

Expediency Council head says Iran implemented 40 provisions of FATF



Economy Desk

Speaking to private sector businesspersons on Wednesday, the chairman of Iran's Expediency Council announced that 40 provisions of the Financial Action Task Force (FATF) are currently being implemented in the country.

Referring to previous talks held on FATF, Sadeq Amoli-Larijani noted that, "We have certain issues when it comes to raising topics in the Expediency Council. The question arises whether, after a period of reviewing a subject, we are allowed to bring it up again or not," ISNA reported.

The official explained that the FATF includes 42 provisions which is not a single-part agreement but rather a collaborative action framework. "Out of the 42 provisions, 40 are already being implemented in the country," he noted.

Amoli-Larijani further pointed out that the FATF required four primary acts from Iran. Two were approved, while the Palermo Convention and the CFT (Countering the Financing of Terrorism) were not. "I personally worked on this issue and supported the approval of the Palermo Convention. I also informed my colleagues that, from a technical standpoint, I believed we had the right to make reservations. According to international conventions, we can practice the right to reservations when it does not conflict with the fundamental nature of the agreement," he said.

The official went on to say that, "I believe we could have reservations regarding Palermo, as the areas we sought to reserve did not pose conflicts. However, I have some considerations about the CFT, as it includes provisions that international bodies could potentially use against us, although these issues should be resolved."

He added, "Other bodies, such as the Supreme National Security Council, should also discuss this issue. In my view, it is possible to resolve it."

Amoli-Larijani stated that he had a discussion with President Masoud Pezeshkian to explore possible solutions. "However, the key question is whether the FATF is significantly impactful under sanctions," he remarked.

Iran eyes becoming top petchem exporter in region

Economy Desk

Iran's Vice President Mohammadreza Aref said on Wednesday that the petrochemical industry plays strategic role in national wealth creation and economic development, adding that, "We have no choice but to become the leading exporter of petrochemical products in the region."

In a meeting with the CEOs of major petrochemical companies of Iran, the VP stressed the importance of addressing the challenges and issues facing the petrochemical sector, noting that to implement the Seventh Five-Year Development Plan (2024-28) and achieve the targeted 8% economic growth outlined in the plan, the petrochemical sector must be more active, according to fvpresident.ir.

He reaffirmed that the industry, as a driving force of the country's economy, plays a crucial role in enhancing added value, generating employment, and boosting the national economy.

Aref referred to a \$150-billion need for foreign investment to realize the 8% growth goal in the Seventh Development Plan, underlining that the petrochemical sector is one of the most vital areas for attracting foreign investment, which, in turn, would open up significant global markets for Iranian companies' products.

The top official emphasized



Iran's First Vice President Mohammadreza Aref (C) attends a meeting with the CEOs of major petrochemical companies of Iran in Tehran on November 13, 2024.
fvpresident.ir

the importance of adopting advanced technologies in the national industry, particularly in the petrochemical sector as he pointed out that, given the rapid and extensive technological advancements worldwide, the industry must align with up-to-date global technologies.

Aref added that the petrochemical sector has been at the forefront of adopting cutting-edge technology, as traditional approaches hinder competitiveness in global markets due to high production costs.

He stressed the necessity of employing advanced technologies, particularly artificial intelligence, which can significantly improve efficiency and reduce costs. The vice president also highlighted the essential role of research and development (R&D) in the industry, describing it as an investment rather than an expense.

"R&D leads to substantial profitability and returns for companies and industries. For instance, major automotive companies allocate 3% of their sales

revenue to R&D. However, this area has been neglected domestically, with a ceremonial approach causing harm. Fortunately, the petrochemical sector has paid adequate attention to R&D, though they need to take this aspect even more seriously," he explained.

Aref stated that the government aims to involve large private sector enterprises in an initiative by the government to train 1,000 superior professionals along with the Leader's directive to train 100 elite managers for the country's senior

management roles.

"These trained professionals can contribute to the industry and, if they assume governance roles, their deep understanding of the challenges facing major and leading industries, including petrochemicals, could help resolve many issues," the top official said. Aref also criticized the lack of adequate focus on trade diplomacy in previous years and stressed that the current administration is prioritizing exports and the significance of economic and trade diplomacy.

