

## SPECIAL NEWS

Domestic Economy Desk

## CBI: Removing zeros from Iran's currency not to impact inflation

Governor of the Central Bank of Iran (CBI) described a plan to lop off four zeros from the country's currency as a formal move that would not have an impact on the inflation or economic growth.



IRAN DAILY

Speaking to reporters on the sidelines of a weekly cabinet session on Wednesday, Abdolnaser Hemmati said the CBI has come up with the proposal to slash four zeros from the Iranian currency to facilitate the banking processes and lower certain costs, reported Tasnim News Agency.

At present, the Iranian currency rate in comparison with foreign currencies requires modification, and removal of zeros from rial would make it proportionate to the international currencies, he added.

Hemmati also dismissed reports that the CBI has claimed that slashing zeros from the currency would have an impact on inflation or economic growth, saying the removal of four zeros will be only a formal and nominal move.

The Central Bank of Iran has offered a bill to the administration to slash four zeros from the Iranian currency.

In August 2018, Hemmati unveiled a new package of regulations on foreign currency trade which lifted a ban on the activity of money exchange markets.

## UCO Bank: Indian refiners pay for Iranian oil in rupees

India began paying Iran for oil in rupees, a senior bank official said, the first such payments since the United States imposed new sanctions against Tehran in November.

Washington gave a six-month waiver to eight countries, including India, allowing them to import some Iranian oil, reported Reuters.

India, the world's third-biggest oil importer, wants to continue buying oil from Iran as it offers an extended credit period, while Iran will use the rupee funds to mostly pay for imports from India.



IRNA

"Today we received a good amount from some oil companies," Charan Singh, executive director at state-owned UCO Bank told Reuters.

New Delhi recently issued a notification exempting payments to the National Iranian Oil Company (NIOC) for crude oil imports from steep withholding taxes, enabling refiners to clear an estimated \$1.5 billion in dues.

An industry source said India's top refiner Indian Oil Corp. and Mangalore Refinery & Petrochemicals have made payments for Iranian oil imports.

Iran is devising payment mechanisms including barter with trading partners like India, China and Russia following a delay in the setting up of a European Union-led special purpose vehicle to facilitate trade with Tehran, its Foreign Minister Javad Zarif said earlier on Tuesday.

In the previous round of US sanctions, India settled 45 percent of oil payments in rupees and the remainder in euros but this time it has signed deal with Iran to make all payments in rupees as New Delhi wants to fix its trade balance with Tehran.

Indian imports from Iran totaled about \$11 billion between April and November, with oil accounting for about 90 percent.

Singh said Indian refiners had previously made payments to 15 banks, but they will now be making deposits into the accounts of only nine Iranian lenders as one had since closed and the US has imposed secondary sanctions on five others.

The nine banks are Saman Bank, Bank Pasargad, Eghtesad Novin Bank, Karafarin Bank, Sarmayeh Bank, Middle East Bank, Shahr Bank, Hekmat Iranian Bank and Tourism Bank.



SHANA

## Iran inaugurates third phase of Persian Gulf Star Refinery

The third phase of Iran's Persian Gulf Star Refinery was inaugurated in the southern city of Bandar Abbas on Wednesday, increasing millions of liters to the refinery's gasoline output.

"The capacity of the refinery to produce gasoline will increase by 14 million liters through inauguration of the third phase," Managing Director of the Refinery Mohammad-Ali Dadvar said, reported Shana.

He added at present 31 million liters of gasoline is produced in two phases of the refinery, while the volume will increase to 45 million liters after the third phase will be fully operational.

Despite being a major oil producer, Iran used to import gasoline to fill the gap between domestic supply and consumption.

The imports turned into Iran's strategic vulnerability after the West imposed sanctions on the country in 2012.

The Persian Gulf Star Refinery is owned by the Oil, Gas and Petrochemical Investment Company (49 percent), Oil Industry Pension Fund (33.1 percent) and National Iranian Oil Refining and Distribution Company (NIORDC) (17.9 percent).

Billed as the Middle East's largest condensate refinery, it enables Iran to export gasoline and other high-value products.

It also has a processing capacity of roughly 360,000 barrels of gas condensate.

In January, 2018, Iran sold its first consignment of naphtha produced at the Persian Gulf Star Refinery to the United Arab Emirates.

There is already a strong demand in Asia for naphtha which is used to produce products such as ethylene and propylene, the building blocks of plastics. Strong economic growth in countries such as India is expected to generate fresh interest in the product.

## Iran hails India's investment in Chabahar port

Iran's ambassador to New Delhi lauded the growing investment India has been making in Iran's southeastern port city of Chabahar.

Speaking to reporters on the sidelines of Iranian Foreign Minister Mohammad Javad Zarif's visit to New Delhi, Ali Chegini pointed to the ample opportunities available for expansion of economic relations between Iran and India, reported Tasnim News Agency.

Highlighting the significant role Chabahar port plays in economic cooperation between the two countries, the ambassador said, "The port of Chabahar has a special and extraordinary position with great economic, political and security advantages and is of significance for us, India, Afghanistan and Central Asia in terms of security protection."

He said India is seriously resolved to cooperate with Iran in Chabahar, adding that the facilities and incentives Iran has provided for investors in the port city would attract Indians.

The envoy also noted that the Indian government has not set any investment ceiling in Chabahar, saying they have even made more investment than what has been announced.

The ambassador further praised India's logical stances toward Iran after coming into force of the US sanctions against Tehran, saying New Delhi has behaved independently and there is no sign or comment suggesting that it may halt cooperation with Tehran in future.



IRNA

Pointing to the great potential for stronger ties between the two nations, Chegini said Iran and India can increase the value of annual bilateral trade, which now stands at \$14 billion.

In February 2018, Iranian President Hassan Rouhani made an official visit to India, during which the two countries signed 15 agreements including the cooperation in the development of Iran's Chabahar port.

## Spain vows efforts to protect economic ties with Iran



The foreign minister of Spain said his country would do its best to preserve economic relations with Iran despite the US sanctions against Tehran.

In an interview with Tasnim News Agency in New Delhi on Wednesday, Spain's Minister of Foreign Affairs Josep Borrell commented about Tehran-Madrid ties and the efforts to save the 2015 Iran nuclear deal.

Borrell, among the diplomats, scholars and political figures who have gathered in India for a multilateral conference dubbed the Raisina Dialogue.

Asked about the content of his meeting with Iranian Foreign Minister Mohammad Javad Zarif, Borrell said, "We talked about the situation and the relationship between Europe and Iran after the Americans breaking the (nuclear) deal."

Commenting on the significance of Tehran-Madrid relations, the Spanish diplomat said, "We are very much interested in keeping the best relations with Iran. It has been a very nice meeting, and we'll do our best to continue having economic relations despite the American decisions."

Asked about Spain's willingness to save the Joint Comprehensive Plan of Action (JCPOA), he stressed, "Yes, it's very important for all European countries. It is important to make the nuclear deal to be preserved, for sure."

"It (the nuclear deal) is an important part of our security. We have been investing a lot of energy, diplomatic energy and political will, on building this agreement. That's why we think it's important," Borrell noted.

Asked about the impact of US pressures on Spain's ties with Iran, the senior diplomat said, "We know, all European countries, that their stage are in different position from us."