



सत्यमेव जयते
Embassy of India
Tehran



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MONTHLY COMMERCIAL REPORT

Important news reports related to Iran

Bilateral Trade

1) Iran seeking Indian investments in Free Zones

According to reports, the Secretary of Iran's Free Zones High Council, Hojatollah Abdolmaleki who's on a visit to India, on 11 December 2023 held a meeting with representatives of a major Indian steel companies. During the talks, he invited Indian investments in Iran's free zones, highlighting the advantageous production costs, business environment, and infrastructure. He also outlined 10 strategies to boost investment and exports in Iran's free zones, focusing on collaboration, logistics development, international agreements, and financial cooperation.

2) Iran launches projects worth \$80m in Chabahar Port

According to reports, the Iranian Minister of Transport and Urban Development, Mehrdad Bazrpash on 25 December 2023 inaugurated five infrastructure projects in the southeastern Chabahar Port, with a total investment of approximately \$80 million (40 trillion rials). The projects include the second phase of a 100,000-ton grain silo, a 25-megawatt power plant, a water desalination plant with a capacity of 5,000 cubic meters, a storage warehouse with a capacity of 734,000 tons, a multi-purpose cargo support terminal with an annual capacity of 296,000 tons, and a container support service terminal with an annual capacity of 50,000 TEU.

Iran's Economy

1) Iran's GDP growth stands at 4.7% in six months: CBI

According to the latest report released by the Central Bank of Iran (CBI), Iran's GDP (including oil) increased by 4.7% YoY during the first six months (March – September 2023) of the current Iranian calendar year. The growth rate stood at 3.6% YoY when excluding oil. The report attributes this growth to the services and manufacturing sectors, with even the sanctioned oil sector experiencing growth due to tighter global oil markets.

2) Iranians' per capita income increases by 3% in 2022: WB

According to a latest report released by the World Bank (WB), Iran experienced a 3% growth in its per capita income (PCI) in the year 2022, ranking it 61st among 123 surveyed countries in terms of PCI. As per the report, Iranians' per capita income reached \$5,499 in the year 2022.

3) Iran's economy grew by 7.1% in 2nd quarter: Minister

The Iranian Minister of Economic and Financial Affairs, Ehsan Khandouzi on 19 December 2023 said that the Iran's economy exhibited a 7.1% YoY growth in the 2nd quarter (July -September, 2023). He added that the non-oil sector experienced a growth of 4.2%. He further highlighted a decrease in the unemployment rate to 9%. In a reference to current administration's efforts to control inflation he added that the point-to-point consumer inflation rate dropped from 55% in April to 39% in November.

4) Annual passenger count on Iranian Railways expected to reach 30 million by March 2024

The Head of the Islamic Republic of Iran Railways (RAI), Miad Salehi said that approximately 21.6 million passengers were transported in the first eight months (March - November) of the current Iranian calendar year, reflecting an increase of 10% YoY. He added that close to 30 million passengers are anticipated to be transported by the end of the current year (March 2024). He also highlighted the potential export of domestically produced freight wagons to other countries and cited a 48% YoY increase in production of the wagons in the current year.

5) Average daily gasoline consumption in Iran increases by 13% YoY

The Managing Director of the National Iranian Oil Products Distribution Company (NIOPDC), Jafar Salari-Nasab, on 01 December 2023 said that the average daily gasoline consumption in Iran has reached approximately 110 million liters in the current Iranian calendar year, representing an increase of 13% YoY.

Foreign Trade, Investment and Infrastructure

1) Value of Iran's foreign trade increases by 7% YoY in 9 months

The Iranian Minister of Economic Affairs and Finance, Ehsan Khandouzi on 26 December 2023 stated that Iran's foreign trade has increased by 7% YoY in the first nine months (March – December, 2023) of the current Iranian calendar year reaching \$112 billion. He also added that for the first time, the IRICA has included exports of oil, electricity, and technical and engineering services in the monthly foreign trade report. He further added that during this period, Iran's exports surpassed its imports by \$15 billion where Iranian exports of oil and non-oil products stood at \$63 billion.

2) Iran's annual agricultural exports stand at around \$6 billion: Official

The Iranian Deputy Minister of Agriculture for Horticultural Affairs, Mohammad Mahdi Boroumandi, on 17 December 2023 said that Iran is annually exporting agricultural products worth \$6 billion, in addition to meeting domestic demands. He further added that horticultural products contribute half of the \$6 billion in annual agricultural exports.

3) Iran's income from crude oil sales reach \$3.7 billion in 7 months

According to the a latest report by Majlis Research Center, Iran earned approximately \$3.7 billion from the sales of crude oil and gas condensate in the first seven months of the current Iranian calendar year (21 March - 22 October, 2023). As per the report, based on the current trend, the Iran's oil revenues are expected to reach approximately \$8.74 billion by the end of the year (March 2024), accounting for only 72% of the anticipated \$12.06 billion as per the budget for current Iranian calendar year.

4) Iran's South Pars refineries earning \$130 million daily: Reports

According to media reports, the 13 refineries in Iran's South Pars Gas Field are collectively generating an approximate \$130 million daily. These refineries, are operating within the Pars Special Economic Energy Zone, which consists of 29 platforms and 336 wells. Further as per report, the field produces over 705 million cubic meters of gas daily, with each refinery contributing around 50 million cubic meters of sweet gas and 77,000 barrels of gas condensates. Additionally, the refineries produce sulfur, butane, propane, and other products. Reports further suggested that the daily earnings for each refinery amount to around \$10 million, resulting in an annual revenue of \$3.5 billion.

