

SPECIAL NEWS

Domestic Economy Desk

Turkey says committed to business with Iran despite US sanctions

Ankara said it remains committed to energy contracts with Tehran despite the risk that renewed US sanctions against Iran could make Turkish firms a target.

Turkey is heavily reliant on energy imports, and neighboring Iran is one of its biggest suppliers. US President Donald Trump threatened this week that anyone doing business with Iran won't be able to trade with America.



REUTERS

"A delegation of ours is in the United States right now and negotiations are being held on a series of matters including the sanctions issue," Turkey's Energy Minister Faith Donmez told Turkish channel A Haber, adding that Ankara will continue buying Iranian natural gas.

Donmez noted that Turkey's natural gas contract expires in 2026. "We will be continuing this trade as we can't possibly leave our citizens in the dark," he said. Turkey gets 40 percent of its electricity from natural gas. Under the agreement, Ankara is set to buy 9.5 billion cubic meters of gas from Tehran.

The Turkish minister called the sanctions 'unilateral'. "Even the European Union is extremely annoyed by this. We are conducting legitimate trade here," he said. "And this is important for us in terms of supply security as well."

The US has reimposed sanctions against Iran after unilaterally withdrawing from the international agreement reached in 2015.

The move has drawn condemnation from the other signatories of the agreement: Russia, China, Iran and the European Union. Washington will renew its sanctions on Iran's energy sector after a 180-day 'wind-down period' expires on November 4.

Iran's non-oil three-month exports to Indonesia up 86%

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Iran's non-oil exports to Indonesia stood at \$250 million in the three months to June 21, 2018, showing a rise of 86 percent compared to the figure for the same period a year earlier, said Iran's commercial attaché to Indonesia.

Citing figures by Iran's Customs Administration, Anvar Kamari told IRNA that Iran exported non-oil products valued at \$134 million to the southeastern Asian nation during March 21-June 21, 2017.

He said that the top export items to Indonesia were mineral products and mineral fuel which accounted for \$158 million of the revenues while exports of non-precious metals such as steel brought in \$85 million.



He noted that each ton of Iranian exports to Indonesia fetched \$379 on average in the three-month period this year while the figure for the same time span last year was \$309.

Kamari said Iran imported goods worth \$59 million from Indonesia during March 21-June 21, 2018 which shows a trade surplus of \$191 million.

He said Indonesia has a great capacity for absorbing Iranian goods which could pave the way for Iranian firms to boost exports to the country.

Indonesia has the largest economy in Southeast Asia and is one of the emerging market economies of the world. It is also a member of G-20 major economies and classified as a newly industrialized country.

Official: Pistachio exports earned Iran \$1b last year

Exclusive

By Sadeq Dehqan

Iran exported pistachios worth \$1 billion in the year to March 2018, said the secretary of Pistachio Association of Semnan Province.

Mansour Abbasian told Iran Daily that Iranian pistachio fetched between \$10 and \$12 per kilogram in global markets.

Iran exports 75 percent of its pistachio harvest to China, India, central Asian countries and Europe while the rest is consumed in the country, he pointed out.

Iran's pistachio production exceeded 200,000 tons in the above-mentioned year, Abbasian added.

He cited Kerman, Khorasan, Qazvin and Semnan as the top pistachio producing provinces.

Pointing to stiff competition between Iran and the US in the global pistachio market, the secretary of Pistachio Association of Semnan Province said that US pistachio production was double the amount produced by Iran last year.

The official said Iran's pistachio production declined this year due to spring frost.

Stiff competition

Pistachio cultivation in Iran goes back to thousands of years whereas pistachio farming in the US began in the 1930s with Persian seeds.

The two countries dominate the world's



trade in pistachios. They have been jointly controlled up to 80 percent of annual pistachio output for the last decade.

Iran's pistachio growers have faced additional pressures from US sanctions,

tariffs and restrictions on their ability to access international financial mechanisms over the past four decades. This has helped the US market expand, with farmers — mainly across California — plant-

ing the crop.

The US imposes over 240 percent tariff on Iranian pistachios. This means that even without sanctions, the US market has been all but cut off for Iran.

Iran: OPEC may need extraordinary meeting on output changes

OPEC may need to hold an extraordinary meeting should the organization fail to prevent member countries from adjusting their crude production without approval, said Iran's oil minister on Wednesday.

Bijan Namdar Zanganeh said he has sent a 'letter of complaint' to the Organization of Petroleum Exporting Countries after noticing that some members were seeking to make such adjustments, Shana reported.

On June 22, OPEC ministers announced a deal to increase oil supplies from the producer group, which has been capping output in order to balance the market and boost prices for the last 18 months.



The agreement came after a week of tense negotiation at OPEC's headquarters in Vienna, Austria.

OPEC members agreed to start pumping more oil, though the agreement will not end the group's 18-month-old deal to limit output. Instead the producers are seeking to cut no deeper than 1.2 mbd, the target they set in November 2016.

OPEC's official statement said members agreed to return to 100 percent compliance with the 2016 deal beginning on July 1. The group said compliance reached 152 percent in May 2018, which means OPEC was cutting about 600,000 bpd more than it intended.

OPEC's agreement with Russia and other producers to limit oil output has helped to clear a global supply overhang that weighed on prices for years.

Kabul-Tehran trade not affected by sanctions: Official



The rising trend of Iran-Afghanistan trade that began in 2001 will probably continue without being affected by US sanctions, said an Afghan trade official.

Iran-Afghanistan trade began some 20 years ago with transactions standing at annual \$24 million but the figure has now reached \$2.557 billion, the Head of Afghanistan Chamber of Commerce and Industry Azarakhsh Hafezi told IRNA on Wednesday.

Bilateral trade is not too susceptible in view of the lengthy joint border and the numerous ground access between the two countries, he pointed out.

That's why the issues related to the nuclear deal will not affect the ties directly, however, it may affect the high number of Afghan migrants working and living in Iran, Hafezi said in a reference to some problems such as unemployment.

Afghan business people are interested in dealing with their Iranian counterparts to ease trade exchanges and good infrastructure particularly in terms of security. It is expected that Iran will be Afghanistan's top trading partner in the near future.

Iran's annual steel output to hit 35m tons

Iran's steel production will increase to 35 million tons by March 20, 2019, said the head of Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO).

Mehdi Karbasian underlined that currently steel production stands at 32 million tons whereas the figure was 21 million tons in 2013, Fars News Agency reported.

"Last year, Iran's steel exports hit a record high of \$9 billion," he said, adding that Iran's domestic consumption is 16 million tons and the surplus is exported.

On Sunday, Iran's Industry Minister Mohammad Shariatmadari announced that steel production capacity has increased by 80 million tons in the past several years.

"Iran raised steel production capacity from 122 million tons to over 200 million tons since 2013," Shariatmadari said, addressing the inaugural ceremony for concentration and pelletizing plant of Southeast Mill Industry and Mine Complex in Siriz, Zarand in Kerman Province.

The minister underlined that Iran is one of world's major steel producers and said, "Without exaggeration, we have final say in the world in terms of producing sponge iron."

The concentration and pelletizing plant with a capacity of one million tons will be implemented by the private sector in an area of 50 hectares.

