

The value of Iran's exports to Iraq topped \$3.16 billion in the first five months of the current Persian calendar year that started on March 21, MNA quoted the Islamic Republic of Iran Customs Administration as reporting.



IRAN AIR

## Iran to purchase new airplanes

The chairman of the Civil Committee of the Iranian Parliament said on Tuesday that the country is willing to add new airplanes to its aviation fleet.

Mohammadreza Rezaei-Kouchi said the private sector, provided with banking facilities, is going to buy the planes in the face of US sanctions, Mehr News Agency reported.

"Negotiations are ongoing with several countries to purchase the airplanes and there will be no obstacles facing Iranian companies in that respect," said the Iranian MP.

Iran Air has been pushing American manufacturer Boeing to revive a large order signed in 2016.

A few months ago, it was reported that the national carrier has sent a letter to Boeing demanding it honor its commitments.

The former road and urban development minister Mohammad Eslami had also said Boeing should be held accountable for the delay in carrying out its contract with Iran Air, and that Iran reserves the right to take legal action over the delay.

## ICCIMA names top five Iranian provinces for accelerating businesses



MARYAM KAMYAB/MEHR NEWS AGENCY

Iran Chamber of Commerce, Industries, Mines, and Agriculture (ICCIMA) named five leading Iranian provinces for their performance in improvement of business environment in the first quarter of the current Persian calendar year that started on March 21.

The latest ICCIMA study indicated that the provinces of Markazi, West Azarbaijan, Zanjan, Semnan and Mazandaran had respectively delivered the best performance regarding business environment indicators in the three months under review, ICCIMA reported.

Based on a national law for continuous improvement of the business environment, the ICCIMA has been tasked with monitoring the business environment and presenting the results to the country's policymakers and decision-makers.

The National Business Environment Monitoring Plan has been conducted quarterly since 2016 and the performance evaluation of the executive agencies related to the business environment has been published on an annual basis.

In a letter to the governors of the five selected provinces, ICCIMA president Gholamhossein Shafiei appreciated the efforts made by them and the economic activists of the province as well as the executive provincial agencies contributing to this achievement.

# Iran's four-month trade with SCO countries tops \$9.8b: IRICA

### Economic Desk

Iran traded 15.76 million tons of goods, worth \$9.82 billion, with the member states of the Shanghai Cooperation Organization (SCO) during the first four months of the current Persian calendar year (started March 21), according to the latest report by the Islamic Republic of Iran Customs Administration (IRICA).

Exports to the eight SCO countries hit 13.37 million tons, worth \$5.64 billion, during the period, eghtesadonline.com reported.

China accounted for the highest volume of imports from Iran among SCO states with 9.89 million tons, valued at \$4.36 billion.

India, with 1.73 million tons worth \$495.07 million, and Pakistan, with 910,531 tons worth \$341.39 million, were the other major destinations of the Iranian goods and products in that period.

Meanwhile, imports from SCO stood at 2.39 million tons worth \$4.18 billion during the same period.

Top three SCO exporters to Iran were China with 1.02 million tons worth \$3.13 billion, India with 408,205 tons worth \$440.86 million, and Russia with 754,848 tons worth \$429.78 million.

Major exported goods included liquefied gas, polyethylene, semi-finished steel products, methanol, gasoline, steel ingots, liquid propane, bitumen and copper cathode.

Iran's non-oil trade with SCO members stood at 47.93 million tons worth \$25.63 billion in the previous Persian year.

Iranian President Seyyed Ebrahim Raeisi is scheduled to fly to Dushanbe,



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Tajikistan, to participate at the upcoming Shanghai Cooperation Organization Summit on September 16-17.

The SCO leaders are expected to decide on the admission of Iran to the organization, according to Special Envoy of the Russian President for SCO Affairs Bakhtiyor Khakimov.

"The accession process is not a one-time step. There is a certain procedure stipulated in the SCO documents," Rus-

sian news agency TASS quoted him saying last Thursday.

"We expect that in Dushanbe, the Council of Heads of State will make a decision on the commencement of Iran's admission to the SCO, which means the launching of the negotiation process to agree on the documents according to which Iran will accede to the legal and contractual framework of the Shanghai Cooperation Organization."

Khakimov recalled that the accession process for India and Pakistan had taken about two years.

"Generally, this cannot be done faster, because the documents are approved by the countries' heads and the SCO summit takes place in the format of annual meetings. So, the beginning of the admission procedure means that the talks can be launched in the near future after such a decision is made," he added.

