

Iran Renews Gas Exports Contract With Iraq for 5 Years



Iranian Petroleum Minister Javad Owji, left, met and held talks with Iraq's Minister of Electricity Ziad Ali Fazel in Baghdad.

TEHRAN – Iranian Petroleum Minister Javad Owji says that Iran and Iraq have agreed to extend the

contracts in the next five years. Owji, who is on a visit to the Iraqi capital Baghdad, made the

announcement on Saturday after a meeting with Iraq's Minister of Electricity Ziad Ali Fazel.

He said one of the outcomes of his Iraq trip was to work out a mechanism for extension of the current gas export agreements with the Arab country's Ministry of Electricity.

Iran is currently supplying gas to power plants in the Iraqi cities of Baghdad and Basra under two separate contracts, the official said. Based on an agreement signed earlier this week, Iran and Iraq will be able to extend the current gas export deals within the next five years and after carrying out expert reviews, Owji said.

The Iranian and Iraqi authorities signed a major agreement on oil, gas, and petrochemical cooperation in Baghdad on Thursday.

IME Weekly Trade Exceeds \$620 Million

TEHRAN – The Iran Mercantile Exchange (IME) on Saturday reported that over 2,958,011 tonnes of commodities and 100 vehicles with a total trading value of more than \$628 million were traded on its physical market in the last week.

The IME's report added, over 2,520,596 tonnes of metal and mineral commodities, including 1,249,659 tonnes of cement, 754,000 tonnes of iron ore, 372,507 tonnes of steel, 131,000 tonnes of sponge iron,

7,415 tonnes of aluminum, 7,025 tonnes of copper, 2,000 tonnes of coke, 780 tonnes of zinc, 200 tonnes of molybdenum concentrate and 100 vehicles with total value of \$427 million traded on domestic trading halls of IME in the last week.

Furthermore, the IME reported that on both domestic and export rings of its oil and petrochemical trading floor, over 428,994 tonnes of commodities, including 133,000 tonnes of vacuum

bottom, 127,752 tonnes of bitumen, 97,858 tonnes of polymeric products, 39,388 tonnes of chemicals, 19,000 tonnes of lube cut, 9,000 tonnes of sulfur, 3,466 tonnes of base oil, 900 tonnes of insulation, 500 tonnes of petroleum products and 110 tonnes of gas feedstocks with total value of \$196 million were traded in the last week.

The IME also traded within the same week 8,420 tonnes of commodities on its side market.

United Pilots Picket as Airline Unions Press for Higher Pay



United Airlines pilots protest for a new contract in downtown Chicago on April 19, 2023.

WASHINGTON (AP) – United Airlines pilots have picketed at major airports across the U.S., demanding higher pay and a better work-life balance in negotiations with management over a new contract.

The pilots say they have been working without a pay increase for more than four years. Their nationwide informational picket comes as Southwest Airlines and American Airlines pilots have each authorized a strike, demanding better conditions from their respective management.

United has told its pilots it is willing to match Delta's pay increase, but union officials are looking for more.

"We expect our contract to raise the bar from Delta's contract," union chief Garth Thompson told Reuters in an interview Wednesday. "We're not just looking for more money, we're looking for several areas of improvement that we've been waiting a long time to achieve."

Scheduling remains a sticking point in negotiations, as the union wants to limit management's power to make pilots work on their days off.

United spokesman Joshua Freed told The Associated Press, "We're continuing to work with the Air Line Pilots Association on the industry-leading deal we have put on the table for our world-class pilots."

Federal law makes it difficult for airline unions to go on strike, so even if United pilots join Southwest and American

Airlines in authorizing one, it's unlikely that pilots won't show up to work during the busy summer travel season.

The National Mediation Board rarely declares a dead end to bargaining, and even if it does, there is a no-strikes "cooling-off" period during which the White House and Congress can block a walk-out. That's what President Bill Clinton did minutes after pilots began striking against American in 1997 and President Biden did with freight railroad workers in December. Pilots' unions reportedly have more leverage to push for increased pay and changes in scheduling practices, following the shortage of pilots industry-wide that came about as carriers encouraged retirement during the COVID-19 pandemic.

United has roughly 14,000 pilots, and the union expected at least 2,000 would picket Friday at 10 airports from Newark, New Jersey, to Los Angeles. The pilots union has distributed protest signs to picketers that read, "Time to invest in pilots" and "4 years past due."

Economy Minister: Tehran-Riyadh Ties Benefit Regional Countries

TEHRAN – Iranian Minister of Economic Affairs and Finance Seyed Ehsan Khandouzi has said that the development of economic relations between Iran and Saudi Arabia is a 'win-win' scenario and is in the interest of the countries of the region.

Khandouzi, who has traveled to Jeddah in Saudi Arabia to take part in the annual summit of the Islamic Development Bank (IDB), emphasized that the policy adopted in the administration of President Ebrahim Raisi is based on strengthening amicable ties with neighboring states.

We expect that the two neighbors would witness evermore rise in economic interactions, trade and investment, he added.

