cent, down from last year's 10.8 per cent. Margins, however, would rise, it added.

German Labor Union Calls on Lufthansa Ground Staff to Strike

BERLIN (AP) — A labor union in Germany has called on ground staff for Lufthansa to walk off the job at seven airports on Tuesday following a similar strike earlier this month.

The Ver.di union said Sunday that the one-day strike will affect the airports in Frankfurt and Munich, Lufthansa's two main hubs, as well as Berlin, Duessel-

dorf, Hamburg, Cologne-Bonn and Stuttgart. It will run from 4 a.m. Tuesday to 7:10 a.m. Wednesday.

A 27-hour strike at five of the same airports that started Feb. 7 prompted the airline to cancel hundreds of flights.

The union is seeking pay raises of 12.5%, or at least 500 euros (\$539) more per month, in negotia-

tions for about 25,000 employees, including check-in, aircraft handling, maintenance and freight staff. Several-hour or one-day "warning strikes" are a common tactic in German contract negotiations.

A round of talks on Feb. 12 produced no agreement. More negotiations are scheduled for Wednesday.