

October 2022



सत्यमेव जयते
Embassy of India
Tehran



A report on the economic and commercial updates on Iran which would be of interest to India

Important news reports related to Iran

The Economy

US sanctions Tibalaji for purchasing Iranian petroleum and petrochemicals

As per reports, US sanctioned an Indian company Tibalaji Petrochem Private Limited for purchasing Iranian petroleum and petrochemicals. Tibalaji Petrochem is among a group of companies, including some from UAE and Hong Kong sanctioned by the US. According to the US Department of Treasury's Office of Foreign Assets Control (OFAC), Tibalji Petrochem Pvt Ltd has purchased millions of dollars worth of petrochemical products, including methanol and base oil, from Triliance, an Iranian company that brokers the sale of Iranian products to foreign purchasers, for onward

MONTHLY COMMERCIAL REPORT

Iran still on FATF's blacklist

Financial Action Task Force (FATF) on 22 October 2022 announced that Iran will remain in the FATF blacklist until the full Action Plan has been completed. In a statement FATF said that if Iran ratifies the Palermo and Terrorist Financing Conventions, in line with the FATF standards, the FATF will decide on next steps, including whether to suspend countermeasures.

Housing prices in Tehran city continue to rise

As per Central Bank of Iran (CBI), the average housing price rose 1.1% in Tehran city during the sixth Iranian month Shahrivar (23 August to 22 September 2022), compared to the previous month. The average price for one square meter of a residential unit in Tehran stood 432.2 million rials (about \$1,543). The average housing price also increased 36.3% in comparison to the same month in the previous year. The number of real estate deals stood at about 6,000 in the capital city in the sixth month of this year, up 22.9% compared to the previous month, while down 22.5% compared to the same month in the past year.

Kohgilouyeh-Boyerahmad Province has highest inflation rate at 48.2%

The Statistical Center of Iran (SCI) statistics on Iranian provinces for the sixth Iranian month of Shahrivar (23 September to 22 October 2022) showed that Kohgilouyeh-Boyerahmad Province had the highest average annual inflation with 48.2% while Khuzestan province had the lowest with 38.4%. The average goods and services CPI in Iran for the 12-month period ending in the said month²² increased by 42.9% compared with the preceding year's corresponding period.

Iran's inflation increases to 42.9%

As per the figures released by Statistical Center of Iran (SCI) the annual average inflation rate in the Iranian month of Mehr (23 September to 22 October 2022) stood at 42.9%, up by 0.8% YOY. Please see below:

Overall inflation statistics for Iranian month of Mehr (23 September to 22 October 2022)	
Subject	Value
Annualized inflation	42.9%
Annualized inflation in urban areas	42.3%
Annualized inflation in rural areas	46.2%
Point-to-point inflation	48.6%
Point-to-point inflation in urban areas	47.7
Point-to-point inflation in rural areas	53.2%
Statistical Center of Iran (SCI)	

Inflation statistics for Iranian month of Mehr (23 September to 22 October 2022)				
Description	Index	Compared to previous month	Compared to corresponding month previous year	12 months ending in month of Mehr compared to the corresponding month last year
General index	532.0	3.2	47.7	42.3
Food and beverages	830.4	2.4	71.1	60.1
Tobacco	746.4	41.5	40.5	
Clothing and footwear	610.5	2.7	47.3	47.5
Housing, water, electricity, gas and other fuels	324.2	5.7	33.9	29.6
Furnishings, household equipment and routine household maintenance	649.8	1.6	35.0	34.4
Health and medical services	402.8	1.7	38.4	35.6

Transport	613.8	1.3	33.2	36.2
Communication	204.3	1.0	10.8	6.7
Recreation and culture	601.1	2.6	32.8	31.2
Education	348.4	14.8	35.6	30.0
Restaurants and hotels	716.2	3.2	80.6	71.5
Miscellaneous goods and services	530.2	2.1	35.8	35.2
Statistical Center of Iran (SCI)				

Unemployment for Q2 decreases to 8.9%

As per Statistical Center of Iran (SCI), Iran's unemployment rate, for Q2 of the current Iranian year (June 22 to September 22) stood at 8.9%, a decrease of 0.7% YOY. SCI announced that total 2.33 million Iranians were unemployed during the said period, with men's unemployment stood at 7.3% while the rate for women stood at 17.2%. The unemployment rates for urban and rural areas were 9.6% (1.91 million people) and 6.8% (422,734 people) respectively.

Jobless claims fall by 28%

As per Ministry of Cooperatives, Labor and Social Affairs, number of jobless claims has fallen by 28% since late 2019. Data showed that 162,491 persons received unemployment benefits from Social Security Organization (SSO) in June 2022, down by 28% from three years ago when the figure stood at 226,000. SSO's Director for Insured Affairs Department Mehdi Shakouri said that the decrease in jobless claims has been mainly due to boom in business activity which started in the current Iranian year 1401 (started 21 March 2022).

Government's tax revenues increases to \$7 billion in first six months

Deputy Minister of Economic Affairs and Finance and President of Iranian National Tax Administration (INTA) Davoud Manzour said that the government's tax revenues during the first six months of current Iranian year 1401 (21 March to 22 September 2022) stood at 2,310 trillion rials (\$7 billion). He said that the average monthly tax earnings increased from 150 trillion rials [\$454 million] in the fiscal 2020-21 to 250 trillion rials [\$757 million] in 2021-22 and to 400 trillion rials [\$1.2 billion] in 2022-23. He said that INTA aims to fund the government's current budget entirely from tax income in the near future.

