

Oil Minister: Iran Energy Trade With Neighbors to Increase



TEHRAN - Iran's Oil Minister Javad Owji said his ministry is pursuing plans to increase the country's share in the energy trade with the neighboring states. Owji made the comments on the sidelines of a cabinet meeting that his ministry has attached great importance to the energy diplomacy.

He noted that the ministries of oil and foreign affairs have done their utmost to strengthen

the energy diplomacy, SHANA reported.

Iran's share in importing, transiting, and swapping gas in the region is on upward trajectory, he said, adding that the administration has completely paid the debt Iran owed to Turkmenistan for the gas imports.

"During the past 20 months, oil, gas, refining, and petrochemical sectors have witnessed (good) developments,

including moving toward (construction of) refineries beyond borders for the first time after the Islamic Revolution. We use the extraterritorial capacities to process oil, prevent crude selling of raw materials, and create higher added value," the minister stated.

He finally stressed that the oil products cannot be sanctioned as the world heavily needs them.

Data: Iran Trade With Neighbors Rose 14.5%

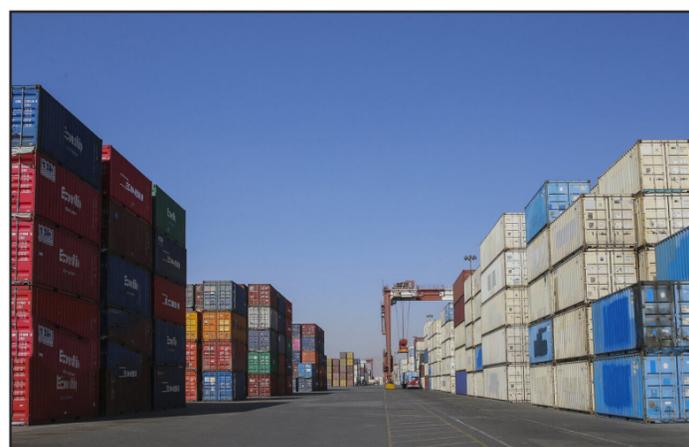
TEHRAN - Official figures published by the Iranian finance ministry show that trade exchanges between the Islamic Republic and its neighboring countries rose by 14.5% in value terms in the last Iranian calendar year 1401 (March 21, 2022-March 20, 2023) compared to the year before.

The ministry released its figures in a report published on Thursday.

During the year 1401, Iran traded a total of 96,767 metric tons (mt) of goods with all of its 15 neighboring countries namely Iraq, the UAE, Pakistan, Afghanistan, Bahrain, Qatar, Kuwait, Armenia, the Azerbaijan Republic, Russia, Turkiye, Kazakhstan Turkmenistan, Oman and Saudi Arabia in the year to late March.

That amount of trade was worth \$58.843 billion and increased by 14.5% year-on-year.

Of the total trade with the neighboring states in the year 1401, non-oil exports of Iran stood at \$30.537 billion. That was up by nearly 19.5% compared with the year to late March 2022.



Non-oil shipments exported by Iran to neighbors weighed 75,184 mt, a slight increase (0.1%) compared with the year 1400 when Iran exported 74.622 mt of non-oil goods to its neighbors.

Iraq, Turkiye, the UAE, Afghanistan and Pakistan were respectively the top importers of Iranian goods in 1401.

Figures by the Iranian finance ministry also show that the country's imports from its neighbor-

ing countries had risen by 9.6% in value terms year on year in the year 1401 while shipments fell by 21.6% in volume terms over the same period.

During that period, the Islamic Republic imported 21.583 million mt of goods worth \$28.306 billion from its neighbors.

The UAE, Turkiye, Russia, Pakistan and Oman were the top exporters of goods to Iran over the year to late March.

Eurozone in Recession as Rising Prices Hit Spending

BRUSSELS (Reuters) - The euro zone entered a recession in the first quarter of this year, and economists are not optimistic for the coming months.

The 20-member bloc reported gross domestic product of -0.1% for the first quarter, according to revised estimates from the region's statistics office, Eurostat, released Thursday.

