

## NEWS IN BRIEF

## Several Chinese lenders cut yuan deposit rates



**REUTERS** - Several Chinese commercial banks cut interest rates on a range of yuan deposits from Monday, following their larger peers in a coordinated move to ease pressure on profit margins. The deposit rate cuts follow a similar move by China's biggest state lenders on Friday and marks the second such industry-wide cut within a year, with previous action taken in September.

## Iraq approves record \$153b budget



**AFP** - Iraq's parliament on Monday approved a 2023 budget of 198.9 trillion dinars (\$153 billion) that sets out record spending on a growing public wage bill and development projects to improve services and rebuild infrastructure. The budget deficit is estimated at a record 64.36 trillion Iraq dinars, more than double the last budget deficit in 2021, according to a budget document and lawmakers. The budget is based on an oil price of \$70 per barrel and projects oil exports at 3.5 million barrels per day (bpd), including 400,000 bpd from the semi-autonomous Kurdistan region, lawmakers said.

## Italy's labour shortage puts post-pandemic recovery at risk



**FT** - Italy has warned that a serious labour shortage is hindering the country's ability to implement projects worth billions of euros under the EU's post-pandemic recovery programme. In a report submitted to parliament, the Italian government has warned that a shortage of skilled workers in construction, IT and engineering - and a lack of competent administrators - is causing delays and could "jeopardise full implementation of the plan".

## Iran remains world's 10th largest steelmaker: WSA

Iran retained its global ranking and remains among the top 10 steel producers in the world, according to a report of the World Steel Association (WSA).

Iran produced 30.6 million tons of crude steel last year and managed to maintain its place as the world's 10th largest steel producer, IRNA reported on Monday. In the meantime, the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO), affiliated to the Ministry of Industry, Mine and Trade, stood in 20th place among the world's top steelmaking companies.

In its report, the WSA announced that steel production in the world registered a 100-fold growth in the past 72 years.

This report indicated that steel production volume in



the world increased from 189 million tons in 1950 to 1.885 billion tons in 2022.

It also indicated that Iran became the world's second-largest sponge iron

producer by producing 12.5 million tons in 2022. Iran also produced 2.5

million tons of crude iron in 2022, of which 100,000 tons were exported.

## Iran's lithium find is a potential game changer

The discovery of a lithium mine in Iran and its potential implications for the global production of lithium-ion batteries and electric vehicles is still one of the topics discussed in the world media.

According to Iran's Ministry of Industry, Mining and Trade (IMT), the deposit holds 8.5 million tons of the rare element, which is often called "white gold" for the rapidly growing electric vehicle industry. Should the estimate be accurate, that would make the deposit the second-largest known lithium reserve in the world after Chile, which holds 9.2 million tons of the metal, according to the US Geological Survey, wrote Press TV.

This is the first lithium carbonate equivalent (LCE) deposit discovered in the mountainous Hamadan province, signaling positive news of the possibility of other reserves in Iran. With global lithium reserves estimated at 89 million tons, Iran may now possess almost one tenth of the world's lithium supply.

Increased demand for rechargeable batteries like those used in electric vehicles and cellphones has pushed lithium prices to record levels in recent years.



Lithium has found strategic importance due to rising demand for most low carbon technologies that are pushing the envelope for a low carbon future within a global electric mobility ecosystem. The recent discovery is set to shift attention to Iran's extractives sector which is relatively underdeveloped. Iran holds about 7 percent of the world's proven mineral reserves, but mineral products make up for no more than 0.6 percent of its GDP.

At current rates, Iran's mineral reserves are worth \$700 billion, with a value added estimated at \$4 trillion, according to former head of state mines and metal holding company IMIDRO Mehdi Karbasian. The country will be able to extract lithium in the next two years, IMT deputy minister Mohammad-Hadi Ah-

madi has said. It is currently studying technological capacities existing in two developed countries as part of efforts to start up the mine through a partnership with private investors.

Iranian officials are usually discreet about divulging the details of foreign involvement in the country's development projects in the face of sanctions pressures. Experts say such an addition to Iran's strategic energy inventories would enable the country to blunt Western sanctions with a potentially potent element.

