

# CBI: Iran's Oil Output Grows 10% Despite U.S. Sanctions

TEHRAN – The Deputy Governor of the Central Bank of Iran (CBI) for economic affairs Muhammad Shirijian said on Monday that the country's oil production has grown by 10 percent since the administration of President Ebrahim Raisi took office.

Expounding on the details of economic growth in the last Persian calendar year of 1401 (ended March 20, 2023), Shirijian revealed the continued two-digit growth in oil production.

He put the economic growth rate last year at four percent, showing a fivefold increase compared the average growth



over the past decade.

As the average investment

growth in the 2010s was -6.9 percent, this figure hit 6.7 per-

cent in 2022, which shows that taking advantage of domestic capacities and talents has been effective in economic growth.

Shirijian also put the economic growth in 2021 at 4.5 percent.

Elsewhere in his remarks, the CBI deputy governor for economic affairs also said that economic growth in the agricultural sector rose from -2.6 percent in 2021 to 1.1 percent in 2022.

Regarding the growth rate of the mining and mineral sector, Shirijian said it rose from 1.1 percent in 2021 to 6.5 percent in 2022.

## Report: Iran 3rd Largest Provider of Energy Subsidies in World

TEHRAN – The World Bank has reported that Iran is the third-largest provider of subsidies worldwide for energy consumption.

The newly-released report, compiled based on statistics from 2020, said the Iranian government disbursed

\$41.72 billion in energy subsidies to its citizens in that year, trailing behind only Russia and Saudi Arabia.

Electricity received the largest share of the subsidy payments provided by the Iranian government in 2020, at \$26.51 billion.

An additional \$15.21 billion was allocated to gasoline and other oil products in that year, and \$10.44 billion to consumer subsidies for diesel.

In total, five countries; Iran, Russia, Saudi Arabia, India and Venezuela, ac-

counted for nearly half of the world's total energy subsidies.

They collectively allocated \$211 billion in subsidies for fuel consumption to their citizens, equivalent to almost half of global explicit subsidies.

## Ilam Petrochemicals Annual Output Tops 0.7mn Tonnes

ILAM – CEO of Ilam Petrochemical Complex Behzad Yari has said that the company producing some 700,000 metric tons (mt) of different product annually.

Yari said that the facility, which is the biggest petrochemical plant in western Iran, produces a wide range of products, including, ethylene, propylene, pyrolysis gasoline, hydrogen, and heavy polyethylene.

More than 2,000 people are working in the complex, 95% of whom are local people, Yari said.

The official added that a major part of the shares of Ilam Petrochemical Complex is held by the Persian Gulf Petrochemical Industries Company which is responsible for some 20% of Iran's non-oil exports.

Customs figure show Iran's petrochemical sector was responsible for some \$16 billion or more than 35.5% of Iran's total non-oil exports over the calendar year to late March.

## Airbus Wins Record 500-Plane Order From India's IndiGo



PARIS (Reuters) – Europe's Airbus announced the biggest plane deal in history on the opening day of the Paris Airshow on Monday, with an order for 500 narrowbody jets from Indian budget carrier IndiGo (INLG.NS).

The multibillion-dollar deal is the largest ever by number of aircraft, eclipsing Air India's provisional purchase of 470 jets earlier this year as India's two largest carriers plan for a sharp expansion in global demand.

"This is just the beginning,

there's more going forward. With the growth of India (and) the growth of the Indian aviation market ... this is the right time for us to place this order," IndiGo Chief Executive Pieter Elbers told a news conference.

The aircraft will be delivered between 2030 and 2035.

Efforts by Indian carriers to keep pace with the world's fastest-growing aviation market, serving the largest population, have sent industry manufacturers struggling to meet output goals.

## European Stocks Drop Amid Market Jitters

LONDON (Bloomberg) – European stocks fell after their best week since April, as delays to a widely expected stimulus rollout in China stoked concern about a potential global recession.