In a first reading, the agency had said the euro zone grew by 0.1% over the first three months of the year. This pronouncement was adjusted down after Germany also cut its growth figures for the same period, and effectively entered a recession. Ireland also made a downward revision to its growth rate, now showing a contraction of almost 5%.

Before the weak performance over January-March, the euro zone also contracted by 0.1% in the last quarter of 2022. The two consecutive quarters of negative GDP performance have also dragged the wider region into a technical recession.

"News that GDP contracted in the first quarter after all means that the euro zone has already fallen into a technical recession. We suspect that the economy will contract further over the rest of this year," Andrew Kenningham, chief Europe economist at Capital Economics, said in a note Thursday.

Ireland, the Netherlands, Germany



and Greece are among the euro economies that reported an economic quarter-on-quarter contraction for the first quarter.

Household consumption dropped by 0.3% in the first quarter, highlighting the pressures that consumers are facing amid higher prices.

Claus Vistesen of Pantheon Macroeconomics said in a note that the euro zone region is unlikely to see much growth in the months ahead, when he expects a slowdown in investment.

The lackluster economic environment also poses a challenge for the European Central Bank, which has been on a hawkish path for the last 12

months and most recently set its main rate at 3.25%. The central bank is due to meet next week, and market players have priced in another 25 basis point hike.

A poor economic performance might limit the ECB's ability to increase rates further in a bid to tackle inflation. ECB officials have nevertheless previously suggested that it is more important to bring down prices than to avoid an economic slowdown.

Euro zone bond yields continued to trade largely higher Thursday following the data announcement, as several market players expect further monetary tightening.

Ryabkov: Russia to Closely Analyze Iran's Idea of Setting Up Gas Hub

TEHRAN- Russian Deputy Foreign Minister Sergei Ryabkov has said that relevant Russian agencies will closely analyze Iran's idea of setting up a gas hub involving Russia, Qatar, and Turkmenistan.

Ryabkov made the remarks commenting on the statements of Iran's Oil Minister Javad Owji who recently said that Iran is trying to have a gas hub in the Asaluyeh region with the cooperation of Russia, Turkmenistan, and Qatar.

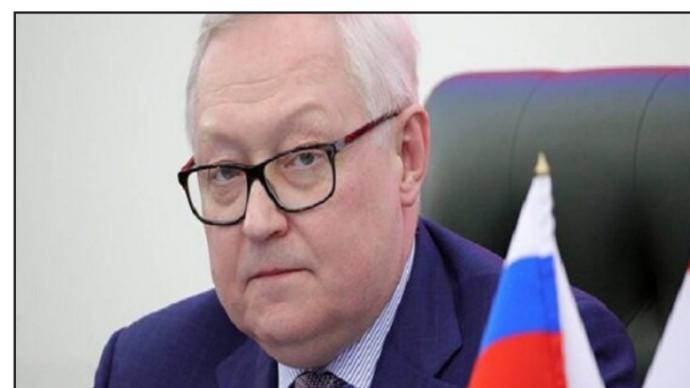
"We welcome initiatives that help deal with the energy security problem in a broad sense and contribute to continued development of Russian-Iranian relations, and in general, we are open to constructive ideas," Ryabkov told journalists in Zvenigorod outside of Moscow, Interfax reported.

"Definitely, economic operators and the relevant executive federal agencies will thoroughly study this idea. We have close contacts with all the above-mentioned actors in this context," Ryabkov said.

Russia Today (RT) news agency reported that Iran, in cooperation with the Eurasian Economic Union (EAEU) member states, will turn into a gas hub in the region.

Iran is seeking to create a gas hub in cooperation with its Eurasian trade partners, Owji announced. The move is part of Tehran's efforts to strengthen regional cooperation and enhance its position in the global energy market.

Iran is one of the largest oil and gas producers in the world, selling most



Russian Deputy Foreign Minister Sergei Ryabkov

of its energy to Asian markets despite the threat of US secondary sanctions. The new project is planned for the Asaluyeh region of the southern Bushahr province, RT said.