Iran produces 22.2 million tons of crude steel

As per World Steel Association, Iran produced 22.2 million tons of crude steel during January to September 2022, up by 9.8% YOY. Iran's crude steel output during the month of September 2022 was 2.7 million tons, up 26.7% YOY. Iran continues to main its WSA ranking of world's tenth biggest crude steelmaker.

Government approves new measures to support capital market

In a meeting of Economic Taskforce headed by President Ebrahim Raisi, new measures have been approved in a bid to help revive the long-struggling capital market. The measures included reducing tax on share trade and inject 110 trillion rials (\$335 million) into the Capital Market Stability Fund (CMSF). President Raisi instructed the Plan and Budget Organization to transfer 50 trillion rials (\$152.3 million), raised from taxation of stock trade in previous Iranian year 1400 (2021-22) to CMSF at the earliest. The taskforce also approved a proposal for reducing tax on trading shares by as much as 80%. This measure would have to be approved by heads of executive, judiciary and the legislative.

Construction industry expected to grow by 2.5%

As per Research And Markets, Iran's construction industry is expected to grow by 2.5% in real terms in 2022, following annual growth of 1.8% in 2021. Also, it is expected to register an annual average growth of 3.6% between 2023-26, supported by government investments on the energy, oil and gas, petrochemicals, infrastructure and industrial sectors.

Iran steel production increases by 19%

According to the Iranian Steel Producers Association, Iran produced 15.39 million tons of steel products during the first six months of current Iranian year 1401 (21 March to 22 September 2022), up by 19% YOY. Please see below:

Steel production, 21 March to 22 September 2022		
Product	Value	% change
Production of billet and bloom	9.36 million tons	21%
Slab	6.03 million tons	15%
Finished steel	10.31 million tons	11%
Long steel products	5.79 million tons	9%
Rebar	4.76 million tons	9%
Beams	595,000 tons	5%

L-beam, T-beam and other types of beams	430,000 tons	10%
Flat steel	4.52 million tons	14%
Hot-rolled coil	4.37 million tons	12%
Cold-rolled coil	1.23 million tons	1%
Coated coil	715,000 tons	-2%
Direct-reduced iron	17.69 million tons	20%
Iran's steel exports, 21 March to 22 September 2022		
Semi-finished steel	2.93 million tons	-16%
Billet and bloom	2.19 million tons	-6%
Slab	744,000 tons	-36%
Finished steel products 1.42 million	-12%	
Rebar	1.13 million tons	-1%
Beam	56,000 tons	-18%
L-beam, T-beam and other types	66,000 tons	-28%
Hot-rolled coil	112,000 tons	-53%
Cold-rolled coil	11,000 tons	10%
Coated coil	41,000 tons	-32%
Direct-reduced iron	312,000	-54%.
Iran's steel imports, 21 March to 22 September 2022		
Finished steel	310,000 tons	-15%
HRC	152,000 tons	145%
CRC	72,000 tons	-59%
Coated coil	86,000	- 30%
Beam	6,000 tons	-33% YOY
L-beam, T-beam and other types	17,000 tons	-32%
Rebar	18,000 tons	6%
Semi-finished steel products	1,000 tons	-67%
Slab	1,000 tons	Unchanged
DRI	0	0
Iranian Steel Producers Association		

Iran auto manufacture increases by 6%

As per Ministry of Industry, Mine and Trade, Iranian automakers produced 516,206 vehicles during the first six months of current Iranian year 1401 (21 March to 22 September 2022) up 6% YOY. Please see below:

Iranian auto production 21 March to 22 September 2022		
Subject	Quantity	% change
Total production	516,206	6

Passenger cars	446,564	1
Pickup trucks	51,340	45
Van	1,386	583
Minibuses and middle-buses	476	
Buses	524	
Trucks and tractors	12,916	

Iran's agricultural output stands at 57.5 million metric tons

As per data released by Statistical Center of Iran, Iran's agricultural output during 2021-22 was 57.5 million metric tons (mt) from around 12 million hectares of farmland. Wheat, barley, alfalfa, rice and beans comprised 86% of the total output. Please see below:

Iran's selected agricultural output 2021-22	
Subject	Quantity (million metric tons)
Total output	57.5
Wheat	10.4
Barley	3.0
Rice	1.8
Sugarcane	7.8
Statistical Center of Iran (SCI)	

Iran cuts back on grain imports

According to figures released by Iran's Government Trading Corporation (GTC), Iran has cut back on imports of grains amid rising inventories boosted by a higher domestic crop. Iran had imported 3.117 million metric tons (mt) of basic goods, mostly grains, in the first six months of the current Iranian calendar year a decrease of 29% YOY.

Project for transferring water to three provinces to be completed in 2024

Khorasan Razavi Regional Water Company Managing Director Alireza Taheri said that the first phase of 1,530 km water pipeline project designed to transfer water from the Sea of Oman to the three provinces of Sistan-Baluchestan, South Khorasan and Khorasan Razavi will be completed in 2024. An estimated 700 million cubic meters of freshwater

will be supplied annually to the three provinces for drinking and industrial use after the completion of the project. He said that the project has achieved 10% progress.