The Stoxx 600 was down 0.6% at 11:25 a.m. in London. Investors had been primed for China's cabinet to possibly announce new support measures for the economy after a meeting on Friday, but it stopped short of releasing any specific proposals.

All subgroups were in the red in Europe except banks, with chemicals and construction sectors leading declines. Among individual movers, Sartorius AG slumped 15% after issuing a bigger-than-expected profit warning. The trading volume on the Stoxx 600 was about 24% lower than the 30-day average, with the US equity market closed for a holiday.

European Stocks Set to Test Resistances | Stoxx 600 is not yet overbought, leaving scope for further momentum

European stocks have bounced in June, recouping last month's declines, with investors wager-

ing on stimulus measures from China as well as a pause in rate hikes from the Federal Reserve. Still, volatility has been muted and the Stoxx 600 hasn't moved 1% or more in either direction in two weeks.

James Athey, investment director at Abrdn Plc, said he expects another week of subdued trading. It might be one "where markets are watching data and central bank speeches, which probably means fairly sideways price action given the run up of late."

Meanwhile, JPMorgan Chase & Co. strategists said fundamentals don't justify further investor rotation into cyclical and so-called value stocks in the absence of rising bond yields.

Stocks such as Berkeley Group after a survey found homesellers in London cut prices more than any UK region in June.

Oil stocks as the crude price declined after jumping last week.

Stocks connected to JD.com as analysts say the Chinese e-commerce company's strong growth rate during the 6.18 promotional festival exceeded expectations despite intensified competition.

## Oil Falls Amid China Growth Uncertainties

LONDON (Reuters) – Oil prices eased on Monday as questions over China's economy outweighed OPEC+ output cuts and the seventh straight drop in the number of oil and gas rigs operating in the United States.

Brent crude fell 17 cents, or 0.2%, to \$76.44 a barrel by 1319 GMT while U.S. West Texas Intermediate (WTI) crude lost 27 cents, or 0.4%, to \$71.51.

Both contracts ended last week with gains of more than 2%.

"(China's) economy is navigating through powerful headwinds," said PVM oil analyst Tamas Varga. "The property market has not healed from last year's slump, and in May both retail sales and industrial output came in below expectation."

A number of large banks have cut their forecasts for China's 2023 growth in gross domestic product after May data last week showed the post-COVID recovery in the world's second-largest economy was faltering.

China is widely expected to cut its benchmark loan rates on Tuesday after a similar reduction in medium-term policy loans last week to shore up a shaky economic recovery.

Sources have told Reuters that China will roll out more stimulus for its slowing economy this year, but concern over debt and capital flight will keep the measures targeted on the consumer and private sectors.

## Iran's Economic Diplomacy Shifts to High Gear



TEHRAN – The Iranian government has set one of its strategic priorities to activate the capacities of diplomacy and play a role in regional and global developments, placing economic diplomacy at the top of its agenda.

President Ebrahim Raisi began his term when Iran's oil exports had dropped to 300,000-400,000 barrels per day and the country had no access to its assets in foreign banks, mainly from exports of oil and gas.

This left the new administration saddled with a gaping budget deficit, followed by a dramatic rise in inflation which called for urgent action to prevent the situation from spiraling.

With sanctions bearing down, the government chose not to wait for the revival of a 2015 nuclear agreement, on which its predecessor had spent all its political capital without success. It opted instead to push through a neighbor- and Asia-oriented policy, with economic diplomacy at the core.

Central Asia and the Caucasus became the primary focus, where an outstanding debt to Turkmenistan for export of gas had bedeviled relations.

About two months after taking office, President Raisi traveled to Ashgabat where he oversaw the signing of a tripartite gas swap agreement to transfer up to 2 billion cubic meters of gas a year from Turkmenistan to Azerbaijan via Iran.

The visit created a basis for cooperation in trade and energy. Earlier this month, Minister of Petroleum Javad Owji said Iran plans to create a gas hub in Asaluyeh with the participation of Russia, Turkmenistan and Qatar. The four countries dominate the largest proven gas reserves of the world.

