

## NEWS IN BRIEF

German  
expects  
lower power  
reserve  
needs

REUTERS – Germany's energy regulator said on Friday it has asked for less reserve power capacity to avoid supply shortfalls in the coming winter than it did last year, citing increased capacities reactivated when Russia stopped gas flows last year. The Federal Network Agency, called Bundesnetzagentur, said it had cut the amount of winter power capacity needed in reserve for the 2023/24 season by 44% from 2022/23 to 4,616 megawatts (MW).

Bank of Japan  
sticks to  
negative rates

CNBC – The Bank of Japan left its interest rates unchanged in newly appointed Governor Kazuo Ueda's first policy meeting. The decision was in line with economist expectations for no changes to the benchmark interest rate, which has been held at -0.1% since the central bank took rates below zero in 2016. The central bank also kept the tolerance range for 10-year Japanese government bonds unchanged at 50 basis points above and below its target of 0%.

OPEC says  
IEA should be  
'very careful'

AFP – OPEC Secretary General Haitham Al Ghais said the International Energy Agency (IEA) should be "very careful" about discouraging investment in the oil industry, which was vital for global economic growth. Such comments could lead to oil market volatility in future, he said. Al Ghais also said that the Organization of the Petroleum Exporting Countries (OPEC) and its allies including Russia, a group known as OPEC+, were not targeting oil prices but focusing on market fundamentals.

Commerce Ministry restoration  
essential for market regulation

Economy Desk

## EXCLUSIVE

The case for the reestablishment of the Ministry of Commerce in Iran has been reopened. The last time this case was closed by the Iranian Parliament was in November 2022, but this time it was raised at the request of the speaker of Parliament. On Tuesday, Mohammad Baqer Qalibaf wrote to Iranian President Ebrahim Raisi, requesting the submission of a bill based on which the establishment of a "Ministry of Commerce" would replace the the "Commerce Organization". Following the request, the cabinet on Wednesday approved the bill for the establishment of the Ministry of Commerce – a bill that will be sent to the Parliament in the near future. A decision that, from the point of view of experts, is a managerial decision in addition to being political. Talking about the formation of the Ministry of Commerce, Mohammad Sadeq Mofatteh, an economic expert who previously served as deputy minister of industries, mines and trade, said,

"First of all, I must emphasize that there should not be any doubt about the establishment of a Ministry of Commerce; under the current conditions of the country, the formation of the ministry is a necessity."

"A decade ago, the integration of the ministries of industries and commerce was carried out based on a Japanese plan, as the East Asian country was successful and many countries followed the plan, but it is not appropriate for Iran now, as our country is under sanctions," he said. Mofatteh clarified, "At the time, there were challenges in the country regarding domestic trade, and that is why policymakers at the time decided to use the capabilities of guilds, unions and chambers of commerce in the management of domestic trade; therefore, with the division of work that took place, the problems of domestic trade were solved and there was no need for a domestic trade department in the Ministry of Commerce."

Then, the focus of the Ministry of Commerce was foreign trade. Therefore, according to the Japanese plan that was successful in Japan, it was decided



● IRNA

to merge the ministries of commerce and industry to form the Ministry of Industries, Mine and Trade. He stated that after the illegal sanctions, the domestic and foreign trade conditions of the country changed significantly, adding, "Since domestic and foreign trade has gained double importance with the aim of regulating the market and the aim of policymakers regarding market regulation, it is necessary to restore the Ministry of Commerce. Therefore, I now agree with the estab-

lishment of the ministry." "The Ministry of Commerce should cover both domestic and foreign trade sectors, and the separation of the two would cause the reestablishment of the Ministry of Commerce to fail. Some members of Parliament suggest establishing a ministry of domestic commerce, but if this were implemented, it would be a big loss for the country."

**A political-managerial decision**  
Economist Mohsen Bahra-

mi Arz-Aqdas believes that the decision of the formation of the ministry is correct, and it should have been taken much sooner. He emphasized, "This is a political action because even though Rouhani's government insisted on its formation, the Parliament at that time was against it. On the other hand, this is a management decision, because it will be managed better, especially in the current situation in which the supply of basic goods and regulating the market

are imperative." In February, the government submitted a bill to Parliament for the establishment of a "Commerce Organization and market regulation". In April, however, while opposing it, the lawmakers announced that a Ministry of Commerce should be established. While economic experts believe that the problem in the market and prices is the absence of an authority, the Parliament's opposition to the submitted bill has led to some criticism.

Iran's foreign debt  
down 25.7%

● IRNA

Central Bank of Iran (CBI) figures show that foreign debt owed by the country dropped by more than a fourth in the 11 months to late February.

CBI figures cited in a Thursday report by the IRIB News showed that Iran's foreign debt had reached \$6.4 billion on February 19, down 25.7% compared to late March 2022.

Giving a breakdown of the debt figure in euros, the report said that Iran had some 1.6 billion euros worth of short-term debts and another 4.3 billion euros in long-term dues in late February this year.

Iran has lower foreign debt levels compared to other similar economies

in the region and around the world.

That comes as the country has been grappling with financial difficulties in recent years mainly because of American sanctions targeting its energy sector as well as the impacts of the coronavirus pandemic on its economy.

Experts say US sanctions on Iran have enabled the country to diversify its economy away from crude oil revenues.

They point to an expansion of the non-oil sector of Iran's economy in recent years as a sign that the country has been relying less on oil revenues and more on exports from manufacturing and agriculture sectors.

US says Iran can use S Korea frozen funds  
for humanitarian purposes

A spokesman for the United States National Security Council has reportedly claimed that Iran can use \$7 billion worth of its blocked funds in South Korea to buy humanitarian items.

The spokesman, whose name was not mentioned, told Voice of America that the funds are being held in a "restricted" account that is "accessible for humanitarian trade."

Washington was open to recommendations by Seoul and others to ensure that the funds could be used, "including through transfers to other trusted banks and in similar restricted accounts," for humanitarian purposes, he said.

However, he added, there is currently no updated information or a new program in this regard.

The remarks coincided with a visit by South Korean President Yoon Suk-yeol to the US.

Recently, Iran's Nour News, affiliated with the country's Supreme National Security Council (SNSC), reported indirect talks over the unfreezing of the latter's funds blocked in South Korea allegedly because of American anti-Iran sanctions.

The report said that an initial agreement had been reached to transfer the Iranian money to one or more banks in regional countries.



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CBI reports 11.3% rise in  
manufacturing activity

Manufacturing activity in Iran rose by 11.3% in the quarter to December 21 last year compared to the same period in 2021, according to figures by the Central Bank of Iran (CBI). CBI figures published in a report by Tasnim News Agency showed that large-scale manufacturing index (LSMI) in Iran had reached 130.5 in the third quarter of the last calendar year.

The figure was also an increase of 22.6% compared to December quarter of 2019, said the report.

It said the LSMI, an index that covers activity in manufacturing units staffed by more than 100 people, had increased by 8.3% in Iran in the three quarters to late December last year compared to the same period in 2021.

The report added that 15 out

the 33 manufacturing categories considered in the LSMI index had experienced a double-digit growth in the December quarter.

CBI figures showed that manufacturing categories like garment and shoes, machinery and equipment, textiles and motor vehicles had reported higher growth in activity compared to energy-intensive industries like petrochemicals

and oil products industries. It said manufacturing of machinery and equipment in Iran had nearly doubled year on year in the quarter to late December.

Iran has sought increased activity in its manufacturing sector in recent years as part of plans to diversify the economy away from crude and to create more jobs for the youth in the country.