IMF projects Iran to grow by 3% in 2022

In its latest report on World Economic Outlook, IMF predicted a growth of 3% for Iran's economy in 2022. The report had predicted Iran's inflation rate at 40.1% in 2021 and the doubling of Iran's balance of its current accounts in 2022. Earlier this week, World Bank also predicted a growth of 2.9% for Iranian economy in 2022.

Iran's gas production increases to 4 billion cubic meters in six months

Deputy Manager at the National Iranian Gas Company Ahmad Zamani said that the natural gas production in Iran witnessed a growth of 4 billion cubic meters in the first six month of the current Iranian year (22 March -23 Sept) as compared to the same period of previous year. He added that the state-run company has injected close to 158 bcm of gas into the Iran Gas Trunkline during the period, up by 4% compared to 2021. He said that despite the rise in output, it is predicted that consumption level will shoot up by at least 6% between October and February 2023.

Trade, Investment and Infrastructure

Iran's non-oil foreign trade increases to \$60.133 billion

Iran traded 81.03 million tons of non-oil products valued at \$60.133 billion during the first seven months of current Iranian year 1401 (21 March to 22 October 2022), up 38% YOY. Please see below:

Iran's non-oil foreign trade 21 March to 22 October 2022				
Subject	Weight	Value	Main trade partners	Main traded goods
Total trade	1.03 million tons	\$60.133 billion (up 38%)		
Iran's exports	61.283 million tons	\$28.406 billion (up 5.6%)	China (\$9.181 billion) Iraq (\$4.029 billion) UAE (\$3.476 billion) Turkey (\$3.081 billion) India (\$1.098 billion)	Liquefied propane, methanol, liquefied butane, film-grade polyethylene, petroleum bitumen, LNG, urea, iron and steel ingots, light oils, petroleum products

Iran's imports	19.747 million tons	\$31.727 billion (down 15.7%)	UAE (\$9.435 billion) China (\$8.284 billion) Turkey (\$3.218 billion) India (\$1.695 billion) Germany (\$991 million)	Corn, rice, wheat, soybeans, cell phones, sunflower and safflower oil, tractors, unrefined sugar
Islamic Republic of Iran Customs Administration (IRICA)				

Iranian chamber of commerce signs three MOUs with Pakistan federation

Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA) and Federation of Pakistan Chambers of Commerce and Industries (FPCCI) signed three MOUs, which included forming a joint trade council and a mechanism to resolve trade disputes. The joint trade council is expected to work alongside Iran-Pakistan Joint Chamber of Commerce to help promote economic relations between Iran and Pakistan. ICCIMA President Gholam Hossein Shafei said that Iran can help Pakistan to overcome its energy deficits. He also called on Iranian and Pakistani banks to establish banking channels between the two countries to facilitate bilateral trade.

TPO and TCCIMA sign agreement to pursue PTA with Pakistan

Iran's Trade Promotion Organization (TPO) has signed a MOU with the Tehran Chamber of Commerce, Industries, Mines and Agriculture (TCCIMA) to pursue and develop Free Trade Agreement with Pakistan. Based on the MOU, TPO and TCCIMA are going to share their capabilities and development capacities to provide the basis for better identification of the Pakistani market and increase the export of Iranian goods to Pakistan. The MOU covers cooperation in preparation and formulation of laws and guidelines related to exports to Pakistan with the consultation and cooperation of TCCIMA, sending trade delegations to Pakistan, and also cooperation to create financial and banking channels between Iran and Pakistan.

Iran's non-oil trade with ECO increases to \$8.195 billion in six months

As per Islamic Republic of Iran Customs Administration (IRICA), Iran traded 10.671 million tons of non-oil goods valued at \$8.195 billion with member states of Economic Cooperation Organization (ECO) during the first six months of the current Iranian year 1401 (21 March to 22 September 2022) up by 13% YOY. Please see below:

Iran's non-oil trade with ECO member states 21 March to 22 September 2022
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Subject	Weight	Value	Main trade partners	Main traded goods
Total trade	10.671 million tons	\$8.195 billion	Turkey (\$5.3 billion, up 11.87%) Pakistan (\$1.05 billion, up 61.29%) Afghanistan (\$805.21 million, 19.91%).	
Iran's exports	8.56 million tons	\$4.827 billion	Turkey (\$2.62 billion, up 13.77%), Afghanistan (\$792.09 million, down 20.72%) Pakistan (\$560.72 million, up 3.05%)	
Iran's imports	2.1 million tons	\$3.368 billion	Turkey (\$2.68 billion, up 10.06%), Pakistan (\$493.91 million, up 350.15%), Kazakhstan (\$79.99 million, up 147.65%)	
Iran's non-oil trade with ECO 2021-22				
Total trade	23.723 million tons	\$11.71 billion	Turkey, Afghanistan, Pakistan	
Iran's exports	18.419 million tons	\$6.890 billion	Turkey, Afghanistan, Pakistan	Petroleum products, dairy products, foodstuff, fresh and dried fruits, juices and citrus fruits, carpets, saffron, fish, caviar, ornamental aquatic products, stones, construction equipment, clothing, industrial equipment, bags and shoes, medicine, health supplies, plastic products
Iran's imports	5.312 million tons	\$4.819 billion	Turkey, Pakistan, Uzbekistan	Basic goods, industrial machinery, raw materials for production, medical supplies and medicine
Source: Islamic Republic of Iran Customs Administration (IRICA)				

