

NEWS IN BRIEF

British Sugar scrambling for supplies



REUTERS – British Sugar, a unit of Associated British Foods, is sourcing sugar from rival Tate & Lyle Sugars as well as from as far afield as Thailand, traders told Reuters, citing a supply shortfall that is keeping prices at record levels. One UK-based trader told Reuters spot market prices for white sugar, a widely used food staple, remain north of 1,000 euros (\$1,104) a tonne, creating headwinds for policy-makers trying to control food price inflation.

Shell pulls out of carbon capture project



CNBC – Shell has decided to pull out of the Northern Endurance Partnership, one of Britain's largest carbon capture and storage (CCS) projects aimed at decarbonising industrial clusters. Shell said it had decided to pull out of the NEP project after a review of its strategy and portfolio and will focus on the Acorn CCS project in Scotland, for which it is the technical developer. "We remain committed to helping the (British) government realise its ambition of four industrial CCS clusters by 2030," the company said.

ECB digs for detail on rate hikes



AFP – The European Central Bank is collecting data from the euro zone's top lenders to get more detail on unrealised losses related to rapid interest rate hikes, supervisory chief Andrea Enria said on Tuesday. Unrealised losses triggered the collapse of Silicon Valley Bank last month and the U.S. Federal Reserve is considering ending an exemption that has allowed some mid-size banks to conceal losses on securities they hold.

Iran's saffron industry:
Selling raw, fueling competitors

Economy Desk

EXCLUSIVE

Iran's saffron industry has been a significant part of the country's agricultural sector, producing a globally valuable commodity. With more than 90% of the world's saffron production originating from Iran, there is enormous potential for expanding the cultivation of saffron and increasing the country's revenue through exports. However, the industry faces several challenges that need to be addressed to ensure a sustainable future. Despite the vast potential for saffron cultivation in Iran, less than 50 countries receive Iran's saffron exports. This indicates that there is room for growth in the saffron industry. The good news is that young saffron farms are producing more crops, and older farms are being replaced with newer ones that grow fresh saffron plants. The most recent harvest yielded 23.5 tons of saffron worth 926 billion tomans (\$18 million), highlighting the importance of saffron as a significant agricultural commodity with high employment and foreign exchange

earnings for the country.

Effective management of resources

One of the significant challenges that the saffron industry faces is the effective management of resources. According to Ali Hosseini, a member of the board of the National Saffron Council, Iran lacks a trustee to oversee the management of the surplus of saffron bulbs. The absence of an appropriate authority to manage the excess bulbs has caused the surplus to be either smuggled or end up in the hands of intermediaries and brokers. This has turned neighboring countries into Iran's competitors in the production of saffron. Hosseini underscores the need for transforming the saffron production chain including its production, export, and processing.

Transforming saffron production chain

To ensure a sustainable future for Iran's saffron industry, it is essential to transform the saffron production chain. This includes creating a new industry and extracting important products for the pharmaceutical, cosmetic, and health sectors, which



IRNA

have so far been overlooked. Hosseini notes that saffron processing should not merely involve drying the flower and extracting the saffron. It should involve creating an industry that adds value to the product and provides economic prosperity to the farmers.

Opportunities for boosting exports

Right now, Iran sells raw saffron, which fuels the saffron industry of other countries, creating economic prosperity for them. Hosseini asserts that there is enormous potential for expanding saffron exports to

other countries worldwide. Currently, Oman, Türkiye, the UAE, China, and Spain purchase Iran's saffron in bulk and then, repack and export it to other countries under their own brand name. By establishing processing and packaging industries, Iran can capture

a larger share of the saffron market and increase its revenue from exports. Thus, it is crucial to take strategic measures to ensure a sustainable future for Iran's saffron industry, which holds enormous potential for economic growth and prosperity.