He also stated that petrochemical companies, due to their substantial role in non-oil exports, can support the government in this way.

In the meeting, Ahmad Mahdavi Abhari, the secretary-general of the Employers Association of the Petrochemical Industry, presented a report on the industry's role in the national economy.

Also, the CEOs of major petrochemical companies voiced their concerns and challenges during the meeting.

Iranian MPs pass bill on free trade pact with Syria

Iranian lawmakers passed the outlines and details of a bill amending the appendix to the free trade agreement between the Islamic Republic of Iran and the Syrian Arab Republic. In an open session of

Parliament on Wednesday, the report of the Economic Committee on the bill was put on the agenda of the legislature, and the bill was eventually passed by the representatives, IRNA reported.

The amendment includes several provisions, reflecting ongoing efforts to strengthen economic collaboration and trade volume with Syria through systematic reductions in trade barriers.

The free trade agreement between Tehran and Damascus aims to bolster economic ties by reducing tariffs on various goods traded between the two countries to zero, fostering a more open trade environment.



New Trump admin...

With President Joe Biden having taken office in 2020, which was followed by major developments in the international arena, including Russia's invasion of Ukraine, US and EU energy sanctions started to rain on Russia and resulted in the loss of some Russian oil from the market — an opportunity for Iran to seize and boost its oil trade.

The third largest OPEC producer called in its experience in bypassing US oil sanctions and ratcheted up crude exports to an average of over 1.7 million bpd. The Biden administration has consistently come under fire from rival Republicans for "going easy" on

Iran's oil sales, despite turning up the heat on the Islamic Republic with additional sanctions over the past four years.

However, facts on the ground suggest that Iran's oil has continued to flow to its customers, with China being the largest buyer. Small private refineries in eastern China, known as "teapots", have been purchasing around 90% of Iran's oil since 2019, according to data by analytics groups like Kpler, Vortexa and TankerTrackers.

Since these small refineries operate outside the US financial system, penalizing them for violating sanctions would most probably have no impact on them.

The question on everyone's mind is how the new Trump administration plans to bring back the "maximum pressure" campaign, particularly when it comes to Iran's oil sales.

One possibility is that US officials might try to seize Iranian oil tankers, a move that has been attempted by the previous Trump administration and its successor, but has been met by Iran responding in kind.

Tracking and seizing Iranian tankers is a daunting, arduous and costly task as it needs the US navy warships to keep a constant eye on oil tankers carrying Iranian oil in the high seas or gulfs.

Past seizures of Iranian vessels, such as the detention of

the Iranian oil tanker *Adrian Darya* near the Strait of Gibraltar by the UK, a key US ally, in 2019, and the seizure of several Iranian oil tankers en route to Venezuela by the US, have led to retaliatory measures by Iran in the Persian Gulf, stoking tensions between Iran and the West. In September, Chief Commander of Iran's Islamic Revolution Guards Corps Hossein Salami said that the country had attacked 12 Israeli ships in retaliation for strike on 14 Iranian oil tankers.

Such tit-for-tat measures demonstrate that impounding or attacking oil tankers is a high-risk policy that would trigger Iranian vessels as the country re-

gard them "piracy in broad daylight."

Another option on the table for the upcoming Trump administration might be to press China to stop buying Iranian barrels.

During his first term, Trump launched a bruising trade war with China, imposing import tariffs on Chinese goods aimed at reducing their presence in the US market and forcing American manufacturers to relocate their factories from China to the US to help bring down unemployment.

Trump might again wage a trade war with China, having several goals on agenda, including pressure on the world's largest importer of crude to halt Iranian oil im-

ports. This could be one of the most effective tools at the US disposal to disrupt Iran's oil trade.

According to former Iranian Oil Minister Javad Owji, Iranian oil, which accounts for 13% of China's crude oil imports, is sold to the Asian economic powerhouse at a discount of at least \$5 per barrel, making it a lucrative and profitable business for Beijing.

If the Trump administration opts for this policy, it remains to be seen whether China, the US largest trading partner, will choose to buy cheap oil from Iran or avoid disrupting trade with America.

It seems that tough and tumultuous days are ahead.