Iran's non-oil foreign trade Persian Gulf states increases to \$13.96 billion

As per Islamic Republic of Iran Customs Administration (IRICA), Iran traded 23.68 million tons of non-oil goods worth \$13.96 billion with the six Persian Gulf littoral states during the first six months of current Iranian year 1401 (21 March to 22 September 2022), down by 0.54% YOY. These states are Iraq, Kuwait, Qatar, the UAE, Bahrain and Saudi Arabia. Please see below:

Iran's non-oil trade with Persian Gulf littoral states, 21 March to 22 September 2022			
Subject	Weight	Value	Main trade partners
Total trade	23.68 million tons	\$13.96 billion (down 0.54%)	UAE (\$10.31 billion up 8.06%) Iraq (\$3.47 billion, down 19.98%) Kuwait (\$87.03 million, up 21.17%)
Iran's exports	18.41 million tons	\$6.64 billion (up 6.72%)	Iraq (\$3.38 billion, down 11.92%) UAE (\$3.11 billion, 38.72%) Kuwait (\$81.95 million, up 26.4%)
Iran's imports	5.27 million tons	\$7.32 billion (down 6.33%)	UAE (\$7.2 billion, down 1.35%) Iraq (\$90.05 million, down 81.96%) Qatar (\$20.5 million, up 248.1%)
Iran's non-oil trade with Persian Gulf littoral states, 2021-22			
Total trade	60.87 million tons	\$31.9 billion	
Iran's exports	45.43 million tons	\$14.15 billion	
Iran's imports	15.43 million tons	\$17.76 billion	
Islamic Republic of Iran Customs Administration (IRICA)			

Iran's non-oil trade with SCO increases to \$19.66 billion in six months

As per Islamic Republic of Iran Customs Administration (IRICA), Iran traded 24.51 million tons of non-oil goods valued at \$19.66 billion with member states of Shanghai Cooperation Organization (SCO) during the first six months of current Iranian year 1401 (21 March to 22 September 2022), up by 30.67% YOY. Please see below:

Iran's non-oil trade with SCO member states (21 March to 22 September 2022)			
Subject	Weight	Value	Main trading partners
Total trade	24.51 million tons	\$19.66 billion	China (\$14.68 billion up 26.51%) India (\$2.28 billion, up 60.19%) Russia (\$1.21 billion, 33.67%)
Iran's exports	19.61 million tons	\$9.92 billion (up 15.95%)	China (\$7.84 billion, up 19.39%) India (\$904.12 million, up 8.94%)

			Pakistan (\$560.72 million, up 3.05%)
Iran's imports	4.89 million tons	\$9.74 billion (up 50.09%)	China (\$6.84 billion, up 35.79%) India (\$1.37 billion, up 131.55%) Russia (\$876.1 million, up 37.19%)
Iran's non-oil trade with SCO member states, 2021-22			
Total trade	54.86 million tons	\$37.17 billion (up 33%)	
Iran's exports	45.35 million ton	\$20.6 billion (up 41%)	China (\$14.32 billion, up 58%) Afghanistan (\$1.84 billion, down 20%) India (\$1.82 billion, up 42%)
Iran's imports	9.51 million tons	\$16.57 billion (up 24%)	China (\$12.74 billion, up 29%) Russia (\$1.67 billion, up 56%) India (\$1.58 billion, down 26%)
Islamic Republic of Iran Customs Administration (IRICA)			

Iran's non-oil trade with Africa increases to \$761.5 million in six months

Iran Customs Administration Spokesman Ruhollah Latifi said that Iran traded 1.437 million tons of non-oil goods valued at \$761.5 million with African countries during the first six months of current Iranian year 1401 (21 March to 22 September 2022), up by 27% YOY. He provided the following statistics:

Iran's non-oil trade with African countries 21 March to 22 September 2022			
Subject	Weight	Value	Main trading partners
Total trade	1.437 million tons	\$761.5 million	
Iran's exports	1.382 million tons	\$710 million (up 24%)	Tanzania, Kenya, South Africa, Ghana, Congo, Seychelles, Egypt
Iran's imports	56,000 tons	\$52 million (up 90%)	South Africa, Mozambique, Nigeria, Ghana, Ivory Coast, Kenya, Tanzania
Deputy Chairman of the Iran-Africa Business Club Ruhollah Latifi			

Iran's non-oil trade with African states 2021-22			
Subject	Value	Main trade partners	Main traded partners
Total trade			
Iran's exports	\$1.19 billion (up 107%)	Ghana (\$353 million) South Africa (\$254 million) Nigeria (\$125 million) Mozambique (\$98 million)	Iron and steel ingots, urea, liquid butane and propane, floorings, iron and steel profiles, and construction materials

		Kenya (\$77 million)	
Iran's imports	\$60 million (down 37%)	Tanzania, Ghana, Ethiopia, South Africa, Kenya	Not mentioned
Trade Promotion Organization (TPO)			

Iran's non-oil trade with OIC increases to \$21.01 billion in five months

As per Islamic Republic of Iran Customs Administration (IRICA), Iran traded 33.67 million tons of non-oil trade valued at \$21.01 billion with Organization of Islamic Cooperation (OIC) member states during the first five months of current Iranian year 1401 (21 March to 22 August 2022) up by 18.93% YOY. Please see below:

