

NEWS IN BRIEF

Pakistan
to curb
crippling
inflation

REUTERS - Pakistan's central bank raised its key interest rate to a record 21% on Tuesday as the country bid to curb crippling food inflation and maintain the confidence of foreign creditors.

The 100 basis-point (bp) increase by the State Bank of Pakistan (SBP) was less than the 200 forecast by a Reuters poll of analysts as the country grapples with record annual consumer inflation of over 35%.

IMF to prevent
turmoil

AFP - The recent banking turmoil in the United States and Europe could spread to crucial non-bank institutions like pension funds, further complicating central banks' fight against high inflation, the International Monetary Fund said Tuesday.

Banking risks "could intensify in coming months amid the continued tightening of monetary policy globally," and spread to the interconnected non-bank sector, which now holds almost half of all global financial assets, IMF economists wrote in a blog post.

Insurers
renew cover
for Nord
Stream gas
link

REUTERS - German insurers Allianz and Munich Re have renewed cover for the damaged Nord Stream 1 gas pipeline, five sources with knowledge of the matter said, indicating that its revival has not been ruled out after an alleged sabotage attack. Insurance by two of Germany's biggest companies is critical for any long-term future of the pipeline, which was the main route for Russian gas to Europe for a decade before the blast last September.

Economic views of private sector should be considered in gov't decisions: **Raeisi**

president.ir

Economy Desk

No decision on economic affairs should be made without considering the opinion of the private sector, said President Ebrahim Raeisi in a meeting with top Iranian producers and entrepreneurs on

Monday evening.

The meeting was also attended by Economy Minister Ehsan Khandouzi, Governor of the Central Bank of Iran Mohammadreza Farzin, Vice President for Executive Affairs Mohsen Mansouri, as well as Rouhollah Dehqani-Firou-

zabadi, the vice president for science and technology. "In line with its duties, the current government has the agenda of monitoring the chain of production to consumption, as we believe in the effective observation of producers and entrepreneurs," said

Raeisi.

He listed finding legal solutions to speed up production as one of the important tasks of organizations and emphasized the need for courage in making decisions as one of the important and pivotal issues for removing

production obstacles.

Speaking at the meeting, Khandouzi emphasized the determination of his ministry to reduce the economic risks of production, and announced removing the obstacles which limit the activities of producers.

Economy takes center stage in budding
Iran-Russia relationship

IRNA

Iran and Russia are opening multiple new areas of cooperation, with Iranian Foreign Minister Hossein Amir-Abdollahian saying last month that the two sides are finalizing a "long-term strategic cooperation agreement". Russia's newly released Foreign Policy Concept calls for "developing the full-scale and trustful cooperation with the Islamic Republic of Iran," naming Iran first among the countries of the Muslim world, wrote Press TV. "If they've always been hand-in-glove politically, they're putting way more emphasis into their economic relationship now," said Gabriel Noronha, an expert with the Jewish Institute for National Security of America think tank and former US State Department official who worked on Iran issues during former US president Donald Trump's administration. According to Iranian officials, trade between the two countries doubled in 2022 and Russia invested \$2.76 billion during the Persian year that ended on March 20, becoming Iran's largest foreign investor.

Moscow and Tehran are working together on multiple fronts, facilitating bilateral trade and business, expediting the completion of transit routes including the North-South Transit Corridor and its Caspian Sea component, and linking their banking systems to facilitate financial transactions.

"All of these measures are aimed at circumventing Western sanctions and strengthening multilateral frameworks outside of Western institutions," Washington-based Middle East Institute wrote.

At the core of this new cooperation lies the two states' perception that Western powers are limiting their freedom of action on the international stage and their ability to defend their core security interests by isolating and excluding them, the center said.

In July 2022, when President Vladimir Putin visited Tehran, the National Iranian Oil Company (NIOC) and Russia's Gazprom signed a \$40 billion agreement to upgrade Iran's oil and gas sectors. According to Iranian energy sources, the agreement is designed to cover development projects at a number of oil and

gas fields in Iran.

The list is said to include a \$10 billion investment in the North Pars gas field, which is due to deliver gas by 2026. This field, which is close to Iran's biggest gas field, the South Pars, had previously been a project given to a Chinese firm but that effort is now suspended. According to NIOC, the new partnership with Gazprom is planned to focus on completing Iran's "unfinished liquid natural gas (LNG) plant." Work on this LNG plant, located in Bushehr Province, began 15 years ago and was suspended as US sanctions prevented its completion. The Bushehr LNG plant had been given to Gazprom to complete in 2017, but the Russian company withdrew from the project after the Trump administration reimposed sanctions on Iran in 2018.

Geopolitical realities are now driving the new Russian-Iranian cooperation in the energy sector.

NIOC head Mohsen Khojasteh-Mehr has said that the new Western sanctions on Moscow make it much less likely that Gazprom will once again pull out of the deal

"Western sanctions will not harm this [\$40 billion deal] and its subsequent contracts, because Iran and Russia have decided to [pursue] strategic relations under the sanctions," he said.

In May 2022 Iran and Russia, having agreed to switch to mutual settlements in national currencies, discussed the connection of their payment systems - Mir and Shetab.

Last week, the director of the Economic Cooperation Department of the Russian Foreign Ministry said Russia and Iran continue to work on the integration of Russia's Mir payment system with Iran's Shetab.

"Russia prioritizes financial and banking cooperation with Iran, given our common focus on ensuring the sustainability of the bilateral payment and settlement infrastructure, independent of intermediaries from third countries. Work on the creation of a sustainable payment and settlement infrastructure is continuing through relevant agencies," Dmitry Birichevsky told RIA Novosti.

Iran's annual gas
consumption up 1.25%:

NIGC



IRNA

A senior official at the National Iranian Gas Company (NIGC) said natural gas consumption in the country rose 1.25% in the year to March 20 to reach a total of 242 billion cubic meters (bcm).

NIGC's head of dispatching operations Mohammadreza Julaei said that consumption by households, businesses and small industries was responsible for 123 bcm of natural gas use in Iran over the past calendar year, Press TV reported.

Julaei said some 71 bcm of gas had been supplied to power plants across Iran over the year to late March while gas supplied to large industries, including metals and petrochemical companies, had reached 48 bcm.

He said Iran's gas consumption over the second half of the last calendar year, when the country faced rising demand for heating, had reached over 132 bcm.

The official said, however, that Iran had managed to avoid any disruption to supply of gas to customers over the year to March mainly through better consumption management practices introduced by the National Iranian Gas Company.

The NIGC has not disclosed any figures about the total amount of gas supplied to Iran's nationwide gas grid in the year to late March. That figure will include supplies delivered to Iraq and Turkey for exports as well as the gas injected to oil and gas reserves for the purpose of increasing production from the wells.

That comes as figures announced by the Iranian Oil Ministry authorities earlier this year indicated that the country's gas production had exceeded 1 bcm per day.