Iran to receive \$500m by collecting associated gases from West Karoun fields

Economy Desk

Iran will receive \$500 million annually by launching development projects of the Persian Gulf Gas Refining Company of Hoveyze in southwestern Iranian province of Khuzestan, said the CEO of the company on Tuesday. Afshin Kiani noted that his company invested \$1.34

billion, as well as 210 billion tomans, for collecting associated gases from West Karoun fields, adding that 14,000 tons of carbon dioxide production will be reduced by implementing development projects, IRNA reported. To be officially inaugurated by Iranian President Ebrahim Raisi, the project kicked off 10 years ago,

he said. "The first goal of implementing the project was to protect the environment in West Karoun fields including the North and South Azadegan, North and South Yaran and Yadavaran, as well as Darkhovein Oilfield." Saying that the project was defined in two phases, Kiani explained that each

phase has a capacity of 250 million cubic feet of received feed. With the completion of Phase 2, a total of 97,000 barrels of NGL will be fed per day to Bandar Imam Petrochemical Complex. He put the progress of the second phase of the development project at 80 percent, expressing hope that it would be ready next year.

Official forecasts Iran's wheat production at 12m tons

Iran expects to reap 12 million tons of wheat this year at a time of rising concerns over food supplies because of the ongoing war between major wheat producers Russia and Ukraine. State purchases of wheat from local farmers are forecast at 8.2 million tons, up from 7.2 million tons last year, Vice President of Planning and Economic Affairs of the Ministry of Agriculture Jihad Shahpour Alaei-Moqaddam said, according to Press TV. Iran's wheat production last year stood at 11 million tons, up 40 percent from the previous year. "Wheat is the backbone of the agricultural sector, and the food security of the world is measured by wheat," Alaei-Moqaddam said. The global food market is facing a serious challenge from the ongoing conflict in Ukraine, which is the fifth largest exporter of wheat. According to Alaei-Moqaddam, about 780 million tons of wheat is produced in the world, with China, India, and Russia ranking first to

third, respectively, well ahead of Iran which is the 13th largest producer of wheat. Economists say the West's imposition of sanctions on Russia has intensified the rise in prices for energy and food products, especially wheat. Iran's domestic wheat output can vary widely depending on rainfall, and the country has been self-sufficient in the staple cereal for some years. Guaranteed purchases of wheat are the key plank of Iran's self-sufficiency drive in the strategic staple food. However, the former government's reluctance to raise its prices in accordance with inflation rates dissuaded many wheat growers from selling their produce to the state. As a result, the government of former Iranian president Hassan Rouhani imported more than 3 million tons of wheat at a cost of \$3.8 billion in 2020. For the fiscal year of 2021, Iran ran on a shortage of 30 percent, which meant the country

had to import 5-6 million tons of wheat, according to officials. Kazakhstan, a top-10 world wheat exporter, which signed a Caspian transit pact with Iran, appears to be an ideal new source of wheat import for Iran. On Wednesday, Kazakhstan's Prime Minister Alikhan Smailov is expected to arrive in Tehran. Ahead of the visit, the two countries held a conference to discuss their business opportunities with the aim of bolstering bilateral trade. Iranian and Kazakh companies active in various fields of food and agriculture including flour and grains, beverages, macaroni, and pasta, as well as oil and semi-prepared foods, wood, cable, metallurgy, wagons, and chain stores, showcased their potential. Officials touched on Iran's free trade agreement with the Eurasian Economic Union, saying Kazakhstan's membership in the bloc can further facilitate trade relations between the two countries.

Russian delegation due in Iran for energy talks

A high-ranking Russian delegation will travel to Iran next month to hold talks on expansion of bilateral ties on issues ranging from oil and gas to transportation. A report by Shana said that the Russian delegation will be in Tehran in mid-May to attend the 27th edition of the Iran Oil Show, a prestigious event which focuses on investment and development plans for major oil and gas projects in Iran. It said the delegation will be led by Alexander Novak, former head of Russia's state energy company Gazprom, and the current deputy prime minister of the country. Novak and Iranian Oil Minister Javad Owji serve as co-heads of the Russia-Iran intergovernmental commission. The Russian delegation traveling to Iran will also feature Governor of the Bank of Russia Elvira Nabiullina, according to Iranian Deputy Oil Minister for International Affairs Ahmad Assadzadeh. Assadzadeh said members of the Russian delegation will hold business-to-business meetings with Iranian counterparts on the sidelines of the Iran Oil Show, which is planned to be held on May 17-20. He said talks will mostly focus on banking, cargo transit, oil, gas and petrochemicals, adding that the two sides will also sign a series of contracts. Iran and Russia have sought to significantly expand their economic and energy ties since early 2022, when Russia came under Western sanctions because of its involvement in the war in Ukraine.