In June 2022, Turkmenistan's President Serdar Berdimuhamedow visited Tehran where the two sides inked several cooperation documents in the fields of economy, trade, transportation, investment, new technologies, environment, sports, energy, judiciary, education, research, and tourism.

President Raisi's first visit abroad came in September 2021 to Tajikistan where the two sides signed eight cooperation documents.

On Sunday, Raisi hosted President Shavkat Mirziyoyev of Uzbekistan, another Central Asian country of 35 million people, whose visit to Tehran was the first by an Uzbek leader in 20 years. The two presidents oversaw the signing of 10 documents for cooperation in a host of fields.

Among other measures of the government is the development of relations with China, marked by numerous exchanges of visits and conclusion of several strategic documents.

In January, a 25-year comprehensive cooperation agreement signed between Iran and China last year entered the implementation stage when Iranian Foreign Minister Amir-Abdollahian visited Beijing.

Economic diplomacy with China has continued to increase the purchase of oil from Iran by China and bolster the Islamic Republic's hard currency earnings in the face of sanctions.

Nevertheless, an evolution in Iran's foreign relations under the current administration has occurred with Russia.

President Raisi's visit to Moscow in January 2022 resulted in a leap in trade between the two countries and ushered in bilateral cooperation in infrastructure, energy. Last month, the two countries signed a deal to finance and build an Iranian railway line as part of the international North-South Transport Corridor.

With both countries under Western sanctions, Iran and Russia are working on establishing new routes for financial exchanges, with barter deals, the use of national currencies in trade and launch of an alternative system to SWIFT international messaging platform being some of the alternatives.

Russian Deputy Prime Minister Alexei Overchuk on Monday was quoted as saying that Iran, Russia and several countries will finalize by the end of the year a free trade zone agreement that cover the vast Eurasian region spreading from the borders of Eastern Europe to Western China.

Talks between the Eurasian Economic Union - which comprises Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia - and Iran are in their final stages, he told state TASS news agency.

The government is also trying to expand Iran's political and economic relations by joining international organizations, including the Shanghai Cooperation Organization which approved the country's permanent membership in September 2021.

Last year, it applied to join the BRICS group of Brazil, Russia, India, China and South Africa that is being cast as a powerful emerging market alternative to the West. Officials say Iranian membership in BRICS would result in added values for both sides and diversify access to international economic, monetary and financial facilities.

Africa and Latin America are key regions with which Iran seeks to expand economic relations.

President Raisi is just back from a Latin America tour which took him to Venezuela, Nicaragua and Cuba and resulted in the conclusion of 35 memoranda of understanding and agreements.

To improve and strengthen relations with African countries, the government held Iran's first economic cooperation summit with West Africa in Tehran in March, attended by 10 African countries.

As per the economic diplomacy, the current administration has organized 23 joint economic commissions in Tehran or the capitals of the target countries so far. It has also sent 149 economic delegations abroad and hosted 41 foreign economic delegations. More than 370 documents, especially in the economic field, have been negotiated or signed with different countries.

Other steps have included establishment of joint chambers of commerce in other countries and opening border markets with Pakistan, Turkey, and Afghanistan, with another plan in the works to set up a joint border market with the Iraqi Kurdistan.

Officials say the policy has gained additional momentum following Leader of the Islamic Revolution Ayatollah Seyyed Ali Khamenei's emphasis on strengthening interaction with neighbors.

In a meeting with senior officials of Iran's foreign ministry and Iranian ambassadors in May, the Leader touched on the emerging world order, saying it is important to maintain relations with like-minded and Islamic countries.

"Today, the cooperation and alignment of some big and important countries of the world with the Islamic Republic of Iran in some processes and fundamental lines of international politics is an unprecedented phenomenon; we should appreciate this opportunity and strengthen relations with those countries," he said.