"Having 33 trillion cubic meters of gas reserves and thanks to the cooperation of Turkmenistan, Russia and Qatar, we are trying to become a gas hub," the minister told reporters, insisting that the conditions were in place to achieve that goal.

The statement comes as Tehran has stepped up energy purchases from neighboring Turkmenistan, with the capacity to import between 40 and 50 million cubic meters of gas daily. Iran's major gas fields are concentrated in the south, necessitating imports from its northern neighbor, particularly in the winter.

Iran has also strengthened energy cooperation with Russia, which, accord-

ing to Owji, could assist in the Islamic Republic's energy hub ambitions. The two countries have joint investments in exploration and production, technology swap agreements, and a deal to jointly build oil pipelines from Iran to Oman and Pakistan. Last month, Tehran and Moscow sealed two major cooperation agreements and eight memoranda of understanding covering everything from energy and technology to the creation of a joint market.

Russia's Deputy Prime Minister Alexander Novak said recently that Iran and Russia are negotiating to create an electronic gas platform in northern Iran.

According to Novak, Iran and Russia will develop their cooperation in the field of energy, which is why Russia's giant Gazprom is pursuing the development of Kish and South Pars joint gas fields.

AU: Africa on Course to Have Single Currency

LUSAKA (Reuters) - A senior official from the African Union (AU) has said that the continental body was on course with its plans to introduce a single African currency.

Albert Muchanga, the AU commissioner for Economic Development, Trade, Tourism, Industry and Minerals, said leaders of member countries adopted the macroeconomic convergence criteria in 2021 as part of efforts toward having a single currency.

He said in remarks delivered during the 22nd Common Market for Eastern and Southern Af-

rica (COMESA) Heads of State and Government Summit that the criteria will be implemented by the African Monetary Institute whose headquarters will be in Nigeria.

He said the African Development Bank (AfDB) has since agreed to help the AU in mobilizing resources for the establishment of the African Monetary Institute.

According to him, once the African Monetary Institute starts operating, all AU member states will be expected to report on the implementation of the macroeconomic convergence.

Earlier Kenya President William Ruto expressed concern that disparities in currencies were posing as a barrier to the promotion of intra-Africa trade.

While acknowledging that there has been the introduction of several regional payment infrastructures on the continent, the Kenyan president said the lack of a single system that seamlessly facilitates trade as well as varying currencies were obstacles that needed to be tackled.

"Trade cannot take place without efficient and unified payment systems," he said.

Oil Prices Headed for Weekly Loss Despite Saudi Arabia's Production Cut

NEW YORK (CNBC) - Crude oil was heading for the second week of losses in a row despite the additional production cut Saudi Arabia announced at last Sunday's OPEC+ meeting.

In morning trade in Asia today, Brent crude was changing hands for less than \$76 per barrel and West Texas Intermediate was trading at below \$71. Both were down from close on Thursday.

It appears that traders are still more concerned about oil demand than they are about the adequacy of supply. With news like Germany's and the eurozone's recession, a decline in Chinese manufacturing activity instead of continued expansion, and shrinking manufacturing activity in the U.S., demand

worry is quite justified.

Even the possibility that the Federal Reserve might not announce another rate hike at its next meeting on June 13-14 did nothing to change the dominant sentiment on the oil market.

Earlier this week, these new developments prompted Energy Aspects to revise its forecast for oil prices, slashing them by \$15 for the second half of the year. As reasons for the revision, the consultancy cited higher interest rates, the inclusion of a U.S. crude into the Brent basket, and the supply differences in sour and sweet crudes.

According to Energy Aspects, OPEC is reducing the production of predominantly sour crudes, while Brazil and

the United States are expanding the production of sweet crudes that make up both the Brent crude and WTI benchmarks.

One additional factor that affected prices this week specifically was a news report that the U.S. and Iran were close to reaching a deal on sanctions and Iran's nuclear program. Both sides promptly denied the report, which stopped the oil price slide but did not reverse it.

There are some expectations that with the start of summer driving season in the U.S. prices will start climbing higher again but any climb could be tempered by demand indications from China.