Iran owns the world's largest oil and gas reserves combined, but sanctions have slashed its capacity to contribute significantly to global supply due to the abundance of producers. As regards lithium, economically viable deposits are limited and the suppliers of

the rare element are few. In market terms, Iran with 8.5 million tons of lithium reserves would be impossible to sideline.

As a result, Iran can use the potential to attract foreign investment and leverage it in negotiations with the West to remove sanctions on the Islamic Republic.

China is currently the world's largest lithium battery consumer market. In 2021, the global lithium-ion battery market reached 545 gigawatt hours (GWh), and China accounted for more than half of the total.

The country is Iran's largest oil customer and an important trade partner despite the sanctions, having signed a 25-year cooperation agreement in 2021 to strengthen their longstanding economic and political alliance.

The lithium deposit news grants Iran an additional advantage to enhance relations with China which has also signed three comprehensive strategic partnerships and four strategic partnerships with Persian Gulf states including the world's largest oil producer and exporter, Saudi Arabia. Hence, Iran's big lithium find, besides being a lifeline for its economy, has enor-

mous geopolitical significance. The news is already raising hackles among the country's adversaries.

Anat Hochberg-Marom, an independent strategic consultant to government agencies and security institutions, has told Israel's major tabloid newspaper Maariv that the discovery can lead to a change in the regional power balance and give Tehran an unprecedented geopolitical and economic influence.

According to the paper, Iran's military strength and thaw in relations with Arab countries, especially Saudi Arabia, the United Arab Emirates, Bahrain, and Egypt, as well as its military exercises at sea, including with India and Pakistan, have caused significant concern for Israel.

Iran is also strengthening its strategic ties with Russia and China, along with its close ties with Indonesia, the most populous country in the Muslim world.

Iran, Maariv said, will obviously emerge as the main geopolitical player in global politics and economy by controlling about 10% of the world's strategic lithium reserves.

In the face of the worsening climate crisis, lithium deposits, along with other energy sources including nuclear energy, provide power, political influence

and economic power to the government in Tehran, the paper said.

"As a result, not only is it likely to significantly increase Iran's influence, but Iran may also surpass the Persian Gulf countries, the world's major oil producers, especially Saudi Arabia and the United Arab Emirates. This can change the balance of power and regional dynamics in favor of Iran," it added. Hochberg-Marom said the new discovery strengthens Iran's bargaining hand in various economic and security alliances and agreements and shifts the focus of attention from the oil market to the lithium and white gold mining industries in the region.

It can lead to stronger relations between Iran with China and other Southeast Asian countries, especially Indonesia, and strengthen relations between the Middle East and Asian countries, he said.

Maariv said from Tehran's perspective, the discovery increases its ability to maneuver among a large number of actors.

"Iran as a nuclear threshold country with political, economic and energy capabilities has a high motivation and boldness. With the discovery of the lithium deposit, Tehran's self-confidence is expected to increase significantly," it added.

## Iran eyes \$15b in trade with Turkey by 2025

A senior official in Iran's Trade Promotion Organization (TPO) said trade with Turkey will easily reach \$15 billion in the calendar year 1404 (early March 2025 to late March 2026).

"We have set a target for at least \$15 billion in trade with Turkey until 1404 which can be met through cooperation with the private sector," said Farzad

Piltan, who serves as head of TPO's West Asia department, according to Press TV. Piltan said US sanctions on Iran have hampered the trade of certain items on a list of nearly 500 goods and products that can enjoy lower tariffs under a preferential trade agreement (PTA) between Iran and Turkey.

"Some of these commodi-

ties are subject to the sanctions and we have to carry out more negotiations for the PTA agreement to become more effective," said the official in a forum in Tehran that was focused on trade between Iran and Turkey.

Piltan said Iran and Turkey have also a great potential to increase the amount of international transit of car-

go that passes through their territories.

Annual trade between Iran and Turkey reached a total of \$13.558 billion in the calendar year to late March 2023, according to figures released in April by the Iranian customs authority (IRICA).

Turkey was the third largest customer of Iranian non-oil exports over the

year to late March with some \$7.459 billion worth of purchases, an increase of 23% compared with the year before, IRICA figures showed.

The figures showed that Iran's imports from Turkey also increased by 15% over the past calendar year compared to the year to March 2022 to reach \$6.099 billion.