Iran's non-oil trade with OIC member states 21 March to 22 August 2022			
Subject	Weight	Value	Main trading partners
Total trade	33.67 million tons	\$21.01 billion (up 18.93%)	UAE (\$8.85 billion) Turkey (\$4.49 billion, up 46.53%) Iraq (\$3.03 billion, down 11.98%)
Iran's exports	26.58 million tons	\$11.39 billion (up 25.07%)	Iraq (\$2.96 billion down 8.05%) UAE (\$2.78 billion, up 57.24%) Turkey (\$2.32 billion, up 102.62%)
Iran's imports	7.08 million tons	\$9.62 billion (up 12.4%)	UAE (\$6.07 billion, up 7.41%) Turkey (\$2.16 billion, up 12.93%) Pakistan (\$429.33 million, up 216.11%)

92% of Iran's exports to China are oil products

Iran-China Joint Chamber of Commerce Chairman Majid Reza Hariri said that 92% of Iran's exports to China are oil products that the government pursues and the remaining 8% is non oil exports including carpet, dried fruits, saffron and handicrafts carried out by the private sector. He said that Iran is a good market for Chinese cars and lifting ban on imports of cars in Iran will provide good ground for Chinese cars to roll in Iran's market.

Government grants permits to 24 companies to import automobiles

Deputy Minister of Industry, Mine and Trade Manouchehr Manteqi on 26 October said that 24 Iranian private companies have been granted licenses to import automobiles and 90,000 cars are going to be imported by the end of the current Iranian year (March 20,

2023). He added that 380 requests have been submitted by the importing companies to the ministry, among which 24 firms have been selected.

Transit of goods through road increases by 38% in six months

Deputy Minister of Roads and Development and Head of Iran Road Maintenance and Transportation Organization Dariyush Amani said that transit of goods through Iranian roads network increased by 12.834 million tons during the first six months of current Iranian year 1401 (21 March to 22 September 2022), up by 38% YOY. He said that Iran's 26 border terminals with its 15 neighboring countries provide good opportunity for Iran to increase transit of goods through its roads by as much as 80%.

Iran's textile exports increase by 12% in six months

Deputy Minister of Industry, Mine and Trade Mohammad-Mehdi Baradaran said that Iran's textile exports during the first six months of current Iranian year 1401 (21 March to 22 September 2022) increased by 12% YOY in terms of weight. He said that the increase in production is a direct result of an agreement between Textile Industries Association and National Petrochemical Company (NPC), under which NPC would provide raw materials needed by Iranian textile companies to increase their production of clothing and garments. The arrangement is expected to facilitate reduction of the price of yarn. He said that a number of garments production units have increased their workforce by 20% in the current Iranian year 1401 (2021-22).

Amirabad Port handles 1.56 million tons of goods

Director of Amirabad Ports and Maritime Organization Mohammad Ali Asl-Saeedipour said that Amirabad Port (Mazandaran Province) handled 1.56 million tons of goods during the first six months of current Iranian year 1401 (21 March to 22 September 2022) up by 4% YOY. He noted that the port accounted for 58% of total loading and unloading in Iran's northern ports. He added that container loading and unloading of the port stood at 2,483 TEUs, up by 57% YOY. Mazandarn Province has three ports: Amirabad, Noshahr and Fereydounkenar.

SAIPA unveils flagship vehicle

SAIPA unveiled its flagship vehicle "Shahin Connect" at the SAIPA Research and Innovation Center during the Future Cars 2 event held in Tehran on 19 October 2022. The vehicle is jointly developed by SAIPA and Irancell. SAIPA claims that the vehicle

has the highest level of technology to connect to rescue & emergency centers in case of an accident or needing repairs. The unveiling ceremony was attended by Deputy Minister of Industry, Mine and Trade Manouchehr Manteqi, Iran Khodro CEO Mehdi Khatibi, SAIPA Automotive Group CEO Mohammad Ali Teymouri, Iran Standard & Quality Inspection Company CEO Saeed Tajik, and Vice-Presidency for Science and Technology's Director for Automotive Group of Advanced Transportation Headquarters Shahriar Zaini.

RZD in talks with Azerbaijan and Iran about Rasht-Astara railway section

On the sidelines of international export forum "Made in Russia" held at Moscow, Russian Railways First Deputy Managing Director Sergei Pavlov said that Russian Railways Holding (RZD) is negotiating with representatives of Azerbaijan and Iran on the completion of the construction of the railway section Rasht (Iran) - Astara (Iran). Pavlov stressed that RZD together with RZD Logistics are already using the Rash-Astara route as part of multimodal transportation.

Iran and Russia sign agreement for exporting turbines

Head of Iranian Gas Engineering and Development Company (IGEDC) Reza Noshadi said that Iran and Russia have signed an agreement under which Iran will export 40 home-made turbines to Russia. He added that the Iran is currently capable of producing 85% of the equipment needed in the gas business on its own.

Iran collaborating with Russia for bartering petroleum products

Minister of Petroleum Javad Oji on 11 October 2022 said that Iran has started collaborating with some Russian companies for bartering and swapping petroleum products in the Caspian Sea region. According to the minister, Iran has the capacity to export, barter, and swap 10 million tons of such products with Russia.

