

NEWS IN BRIEF

IMF warns on geopolitical fragmentation



Reuters – Rising geopolitical tensions and the resulting fragmentation of the global economy could increase financial stability risks, reducing cross-border investments, asset prices, payment systems and banks' ability to lend, the International Monetary Fund said on Wednesday.

The IMF has long warned of increased costs, economic friction and GDP output losses associated with the global economy fragmenting into geopolitical blocs, with U.S.-led democracies on one side and China and other autocratic states on another. This can lead to competing technology systems and reduced trade.

Oil prices stable



CNBC – Oil prices held broadly stable on Wednesday, as the market weighed worsening economic prospects against expectations of U.S. crude inventory declines and plans by OPEC+ producers to reduce output.

Brent crude futures inched down 15 cents, or 0.18%, to \$84.79 a barrel by 1350 GMT. West Texas Intermediate U.S. crude was 19 cents, or 0.24%, lower at \$80.52 a barrel.

EU deal on Chips Act



Reuters – EU countries and lawmakers are likely to clinch a deal on a multi-billion euro plan to boost the bloc's semiconductor industry on April 18, sources with direct knowledge of the matter said on Wednesday.

The European Commission announced the Chips Act last year in a bid to cut EU reliance on U.S. and Asian semiconductors following global supply chain problems that hurt European businesses from carmakers to manufacturers.

Iran working on key gas pipeline along Sea of Oman coast: **NIGC**

● SHANA

Iran is pressing ahead with the construction of a key pipeline that will transfer natural gas to

coastal areas in its southeast with an eye to launching gas exports to Oman, according to a senior of-

ficial in the state run gas company NIGC. Reza Noshadi, who leads the National Iranian Gas

Company's engineering subsidiary, said on Tuesday that the 200-kilometer pipeline, from Minab in

southern Iran, to Kuhmobarak, on the Sea of Oman, will boost gas supply to domestic customers in the region while enabling Iran to show its capacity to supply gas to Oman, Press TV reported.

Noshadi said that a 120-kilometer section of the pipeline, from Minab to Sirik, is 87% complete, while work on the second section, from Sirik to Kuhmobarak, started in February. He said the pipeline will be connected to the seventh leg of Iran's gas pipeline grid, adding that the gas supply to the pipeline will come from South Pars, the world's largest gas field, which is located on the maritime border between Iran and Qatar in the Persian Gulf.

He said, however, that Iran will rely on extra gas supplies from countries like Russia, under swap arrangements, to be able to launch exports to Oman. The official said that the expansion of gas pipelines to coastal areas in Iran's south-east will boost the country's new export capacities.

IME monthly trade nears \$4b



● IRNA

The Iran Mercantile Exchange (IME) announced that over 11.78 million tons of commodities, worth about \$4 billion, were traded in its domestic trading and export halls in the month closing on March 20.

A total of 9.8 million tons of various products including 11,265 vehicles, worth nearly \$3 billion,

were traded at IME's domestic and export metal and mineral trading hall, reported ime.co.ir on Wednesday.

Among the traded products were 1.6 million tons of steel, 3.25 million tons of iron ore, 392,100 tons of sponge iron, 238,100 tons of zinc, 39,675 tons of aluminum ingots, 1,500 tons of cast

iron, 1,090 tons of molybdenum concentrate, 29,355 tons of copper, 48 tons of precious metals concentrate and 29 kg of gold bars and 4.49 million tons of cement.

In addition, 1.64 million tons of various commodities, valued at about \$1 billion, were traded at IME's domestic and export oil and petrochemi-

cal trading halls. Other traded items were 428,160 tons of polymeric products, 334,000 tons of vacuum bottom, 159,000 tons of lube cut, 146,843 tons of chemical products, 38,900 tons of sulfur, 14,821 tons of base oil, 200 tons of insulation, 5,272 tons of petroleum products and 527,194 tons of bitumen.

Chabahar port: A cost-effective game changer for int'l trade

In December, the first container ship with a

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6,500 TEU capacity docked in the Chabahar port, signaling the port's strategic value in Iran's maritime trade activities. The regular container line between Chabahar port and the ports of India and China will transport Iranian and North-South Corridor-related transit goods. The Chabahar port, located strategically on the Sea of Oman, links Afghanistan and other landlocked countries from Central Asia to the Indian Ocean, providing one of the best transit routes due to its geographic position. Five years ago, Iran, India, and Afghanistan signed a strategic agreement to establish an international transit and transport corridor called the "Chabahar Agreement," with the goal of making Chabahar port the hub of transit, energy, and trade in the region.

The new 10-year agreement between Iran and India supersedes the previous contract and extends automatically for ten years. The global importance of this pact highlights the port's value in the international transportation of goods. The deal is predicted to establish more business and economic ties between Iran and India, Central Asian nations, and Europe. Despite India's investment commitment to the Shahid Beheshti port's development since 2016, progress has been slow due to delays and suspensions. To expedite port construction, a short-term agreement was reached with India.

Nevertheless, the Iranian government has devised a new strategy to hasten Chabahar's progress. The long-term agreement between Iran and India will be based on this plan. Currently, the Indian side (IPGL company) oversees the

unloading and loading of goods at Shahid Beheshti Port of Chabahar with a short-term contract. The Indian side will supply strategic equipment following the finalization of the long-term BOT (Build-Operate-Transfer) investment agreement in line with the Iran-India joint memorandum of understanding. The Chabahar route decreases transportation costs by 60% and reduces the time for transporting goods from India to Central Asia by 50%, prompting India to hasten the completion of other phases of the Shahid Beheshti port.

The regular sea route between China and Chabahar is anticipated to bring significant economic gains to all parties involved. For China, it provides a faster and more cost-effective approach to reach markets in Central Asia and beyond, reducing reliance on congested and more expensive sea routes

through the Strait of Malacca. For India, it provides an alternative to land-based routes via Pakistan, fraught with political tensions and security issues. For Iran, the development of Chabahar port presents a significant opportunity to boost its economy and improve its relations with neighboring countries and international partners.

The completion of the North-South Corridor will connect the Iranian port to Russia and Europe through Azerbaijan, and also to the Persian Gulf and the Arabian Sea via the Hormuz Strait. This will enable the transportation of goods between the South Asian, Central Asian, and European markets with greater efficiency and lower costs.

Moreover, the Chabahar port is not only important for the transportation of goods but also plays a vital role in regional security. It can

serve as a hub for humanitarian aid and disaster relief operations, making it a critical component of regional stability and cooperation. In addition, the development of Chabahar port can also enhance the region's energy security by providing a secure and reliable route for the transportation of oil and gas.

The signing of the 10-year agreement between Iran and India for the completion of the Chabahar port infrastructure is a positive development that can bring substantial benefits to all parties involved. It underscores the importance of regional cooperation, trade, and connectivity, which can help promote peace and prosperity in the region. As such, it is essential to ensure that the development of Chabahar port and the North-South Corridor continues to progress smoothly, free from any disruptions or delays.