

NEWS IN BRIEF

ECB hikes interest rate to 22-year high



AFP – The European Central Bank said eurozone inflation was still too elevated as it hiked interest rates for an eighth consecutive time to a two-decade high, despite a darkening economic outlook.

The ECB increased rates by another 25 basis points, taking the closely-watched deposit rate to 3.50 percent -- its highest level since 2001.

"Inflation has been coming down but is projected to remain too high for too long," the ECB said in a statement.

Intel to invest up to \$4.6b in Poland site



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CNBC – US chip giant Intel will invest up to \$4.6 billion to build a new site in Poland, creating around 2,000 jobs, the company said Friday.

Its new facility, to be located in the southern Polish city of Wrocław, "will help meet critical demand for assembly and test capacity that Intel anticipates by 2027," Intel said in a statement.

China takes next step in currency globalization



REUTERS – China's gradual internationalisation of its currency will shift to its next leg on Monday when about two dozen Chinese companies start trading in Hong Kong's stock market. Hong Kong stocks such as Alibaba and Tencent are among the 24 stocks which will be priced and traded in both yuan and the Hong Kong dollar under the Dual Counter Model on the Hong Kong stock exchange from Monday.

Iran, Russia, Uzbekistan, Turkmenistan seal transit deal



Iranian Minister of Roads and Urban Development Mehrdad Bazrpash attends the 26th Saint Petersburg International Economic Forum (SPIEF) on June 15, 2023.
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Economy Desk

A transit agreement was concluded by Uzbekistan, Turkmenistan, Russia and Iran during the visit of Iranian Minister of Roads and Urban Development Mehrdad Bazrpash to Russia, aimed at attending the 26th Saint Petersburg International Economic Forum (SPIEF). According to Bazrpash, pursuing bilateral agreements and speeding up the completion of the International North-South Transit Corridor (INSTC) were the most important goals of his participation in SPIEF this year, IRNA reported. Participating in a meeting with the Russian Minister of Transportation and bilateral meetings with some officials of the coun-

tries were also among the programs of the Iranian minister in Russia.

On his visit to Russia, Bazrpash was accompanied by a senior delegation including the head of Iran's Ports and Maritime Organization (PMO), and the head of the country's Civil Aviation Organization (CAO). During the SPIEF summit, business-to-business (B2B) meetings were held between senior transport officials of the two countries to discuss issues related to the INSTC, transit, ports, and air transportation cooperation.

Given the geographical location of Iran and its connection to the Caspian Sea, the Persian Gulf and the Sea of Oman, many countries have shown keenness

to establish cooperation with Iran in the transportation and transit sectors, according to Bazrpash.

An investment and Business exhibition was also held as part of the St. Petersburg International Economic Forum. The exhibition is a platform for constructive dialogue, searching for solutions, consolidating efforts, and fostering the exchange of experience among the forum participants.

The SPIEF has been held annually since 1997 and is a major business event in the world. Over the past 25 years, the forum has cemented its status as a leading international event focusing on key issues on the global economic agenda.

Iran reports historic surge in manufacturing activity

Iran has reported a historic record in the output of its large manufacturing sector for the year to late March. Figures by the Central Bank of Iran (CBI) cited in a Thursday report by IRNA showed that a CBI index that measures activity in Iran's large manufacturing plants had increased by 9.6% in the year to March 20 compared to the year before.

"... it rose to the highest level in the history of the country's manufacturing production," said the report, adding that CBI's Large Manufacturing Index had risen by 3.1%, 13.2%, 9.5% and 12.8%, respectively, year on year over the four quarters of the past calendar year.

The figures covered industrial activity in some 2,400 factories with more than 100 employees across Iran. It said the size of output in large plants had increased in 23 out of 24 manufacturing categories surveyed by the CBI, adding that 16 of those categories had reported double-digit growth compared to the year to March 2022.

Iranian motor vehicle industries were the best performers in the survey in the year to late March with some 31.8% of growth in their output, said the report.

Iran has increasingly relied on manufacturing in plans to diversify the economy away from oil as the country seeks to offset the impact American sanctions on its crude oil exports.

Experts say the policy has also helped Iran overcome its employment problems while leading to increased presence of the country's private sector in major investment and development projects.



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Iran elected head of ILO Asia-Pacific group



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In a meeting of the labor ministers of member countries of the Asia-Pacific region, Iran was elected as head and coordinator of Asia-Pacific Group (ASPAG) at the International Labor Organization (ILO).

In this expert-level meeting, headed by the Philippines as the current coordinator of the region, the candidacy of Iran was raised for this position and it was unanimously approved by the member countries, according to mcls.gov.ir.

In the tripartite system of the International Labor Organization, the governments are organized within the framework of four regional groups: Asia

and Pacific, Europe, Latin America and the Caribbean, and Africa, and play a key role in the decision-making assemblies. The regional coordinators are responsible for forging relations of the organization with member states and also representatives of countries of respective regions in decision-making meetings including screening group meetings, the Board of Directors' meetings, and specialized meetings of the International Labor Conference.

Multilateralism priority

Meanwhile, Ali-Hossein Raeiati-Fard, the deputy labor minister, said realizing social justice in the world requires respect for

multilateralism and relying on cooperative and collective approaches.

Speaking at the meeting held in Geneva, Switzerland, Raeiati-Fard added that the devastating effects of COVID-19 have emerged in the areas of work, economy, unstable supply chains, insufficient social security and support systems, poverty and inequality.

Stating that according to the global employment and social outlook report, the Asia-Pacific region's labor market is still far from the pre-crisis situation, Raeiati-Fard said the employment rate per population and the total working hours in the region are still lower than the pre-COVID period in 2019.

Iran to supply 200k cars to Venezuela in five years

Iran will supply 200,000 cars to Venezuela under a

five-year deal signed during a trip by Iranian President Ebrahim Raeisi to the South American country earlier this week.

CEO of Iran's second largest car manufacturer Saipa said that the memorandum of understating signed a day earlier between him and Venezuelan industry ministry authorities would cover exports of finished cars from Iran as well as



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cars manufactured in a joint plant in the country, reported Press TV.

Mohammad-Ali Teymouri said that Saipa will supply a first batch of 2,000 cars to Venezuelan customers within the next few months.

Teymouri said that authorities of the two countries had also agreed to restore manufacturing at a plant operated by Venezuelan Iranian Automotive Compa-

ny (Venirauto), a company in Venezuela which has remained inactive since 2015. He said the launch of operations at the plant, where Saipa and Iran's largest carmaker IKCO own 36% of the shares, would allow Iran to expand its presence in the Latin American car market. The CEO said Saipa would also work to revive another car factory in Venezuela, which is focused on produc-

tion of commercial vehicles and trucks, after some nine years of inactivity.

Iran and Venezuela have joined ranks in their efforts to counter the American sanctions targeting their economies.

The two countries signed contracts worth nearly \$20 billion during a two-day visit by Raeisi to Venezuelan capital Caracas that ended on Tuesday.