## Iran reports boosted loan-to-deposit ratio in banks

Latest figures by the Central Bank of Iran (CBI) shows loan-to-deposit ratio in the country's banking system increased slightly in the calendar month to May 21, a sign of boost in lending into an economy still grappling with the double burden of the coronavirus and the US sanctions.

CBI figures cited in a report by IRNA showed that loan-to-deposit ratio in banks had increased to 81.6% in May, up 4.6% against May 2020 and 1.4% higher than figures reported in the end of past Persian calendar year in late March, Press TV reported.

The report said minimum legal deposits held by the banks in the CBI were excluded from the calculations except for foreign currency deposits which are not required to be backed by other securities or deposits.

Iran has no clear loan-to-deposit ratio

requirement and commercial banks are constantly encouraged to provide more lending to private and state economic actors.

CBI tables showed that loan-to-deposit ratio in the banking system in the province of Tehran, where the capital is located, reached 95.8% in May while in some other provinces loan figures exceeded the sum of deposits.

The figures showed that total deposits held in the banking system, including the credit institutions, rose by 47.3% year on year against May last year to 43,093.3 trillion rials (nearly \$156 billion).

Loans also rose to 31,026.2 trillion rials (nearly \$115 billion), up by 55.5% against May 2020, said the CBI.

The bank said over 60% of the deposits and nearly 70% of the loans had been processed in banks in the province of Tehran.



IRNA

It said the reason was because major companies and businesses based in other provinces normally use the banking system in the capital where their offices are located.

## Delta's force hits economies from U.S. to China in real time

COVID-19 still isn't done hobbling the global economy.

From the U.S. to China and Germany, the latest data are flagging an economic slowdown as the new form of the coronavirus hits spending just as supply chain snarl ups threaten to keep inflation elevated.

Both the world's two largest economies are feeling a squeeze. The U.S. economy is on pace for a 5.8% annualized quarter on quarter expansion in the current quarter, down from a 6.6% print in the second quarter, Bloomberg reported.

In China, the Bloomberg Nowcast is tracking a 6.1% year on year expansion in the same period, down from 7.9% in the second. Its economy is dealing not just with delta, but also a government crackdown on high polluting industries, and – potentially – a blow to business confidence from the new "common prosperity" agenda.

The decelerations are faster than what economists previously expected and leave central banks and governments facing a challenging combination of slackening recovery and stub-

born price pressure.

"We are not at panic stations – the data is pointing to a softer recovery, not a reversal," said Bloomberg Economists Bjorn van Roye and Tom Orlik. "Still, the latest Nowcast readings are a reminder that the virus remains a significant, negative, and hard to predict variable impacting the outlook."

From U.S. retail sales to China factory output, Bloomberg Economics' Nowcasts unite hundreds of data points to provide a high frequency read on the pace of growth and level of inflation across major economies ahead of the official data.

The latest readout for most major economies shows output poised to end the year still some distance short of the pre-COVID trend.

In normal times, that slack in the economy would mean inflation remains subdued. In the topsy-turvy world of the COVID recovery, that's not the case. Supply chain strains, high shipping costs, and elevated commodity prices mean that even as output remains below potential, inflation in many countries is above the target of central banks.



REUTERS

The good news for the third quarter is that the Nowcasts point to a peak and the beginnings of a decline for the U.S. consumer price index.

The bad news is they suggest the euro area and U.K. will see inflation above central

mean pressure to withdraw it.

The combination of the two is reminiscent of the stagflation last seen in the 1970s, and leaves US Federal Reserve Chair Jerome Powell, European Central Bank President Christine

Lagarde, and their peers with few easy options. The picture in China looks a little different. Factory gate price gains are sky high. So far, though, consumers haven't suffered a sticker shock in the shops.

For the world's biggest central banks, a recovery losing momentum and inflation elevated means a complicated situation. A weaker recovery means pressure to add stimulus. Stubbornly high prices

mean pressure to withdraw it.

The combination of the two is reminiscent of the stagflation last seen in the 1970s, and leaves US Federal Reserve Chair Jerome Powell, European Central Bank President Christine

Lagarde, and their peers with few easy options. The latest decision by the ECB provides an illustration of the predicament. Despite a recently concluded Strategic Review promising "forceful" action to reflate the economy, Lagarde last week announced plans to slow the pace of bond-buying.

In China, the central bank faces a different trade off – between supporting growth with easier policy and tamping down risks of a credit bubble with tighter. The latest signs suggest it is growth that will be the priority, with expectations of a move to free up funds for banks to lend in the months ahead.

For the world's most important central bank, meanwhile, sliding growth and still-high inflation hasn't yet changed the policy calculus. Powell is still on course to this year announce a slowing of the Fed's massive asset-purchase program.