Iran's exports to Iraq grows by 8% in five months

Iran-Iraq Chamber of Commerce Chairman Jahanbakhsh Sanjabi-Shirazi said that Iran's exports to Iraq reached 8.66 million tons worth \$2.96 billion during the first five months of the current Iranian year 1401 (21 March to 22 August 2022), up by 8% YOY. He explained that after the abolition of import subsidies, the price of Iranian goods rose above global prices, and the first reaction of buyers was to resist and decline to buy Iranian goods.

Iran and Turkey agree on gas exports

Director for Dispatching Department at National Iranian Gas Company (NIGC) Mohammadreza Jolaei said that the organization has reached a new agreement with Turkey's state-owned BOTAS Petroleum Pipeline Corporation for exporting Iranian gas to Turkey. He said that all technical, operational and executive measures for exporting Iranian gas to neighboring Turkey will be finalized within the next six months. Iran is Turkey's second-biggest supplier of natural gas after Russia. Tehran sells about 10 billion cubic meters a year of gas under a 25-year supply deal to Turkey which it uses for electricity generation. The gas exports are carried out via a 2,577 km (1,601 miles) pipeline running from Tabriz to Ankara. Earlier Minister of Petroleum Javad Owji visited Turkey to negotiate the extension of a 25-year gas export deal between Iran and Turkey. Iran and Turkey signed in 2001 a 25-year agreement under which Iran would export around 10 billion cubic meters of gas per year to Turkey.

Iran starts processing crude oil in Venezuela

Minister of Petroleum Javad Owji on 17 October 2022 said that Iran had started processing some 100,000 barrels per day (bpd) of crude produced in Iranian oilfields in Venezuela's El Palito refinery. He added that the refinery in Venezuela is just the beginning of a comprehensive plan based on which Iran will build such refineries in other friendly countries as well. Iran has signed a 116-million-U.S. dollar contract with Venezuelan state oil firm PDVSA in May to repair and expand the refinery. Iran has also been swapping Venezuelan heavy oil and other commodities for gasoline, condensate, refinery parts, and technical assistance while providing the country with lighter oil to be used as diluent. In total, Venezuela has received this year over 24 million barrels of Iranian crude and provided 21 million barrels under the swap agreement that was expanded earlier this year.

Iran calls on EAEU to collaborate on energy infrastructure

Speaking at the Russian Energy Week International Forum (REW) in Moscow, Iranian Deputy Minister of Petroleum for International Affairs Ahmad Asadzadeh has called on the members of the Eurasian Economic Union (EAEU) to collaborate on developing energy infrastructure in order to expand ties. He presented some proposals such as the formation of energy consortia, the creation of a joint investment fund, etc., to strengthen the strategic ties among the countries of this region. On the sidelines of the forum, Asadzadeh held bilateral meetings with Russian Energy Minister Nikolay Shulginov,

head of Gazprom Neft Company and some energy ministers and company representatives attending REW.

Iran's tea exports increase by 39% in six months

As per the Islamic Republic of Iran Customs Administration (IRICA) the value of Iran's tea export rose by 39% in the first half of the current Iranian calendar year, as compared to the first half of the past year. The United Arab Emirates (UAE) was the top importer of Iranian tea in the mentioned year, buying 8,304 tons of tea worth over \$8.774 million. Turkey with 2,904 tons worth \$3.537 million of imports, Russia with 2,598 tons worth over \$3.092 million, India with 2,538 tons worth \$2.371 million, and Iraq with the purchase of 2,195 tons worth \$1.998 million worth of tea, were the next four export destinations for the said commodity.

Iran and EAEU expected to agree on free trade zone in 2023

Russian Economic Development Minister Maxim Reshetnikov said that the Eurasian Economic Union (EAEU) and Iran are expected to arrive at a full-fledged agreement on creating a free trade zone in 2023. He said that Iran and EAEU have held five rounds of negotiations so far, adding that the two sides will arrive at a permanent agreement on a free trade zone next year with a fundamentally broader reach and depth. He recalled that EAEU countries and Iran now have a temporary agreement to work on forming a free trade zone. The temporary agreement was signed in 2018 and was initially set to expire in October of this year, but at the end of 2021 the Supreme Eurasian Economic Council approved its extension for three years or until a permanent agreement goes into effect.

Iran's export of home appliances reaches \$175 million

Association of Home Appliance Manufacturers (AHAM) Secretary General Abbas Hashemi said that Iran's home appliance exports during the first five months of current Iranian year 1401 (21 March to 22 August 2022) were \$175 million, mainly to regional countries. He added that Iran's manufactured about 6.74 million home appliances during the said period, up 7.56% YOY.

Government to cede 5,000 mines in next three months

Minister of Industry, Mine and Trade Reza Fatemi-Amin told reporters that the government will hand over 5,000 state-owned mines to the private sector through tender in the next three months. He noted that production of mining machinery has remained a major challenge for Iran. Iran

faces shortage of mining machineries which has made the available machines too expensive to purchase and rent. There are more than 15,000 mining machines, which are over 20 years old, in the fleet of mining industries of the country, which need renovation and replacement. Experts believe that the challenges of the mining sector are 44% related to laws and the lack of a long and clear mining strategy, 33% are related to mismanagement and problems of miners, 13% to environmental and natural resources problems, and 10% are related to international problems.

