

SPECIAL NEWS

Domestic Economy Desk

Iran hosts meeting on closer Latin America banking ties

Iran's Foreign Ministry officials and representatives of the state-run and private banks held a meeting in Tehran to explore avenues for expanding banking ties with Latin American countries.

The gathering was attended by Iranian Foreign Ministry's political directors in charge of Latin American affairs, representatives of Iranian banks and diplomats representing a Foreign Ministry committee on the Joint Comprehensive Plan of Action (JCPOA) — an agreement between Iran and the P5+1 (Russia, China, the US, Britain, France and Germany) on Iran's nuclear program, Tasnim News Agency reported.

Speaking at the meeting, Foreign Ministry's Director General for the Americas Mohammad Keshavarz-Zadeh highlighted the enthusiasm among Latin American nations to forge banking ties with Iran, given the Islamic Republic's position in the international community, high investment security in Iran, its great political and economic weight in the Middle East, as well as the ample trade opportunities available in the country.

The meeting came a few months after a visit to Latin America by Iranian Foreign Minister Mohammad Javad Zarif.

Heading a 120-strong delegation of Iranian business people and economic officials, Zarif traveled to Cuba, Nicaragua, Ecuador, Chile, Bolivia and Venezuela in August.

International enthusiasms for enhanced ties with Iran has grown since the JCPOA came into force in January 2016.

Iran-EU deal to ensure growth in trade: Ambassador

An agreement to set up a free-trade area between Iran and the Eurasian Economic Union (EEU) will establish the basis for further growth in trade with Russia, which grew by about 80 percent in 2016, said Iranian Ambassador to Russia Mehdi Sanaei.

According to TASS, the ambassador noted, "Trade and economic relations between our countries are being transformed too."

"The signing of the relevant framework agreements has created the conditions for these changes. An 80-percent increase in trade and economic relations in 2016 bears witness to this."

The diplomat added, "I hope the same growth rates will be maintained in the coming years and that an agreement on a free-trade area between Iran and the EEU will create conditions for increasing mutual trade."

On March 13, Russian Energy Minister Alexander Novak said at a meeting with Iranian Information and Communications Technology Minister Mahmoud Vaezi that the document on setting up a free-trade area between Iran and the EEU could be signed during Iranian President Hassan Rouhani's visit to Moscow at the end of March.

Board Chairman of the Eurasian Economic Commission (EEC) Tigran Sarkisyan told TASS on Tuesday that EEU is working on free trade zone (FTZ) agreements with China, Iran, India, and Singapore.

About 40 countries are currently interested in establishing trade and economic relations with the EEU and priorities should be determined, he said.

This primarily refers to countries desirous of making the free trade zone agreement with the EEU, the official said.

Iran, Zimbabwe discuss ways to develop trade

Iran's Ambassador to Zimbabwe Ahmad Erfanian met the Chief Executive Officer of Zimbabwe's National Trade Development and Promotion Organization Sithembile Pilime on Wednesday to discuss ways to develop trade between the two countries.

In the meeting, the ambassador said that good political ties between the two countries provide firm support for increasing economic cooperation, IRNA reported.

Erfanian said that there are plenty of grounds for cooperation between the two countries and Iran is ready to cooperate with Zimbabwe in the fields of oil products, mineral greases, medicine, agricultural equipment, chemical materials, construction materials, plastic products and food products.

He added that establishing banking ties to facilitate bilateral trade is on the agenda.

Pilime described Iran a country that had always stood by Zimbabwe, adding that unfortunately trade and economic ties between the two countries are not at the satisfactory level.

She said that Iranian companies may have active participation in the fields of electricity generation, agriculture, food products and mine in Zimbabwe.

Pilime also welcomes the exchange of trade delegations between the two countries as well as the participation in exhibitions to get more familiar with the two countries' capabilities, capacities.

She underlined the need to establish banking ties between Iran and Zimbabwe.

India-Iran-Turkey railway conference opens in New Delhi

A multi-nation conference on trans-Asia connectivity opened in New Delhi to explore the possibility of a rail freight service linking India to Iran and Turkey.

The two-day event brings together railway and custom officials from Afghanistan, Iran, Bangladesh, Bhutan, Kazakhstan, Myanmar, Nepal, Pakistan, Russia and India along with government officials, policy-makers and experts, Press TV reported.

Indian Railway Minister Suresh Prabhu on Wednesday addressed the conference, highlighting the need for rail connectivity for the development of the region.

While the event is focused on strengthening cross-border railway transport within South and Southwest Asia, it is complementary to a wider effort to develop an intercontinental route which is believed to transform economic patterns between Asia and Europe.