He said that the development of economic ties between Iran and Saudi Arabia is a win-win scenario which will be in the interest of not



Iran's Economy Minister Seyed Ehsan Khandouzi met with his Saudi counterpart in the kingdom's port city of Jeddah.

only the two countries but also other countries of the region.

Heading a high-ranking trade and economic delegation, Khandouzi arrived in Jeddah on Thursday to discuss bilateral ties and issues of

mutual interest.

This is the first visit of a high-ranking Iranian official to Saudi Arabia since Tehran and Riyadh resumed their ties after seven years of hiatus.

Minister: INOTEX Props Up Developing Startup Markets



TEHRAN – Iran's Minister of Interior Ahmad Vahidi has said that development of startup and knowledge-based companies' markets in international arenas is among the outcomes of holding the International Innovation and Technology Exhibition (INOTEX).

Speaking on the sidelines of the 12th edition of the expo (INOTEX 2023), Vahidi stated that the exhibition will encourage Small and Medium-Sized Enterprises (SMEs) to take advantage of the world's latest technologies. INOTEX is a venue to display

a part of innovative and technological achievements of the knowledge-based companies, he emphasized.

INOTEX 2023 was inaugurated in Tehran on Tuesday, May 9, in a ceremony addressed by Vice-President for Science and Technology Rouhollah Dehghani Firouzabadi. The exhibition concluded on May 12.

Empowering entrepreneurs through presenting their achievements, financing and finding appropriate ways to develop presence in global markets and also establishing relations between different components of ecosystem of innovation and technology are among the main objectives of the exhibition.

It was held with the participation of more than 450 startups and knowledge-based companies.

BoA: Recession, Credit Crunch Could Cause \$1 Trillion of Debt Defaults

WASHINGTON (Business-Insider) – The impact of a recession and a credit crunch in U.S. could be that \$1 trillion worth of corporate debt ends up defaulting, Bank of America credit strategists said in a note.

"It has been a long time since we had a proper credit cycle," Oleg Melentyev wrote to clients, pointing to the credit cycles beginning in 1981, 2000, and 2007. Those cycles were upended by a dramatic tightening of credit conditions, leading the three-year default rate on US corporate default debt to soar to around 15%.

Melentyev said that a 15% default rate on corporate debt was a "distinct risk" as the U.S. approaches a recession and credit gets tighter, though he believed a coming credit crunch will likely be less severe than what was seen during the Great Financial Crisis.

"We think it is reasonable to argue that the next-3yr default cycle, whenever it starts, should add up to a lower peak," he said. That would still amount to an 8% corporate default rate in a full-blown recession, which could translate into \$920 billion of corporate debt defaults.

That's largely because banks have already started to pull back on credit conditions since the collapse of Silicon Valley Bank. U.S. debt growth has also pulled back in recent years, and a "full-scale" recession hasn't been officially declared yet, though Bank of America strategists have said a mild downturn could start this quarter.

"If a full-scale recession doesn't arrive in the next year or two, the cycle will get delayed, but not canceled. For now, we continue to

think that a mild/short recession is a more likely outcome than a full-scale one for the foreseeable future. Therefore, we assume a moderate pace of loss-gathering is already underway, but it has not yet reached a point of a lift-off to take us to 8% aggregate across all credit," he added.

Markets are growing jittery over the prospect of a future downturn, with the New York Fed's U.S. Recession Probability Index predicting a 68% chance that a recession will arrive by April 2024. The risk stems from the Fed aggressively raising interest rates over the past year to tame inflation.

That risk has been amplified with recent banking turmoil, as lenders weather losses on their bond portfolios and steep deposit flight, causing them to tighten up on new lending.

IMF: China Remains Major Growth Engine for Asia-Pacific

BEIJING (Xinhua) – China will continue to make a major contribution to the economic development of the Asia-Pacific region, with the country expected to maintain steady growth and see a strong recovery in private consumption, the International Monetary Fund (IMF) said in a report.

In its May edition of Asia-Pacific regional economic outlook, the IMF said China's economy will likely expand by 5.2 percent

this year, up by 0.8 percentage points from its previous forecast in October last year.

"Data from the first quarter have confirmed our forecast for a dynamic start in 2023, with a strong rebound in consumption," said Krishna Srinivasan, director of the IMF's Asia and Pacific Department, at a media briefing held by IMF and China Finance 40 Forum.

Typically, a 1-percentage-point increase

in Chinese growth leads to an increase on average of about 0.3 percentage points for the rest of Asia, he said.

Spillovers to the rest of Asia from higher consumption in China are estimated to be larger than spillovers from other growth drivers, such as investment, according to Srinivasan.

The IMF's report said the Asia-Pacific will remain a dynamic region despite chal-

lenges including weakening external demand, and the dynamism will be driven primarily by the recovery in China and resilient growth in India.

The growth in the region is projected to reach 4.6 percent and the region is expected to contribute nearly 70 percent of global growth in 2023, the IMF said, adding that China alone will contribute 34.9 percent of the global growth this year.