Iran faces shortage of some pharmaceutical products

Deputy President of Iranian Pharmaceutical Importers Association Mojtaba Bourbour said that there is shortage of certain pharmaceutical products, such as serums in the market. He explained that shortage of certain pharmaceutical products is due to low profit margin. He said that prices of pharmaceutical products should increase sufficiently enough to reflect market reality in Iran, especially as the government has removed the preferential foreign exchange rate of 42,000 rials to the USD. He said that domestic consumption of medicines have dropped by 10% because prices of medicines have gone up. Iranian news outlets quoted him on 1 February 2022 that, Iran imports about 80% to 90% of needed raw materials from China and India. He said that there is no precise data on the amount of the imports of drugs packaged, but unofficial figures indicate Iran's pharmaceutical imports have decreased by \$400 million to about \$700 million since last year. He added that most of Iran's imports of packaged medicines are from the United States and European countries, followed by India and Turkey.

India and Iran

Chabahar Port

PMO in talks to find new operator for Chabahar

Managing Director of Ports and Maritime Organization (PMO) Ali Akbar Safaei said that the organization is in talks with other countries for finding the new operator for the Chabahar Port and China, Uzbekistan, Kazakhstan and Russia have shown interest to invest in Chabahar Port. However, he added that the process of investment is long and negotiations for investments need more time for its fruition. He said that the loading and unloading of goods at the Chabahar port has increased by 29 % in the first half of the present Iranian calendar year (March 21-September 22), as compared to the same period of time in the past year,

India and Iran successfully conclude first pilot of TIR transport

India and Iran successfully concluded the first pilot of a fully digital intermodal TIR transport. The container was released within a day after arriving at Iran's Bandar Abbas port from Indian port of Nava Shiva, which would have otherwise taken up to five days. The transport took place along the International North-South Transport Corridor (INSTC). TIR the global transit system that enables goods to be shipped from a country of origin, through transit countries, to a country of destination in sealed load compartments that are controlled by customs via a multilateral, mutually recognized system.

Russian train carrying cargo for India enters Iran

Deputy Minister of Roads and Urban Development and President of Islamic Republic of Iran Railways Miad Salehi said that the second Russian freight train carrying 37-containers cargo headed for India has entered Iran from the northeastern Sarakhs border and is currently heading towards Bandar Abbas. Starting from Russia, the train travelled more than 4,000 kilometers through Kazakhstan and Turkmenistan to reach Sarakhs in Iran's Khorasan Razavi Province. The freight train passed the route of Russia-Kazakhstan-Turkmenistan into Iran and will cover another 1,600 kilometers across the International North South Transit Corridor (INSTC) inside Iran. After arriving in Bandar Abbas, it will be shipped to India. Iran and Russia have agreed on details of their plan to transit 10 million tons of goods along the INSTC.

Trends in Bilateral trade and investment

i. Bilateral Trade (in million USD)

	Export	Import	Total	Exports % Change	Imports % Change
Iran's monthly non-oil trade with India (August 2022) Source: DoC, India	45.82	141.23	187.05	81.03	97.29
Iran's cumulative non-oil trade with India (April to August 2022) Source: DoC, India	239.29	874.46	1,113.75	35.33	60.82
Iran's non-oil global trade (September 2022) Source: Islamic Republic of Iran Customs Administration	3,327	4,366	7,693	-39.06	-15.63
Iran's cumulative non-oil global trade (April to September 2022) Source: Islamic Republic of Iran Customs Administration	24,251	26,031	50,282	11.21	12.58

ii. India's top 10 exports to Iran (in million USD)

SI No.	Commodity (HS code)	Period	Total (mn \$)	% Growth	% share in total export
1	Basmati Rice (10063020)	August 2022	83.49	172.64	59.11
2	Tea black in pckt>3kg but<= 20 kg (09024010)	August 2022	5.34	-41.78	3.78
3	Tea black, leaf in bulk (09024020)	August 2022	3.94	914.65	2.78
4	Rice parboiled (10063010)	August 2022	3.28	321.64	2.32
5	Soft drink other than sharbat (21069019)	August 2022	2.13	130.81	1.50

SI No.	Commodity (HS code)	Period	Total (mn \$)	% Growth	% share in total export
6	Boneless meat of bovine animals, frozen (02023000)	August 2022	2.06	193.32	1.45
7	Other cane sugar excluding those specified in Note 2 (17011490)	August 2022	1.80	696.19	1.27
9	Bengal gram (desi chana) (07132020)	August 2022	1.46	521.91	1.03
9	Other parts and accessories of vehicles of heading 8701-8705	August 2022	1.34	12,228.44	0.94
10	Other mixture of odoriferous substances of a kind used in food/drink industries (33021090)	August 2022	1.31	-45.58	0.92

Source: Department of Commerce, India

iii. Iran's top 10 imports from the World (in million USD)

SI No.	Commodity	HS Code	Period	Total	% share in total import
1	Sunflower seed oil, safflower oil or false saffron (Carthame), raw	15121100	September 2022	165.88	3.79
2	Soya	12019010	September 2022	152.60	3.49
3	Rice	10063020	September 2022	122.07	2.79
4	Wheat	10019920	September 2022	103.08	2.36
5	Crude oil	15071000	September 2022	92.04	2.10
6	Road tractors for semi-trailers	28182000	September 2022	90.19	2.06
7	Animal corn	10059010	September 2022	80.58	1.84
8	Bananas	08031000	September 2022	26.01	0.59
9	Aluminium, oxide, artificial	87012000	September 2022	20.18	0.46
10	Mobile phone	85171210	September	14.10	0.32