The railway would link up with the North-South Transport Corridor, which is to connect Russia, Iran and India.

Both projects could loop up with China's ambitious Belt and Road Initiative which seeks to revive the ancient Silk Road, making each of the connections even more feasible.

The projects are not merely being driven forward by economic dynamics. Geopolitical considerations have provided added momentum.

For China, these integrated transport networks provide a counterbalance to US 'pivot' to Asia, while Russia seeks to expand economic ties with India after blocking food imports from the European Union.



For Iran, the route offers a buffer against future pressures after the country came under the most intensive Western sanctions over its nuclear program between 2011 and 2015.

Earlier this month, Iran and Azerbaijan inaugurated a 10 km rail link — one

of the missing final pieces of the North-South Transport Corridor which is about to be completed this year after 17 years.

Iran and Azerbaijan are both eager to establish themselves as regional transportation hubs between Asia and Europe, while other countries across Asia are trying

to tap into these emerging networks.

China has already run a freight train connecting Europe. Dry runs of the North-South Transport Corridor were conducted in 2014, from Mumbai in India to Baku in Azerbaijan and Astrakhan in Russia via Bandar Abbas in Iran.

Iran can have 100% renewable grid by 2030: Study

Iran has the capacity to build a 100 percent renewable energy system by 2030 by investing about \$187 billion, a Finnish university study has found.

According to the Lappeenranta University of Technology, the country would need to develop about 49 gigawatts (GW) of solar power, 77 GW of wind energy and 21 GW of hydropower to achieve a zero-emissions grid, Press TV reported.

Iran is heavily dependent on natural gas and oil to generate power and is one of the most energy-intensive countries in the world since state subsidies for fossil fuels encourage inefficient energy use.

Per capita energy consumption in Iran is 10 times greater than in Europe, according to the study. The university published the research at the 11th International Energy Conference in Tehran.

Water shortage and air pollution, however, is becoming an acute problem for the country of more than 80 million people, forcing officials to embrace the idea of expanding renewable



energy capacity. Existing wind and solar capacity is tiny. According to Renewable Energy Organization of Iran (SUNA), the renewable energy organization of Iran, there are only 15 wind farms in the country.

Iran is seeking 5,000 MW of renew-

able energy by 2020, with more than 4,000 MW expected to come from wind power. The country has approximately 141 MW of installed wind power.

The Finnish researchers found that wind and solar power is the most economical clean energy option — 50

percent less costly than new nuclear capacity or fossil fuel-based power with carbon capture.

A green grid could also make water desalination cost-effective in the face of water scarcity which is becoming a serious problem and affecting almost all Iranian provinces.

"A 100-percent renewable energy system for Iran is found to be a real policy option," the Lappeenranta University of Technology's study concluded.

"This requires fundamental change in how we think carbon, but it could potentially open major new business opportunities," said Lappeenranta University of Technology's Professor Christian Breyer.

SUNA is seeking to draw \$10 billion in direct private investment by 2018 and \$60 billion by 2025. The national grid is also being upgraded so it can cope with any influx of renewables.

Energy producers from Germany, Italy, India, South Korea and Japan have visited the country to test the waters for possible investment.

Iran resumes electricity export to Iraq

Iran resumed export of electric power to Iraq after it had been halted for more than two months, the Iraqi Ministry of Electricity disclosed in a statement.

The suspension of supply was said to have been due to Baghdad's accumulated debts to the Iranian government, middleeastmonitor.com reported.

"The Iranian side will restart power lines to work after a hiatus of more than two months because of the accumulation of debt," the ministry statement said on Tuesday.

The statement added that the operation of these lines will add 1,300 megawatts to the national grid.

Last January, Iran suspended electricity supplies, represented in five power lines, to Iraq due to arrears, which have accumulated to \$1 billion.

In July 2016, Iran partially halted electricity supplies coming through power lines which provide Iraq 800

MW of electric power. The two lines' services were resumed after the govern-

ment in Baghdad paid \$350 million as part of its debt for power imports.



The Islamic Republic supplies Iraq with about 1,500-2,000 MW of electricity based on an agreement between the two countries in 2005.

An official source at the ministry told Anadolu Agency that the resumption of electric power supplies to Iraq came after a recent visit by an Iraqi official delegation to Tehran, during which the two countries agreed on the repayment of the debts in three installments. According to the source, the contract to sell power to Iraq was renewed until the end of 2017.

The source, who preferred anonymity, explained that the power supplies halt had directly affected the Diyala, Wasit, and Basra provinces.

Most of the Iraqi provinces suffer power cuts for long periods, particularly during the cold weather as Iraqis predominantly rely on electrical heaters.