

NEWS IN BRIEF

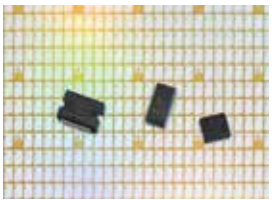
Eurozone investor mood darkens



REUTERS – Investors got more gloomy on prospects for the euro zone economy in June, dragged down by negative expectations for Germany, Europe's biggest economy, a survey showed on Monday.

Economic analysis company Sentix said its monthly survey on investor views on the 20-member euro zone, which gauges whether investors are positive or negative on growth prospects, fell to minus 17 points for June from minus 13.1 in May.

France announces massive state aid to chips factory



AFP – France is ploughing 2.9 billion euros (\$3.1 billion) of public money into a factory to make microchips, officials said on Monday, heating up a global race for the lucrative market.

Europe and the United States have both passed so-called Chips Acts to boost investment in the sector. Chips, also known as semiconductors, are vital for every electronic device, from smartphones to electric cars, and control of supply chains has become a major priority for the world's biggest trading blocs.

Air travel to be disrupted: IATA



● GETTY IMAGES

CNBC – Air travel will be affected by “very frustrating” supply chain issues this year, according to Willie Walsh, director general of the International Air Transport Association, as he discussed the challenges facing the aviation sector this year.

“[It’s] so frustrating, because it is going to have an impact in summer 2023. And we’re already seeing that,” Walsh said.

Heads of CBI, IMF hold 'constructive' meeting in US

Mohammad Reza Farzin, governor of the Central Bank of Iran (CBI), held a “constructive” meeting with Kristalina Georgieva, the managing director of the International Monetary Fund (IMF) in Washington, D.C.

Farzin also expressed satisfaction with the improvement of Iran's relations with the organization following a period of suspended cooperation, according to cbi.ir.

Iran will still provide the IMF with the required reports of its economic situation and the effectiveness of its monetary and financial policies, he noted.

Farzin expressed hope that Iran's policies would push down its inflation to 30 percent in the current Iranian calendar year which will end in March 2024.

Iran's top banker also said Iran cannot provide the IMF the access to certain of its classified economic data because of the U.S. “unilateral and illegal” sanctions.

Meanwhile, the IMF's managing director said the meeting marks the resumption of the interac-

tion between the Iranian central bank with the UN financial agency.

This was the first meeting between a governor of the Iranian central bank and the IMF in decades.

On the sidelines of his meetings with the senior officials of the IMF, Farzin also announced that the Islamic Republic will soon have quick access to \$6.7 billion of its financial resources in the IMF.

Currently, Iran has 4.8 billion worth of Special Drawing Rights (SDRs), which is equivalent to \$6.7 billion, he said, adding that these resources can be used quickly to help further improve the country's economic situation.

Farzin added that in different times when the global economy faces recession, the IMF creates liquidity entitled “SDR Allocation, Special Drawing Rights” in order to help its members deal with their economic recession.

Iran's chief banker also called on the IMF to support the strengthening of international banking programs for the expansion of economic relations and trade exchanges with



● IRAN DAILY

countries.

The IMF recently published a report in its statistical database pointing to an increase of \$141 billion dollars in the Islamic Republic of Iran's GDP in 2022, introducing Iran's

economy as the 22nd largest economy in the world this year (2023).

Iran has tens of billions of dollar worth of funds in foreign banks that it cannot access due to US sanctions.

The funds are mostly kept in banks in South Korea, Iraq, China, Japan and India where Iran is owed for shipments of crude oil and other energy products that took place before the United States imposed its

sanctions on Tehran in 2018.

US sanctions have mostly targeted Iran's sale of crude oil and its ability to engage in dollar transactions in the global banking system.

Iran businesses welcome Pakistan's approval of barter trade



Iranian businesses expect a major surge in exports to Pakistan after Islamabad issued a special order that allows barter trade with three countries including Iran.

Amanollah Shahnava, who serves as deputy chairman of Iran-Pakistan Joint Chamber of Commerce, said that barter trade with Pakistan will lead to a boom in trade between the two neighboring countries as it removes the need to use hard currencies to settle trade transactions.

● IRNA “In case this issue of barter trade becomes operational we will see a considerable increase in exports which is a big, important development,” Shahnava was quoted as saying by the IRIB News.

He said that Pakistani businesses will also benefit from the barter mechanism in trade with Iran, adding that the decision will also enables Islamabad to spend less from its foreign exchange reserves for imports of essentials. The Pakistani government on Friday authorized an order that allows barter trade for certain goods, including petroleum and natural gas with Iran, Russia and Afghanistan. The Pakistani Ministry of Commerce has said that state and privately owned entities would need approval to participate in the business-to-business (B2B) Barter Trade Mechanism 2023.

The measure aims to reduce the demand of foreign exchange for imports at a time Pakistan faces dollar shortages.

First manufacturing sector power plant synchronized

Iran's first manufacturing sector power plant has started supplying electricity to the country's power grid amid attempts by the government to encourage industries to rely on their own electricity supplies rather than facing shortages that are caused by rising demand for power in the country's household and business sectors.

The 336 megawatts (MW) Qods power plant in the central city of Semnan was connected to Iran's power grid on Sunday, according to a report by Fars News Agency.

The power plant is the first in a series of electricity stations launched by large Iranian manufacturing companies as part of a government plan to reach a target of 10,000 MW of generation capacity in the sector.

Iranian steel, cement and petrochemicals producers normally face power cuts in the summers, when cooling demand for electricity rises in the country, as well as in the winters, when power plants reduce their output because of natural gas shortages. The Iranian government has committed to continued supply of energy feedstock, including natural gas or fuels, to power plants launched by industrial manufacturers while it has also promised to supply electricity from the national grid to those manufacturers without any plans for power cuts throughout the entire year.

The report by Fars said the Qods power plant, which was inaugurated earlier this year, had been constructed within a global record of only six months.



● IRNA

15 ships added to Iranian cargo fleet in north



● IRNA

Iran has added at least 15 ships to its merchant fleet in the Caspian Sea amid growing trade ties with Russia and other countries located to the north of Iran.

Head of Ports and Maritime Organization of Iran (PMO) said that expanding Iran's northern fleet of commercial vessels has become a priority for the country's transportation ministry, of which the PMO is a subsidiary, Press TV reported.

“Given that the volume of trade with neighboring countries to the north is growing, the first priority for the Ministry is to expand the fleet and to increase the capacity in the Caspian Sea,” said Ali Akbar Safaei. Safaei said that Iran's Caspian Sea merchant fleet will further expand in the near future with the arrival of new ships from the Volga River.

The announcement comes amid growing shipping ac-

tivity in the Caspian Sea as Russia and other countries have ramped up their exports and imports via Iran and its southern ports. Media reports and statements by Iranian authorities show there has been a major surge in trade via the International North-South Transport Corridor (INSTC), a route that connects the Persian Gulf and the Indian Ocean to countries to the north of Iran via the Iranian road and rail transportation

network. Iran has created new infrastructure, including modern port operation systems, in its northern ports to both facilitate cargo transit via the INSTC and to increase its own exports to Russia and other countries. Last month, Iran and Russia signed a contract to build a key railway along the Caspian Sea that would significantly boost trade via INSTC's western branch.