SI No.	Commodity	HS Code	Period	Total	% share in total import
			2022		

iv. India's top 10 imports from Iran (in million USD)

SI No.	Commodity (HS code)	Period	Total (mn \$)	Percentage Growth (%)	% share in total Export
1	Saturated Methanol (methyl alcohol) (29051100)	August 2022	12.29	210.91	5.13
2	Liquified butanes (27111300)	August 2022	5.62	-	2.34
3	Toluene (29023000)	August 2022	5.21	-	2.17
4	Liquified propane (27111200)	August 2022	4.00	-	1.67
5	Other aromatic hydrocarbon mixtures of which 65% or more by value (including losses) distills at 240 degrees C by ISO 3405 (ASTM D 86 method) (27075000)	August 2022	3.70	-	1.54
6	Petroleum bitumen (27132000)	August 2022	3.69	-	1.54
7	1,2 Dichloromethane (ethylne dichloride) (29031500)	August 2022	2.60	-	1.08
8	Shelled almonds fresh or dried (08021200)	August 2022	1.42	-49.19	0.59
9	Dry dates soft, khayzur or wet dates (08041020)	August 2022	1.04	69.17	0.43
10	Natural gypsum and anhydrite (25201010)	August 2022	1.03	-	0.43

Source: Department of Commerce, India

v. Iran's top 10 exports to world (in million USD)

SI No.	Commodity	HS Code	Period	Total	% share in total export
1	Liquified: Propane	27111290	September 2022	396.05	11.90

SI No.	Commodity	HS Code	Period	Total	% share in total export
2	Other liquefied butane	27111390	September 2022	252.10	7.57
3	Iron and non-alloy ingot	72061000	September 2022	168.07	5.05
4	Petroleum, bitumen	27132000	September 2022	157.79	4.74
5	Light, oils, preparations	27101290	September 2022	132.33	3.97
6	Methanol	29051100	September 2022	124.04	3.72
7	Polyethylene film grade with a specific weight (density) of 94% or more	39012020	September 2022	111.47	3.35
8	Lubricating oils and other heavy oils and preparations n.e.s., containing by weight >= 70% of petroleum oils	27101990	September 2022	104.84	3.15
9	LNG	27111190	September 2022	43.58	1.30
10	Other: Urea, whether or not in aqueous solution	31021000	September 2022	31.35	0.94

Sources: Iranian Customs Administration, TPO and Iranian news outlets.

vi. Top 5 Competitors of India's top exports

SI No.	Commodity (including HS codes)	Competitors	Strategy of competitors (pricing, quality, distribution network, local tie ups etc)
1	Rice (1006)	Pakistan, Thailand	As of now India dominates the Iran rice market. But due to price and small size of grain share of Pakistani rice is increasing. Thailand rice are cheaper compared to India rice.
2	Bananas (08039010)	Turkey, Philippines	Pricing, quality
3	Tea (0902)	Sri Lanka, Kenya	Pricing, distribution network, branding and

Sl No.	Commodity (including HS codes)	Competitors	Strategy of competitors (pricing, quality, distribution network, local tie ups etc)
			local tie up
4	Dried leguminous vegetables (0713)	Turkey, Russia	Pricing, quality, distribution network
5	Dish washing machines; machinery for cleaning or drying bottles or other containers; machinery for filling	China, Turkey	Pricing, quality, distribution network

vii. Potential products of exports for India

Sl No.	HS Codes	Description	Rationale
1	98870312	C.K.D. Parts for manufacturing motor vehicles of domestic manufacture	These are amongst the top import items in Iran with high percentage of growth which can be capitalized by Indian exporters
2	300220	Vaccines for human medicine	
3	230400	Oil-cake and other solid residues whether or not ground or in the form of pellets, resulting from the extraction of soyabean oil	

Market Access

- i. Alerts on tariff changes, non-tariff barriers (SPS/TBT measures, import and export procedures/restrictions/prohibitions/licensing etc); trade policy developments:

Sl No.	Notification no. and dated or other references	Details	Effective from
1	NA		

- ii. Alerts on Trade Defense Measures taken by Iran (safeguards including special safeguards, antidumping, CVD or Anti-subsidy)

Sl No.	Notification no. and dated or other references	Details of products/sectors affected (including HS codes)	Effective from
	NA		

iii. Feedback on major trade fairs/BSM including Indian participation (whether or not supported by MAI funds)

SI No.	Particulars of trade Fair, dates etc	Number of participants from India	List of Large participants	Feedback received
1	7th Int'l Exhibition on Pharmaceuticals and Related Industries IRANPHARMA EXPO 2022 was held at Tehran from 10-12 October 2022. 26 leading Indian companies in the field of Pharmaceutical sector participated in the exhibition. Counsellor (E&C) and Second Secretary (Commerce) inaugurated the Indian pavilion and interacted with the representatives of Indian companies.	26 Indian companies in the field of Pharmaceutical sector participated in the exhibition.		Overall positive

iv. Total trade enquiries received

Sr.	Month	Enquiries received
1.	April 2022	37
2.	May 2022	52
3.	June 2022	69
4.	July 2022	70
5.	August 2022	74
6.	September 2022	72

7.	October	54
Total		428