5) PMO attracts \$1.4 billion in investments: Deputy Head, PMO

The Deputy Head of Iran's Ports and Maritime Organization (PMO) Jalil Eslami, on 13 December 2023 said that PMO has managed to attract \$1.4 billion in foreign and domestic investment for the country's ports. He added that out of this amount, \$400 million is sourced from the domestic private sector, while the remaining was supplied by foreign investors. He further added that Iran has successfully increased its port capacity in recent years, with capacity increasing from 180 million tons in 2014 to 250 million tons in 2021.

6) Iran to offer 18 billion worth of investment packages in free trade, special economic zones

The Secretary of Iran's Free Zones High Council, Hojatollah Abdolmaleki, on 05 December 2023 stated that Iran has prepared 1,000 investment packages valued at approximately \$18 billion for presentation to investors in the country's free and special economic zones. He added that these packages aim to showcase investment opportunities and advantages within these zones to international economic operators. He further added that over 370 trillion rials (approximately \$740 million) has been attracted in investments within these zones in the current Iranian calendar year.

7) Iran's trade with its neighboring countries reaches \$38.6 billion in eight months: IRICA

According to the latest data released by the Islamic Republic of Iran Customs Administration (IRICA), the value of Iran's trade with its 15 neighboring countries, registered an increase of 11.42% YoY in the first eight months (21 March – 21 November 2023) of the current Iranian calendar year and stood at \$38.6 billion. During this period, Iran's exports stood at 18.38 billion while it imported goods worth \$20.24 billion from them.

8) Iran and EAEU sign FTA in Russia

According to reports, Iran and the Eurasian Economic Union (EAEU) on 25 December 2023 signed a Free Trade Agreement (FTA) at St. Petersburg, Russia. The Iranian Minister of Industry, Mine, and Trade Abbas Aliabadi and Chairman of the Eurasian Economic Commission's Board, Mikhail Myasnikov, signed the document for their respective sides. As per the report, Deputy Prime Ministers from the EAEU member states—Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan also signed the FTA.

Reports further suggest that the FTA will not come into effect until it has been ratified by the parliaments of the six participating countries. Once in force, the FTA stipulates lifting of tariffs on 87% of goods traded between Iran and the EAEU.

9) Value of gas exports from Iran increases by 139% YoY in 7 months: TPOI

According to the latest statistics released by the Trade Promotion Organization of Iran (TPOI), the value of gas exports from Iran registered an increase of 139% YoY in the first seven months (March – October 2023) of the current Iranian calendar year and reached approximately \$2 billion. In terms of volume, Iran exported 7.55 million tons of gas, registering an increase of 115% YoY. Further as per the data, the price per ton of Iranian gas also increased by 11%, from \$304 in 2022 to \$336 in 2023.

10) Iran imported over 4,000 vehicles in 9 months: IRICA

According to the latest data released by the Islamic Republic of Iran Customs Administration (IRICA), Iran imported a total of 4,386 passenger cars worth \$86.478 million in the first nine months (March – November 2023) of the current Iranian calendar year. As per the data during the corresponding period in the last calendar year, Iran imported only 247 passenger cars valued at \$7.513 million.

11) Iran aims to build 7000 EV charging stations in coming years in Tehran

The Mayor of Tehran, Alireza Zakani said that plans are underway to launch 7,000 electric vehicle (EV) charging stations in the city within the next few years, with a significant portion expected to be operational by the end of the current calendar year in March 2024. He added that Tehran Municipality and the Iranian Ministry of Industry, Mine and Trade have agreed to finish the installation of around 5,000 EV charging stations in the city by March 2025. Presently, 170 EV charging stations are already operational in various parts of Tehran.

12) Iran, China to jointly produce electric vehicles: Deputy Minister

The Iranian Deputy Minister of Industry, Mine, and Trade for Transportation Affairs, Manouchehr Manteqi on 16 December 2023 said that six Iranian automakers, including SAIPA Automotive Group and Iran Khodro Industrial Group (IKCO), will collaborate with Chinese firms to produce electric cars under the 25-Year Strategic Partnership Plan. He added that the Iranian Ministry of Industry, Mine, and Trade has developed a comprehensive program to enhance the competitiveness of the electric car industry,

prioritizing fuel consumption reduction and addressing air pollution. The plan includes the establishment of charging stations in both urban and inter-city areas, with municipalities and automakers involved in their development.

13) Iran and Oman to launch PTA soon: Minister of Industry, Mine and Trade

The Iranian Minister of Industry, Mine and Trade said that Iran and Oman are set to initiate a Preferential Trade Agreement (PTA) aimed at boosting annual trade to \$3.5 billion. The Minister highlighted the objectives of facilitating trade, removing barriers, and reducing tariffs to enhance business interactions. He highlighted that the PTA has the potential to increase the bilateral trade to \$5 billion annually.

14) Iranian ports unload 79 million tons of goods in 8 months

According to the latest data released by Iran's Ports and Maritime Organization (PMO), the loading and unloading of non-oil products in the country's ports registered an increase of 7% YoY and stood at 79,698,472 tons during the first eight months of the current Iranian calendar year (March -November 2023). As per the data, container sector operations saw a growth of 3% YoY and reached 1,787,110 TEUs.

15) Volume of goods transit via rail transport between Iran and Azerbaijan increases by 47% YoY in 2023

The Deputy Prime Minister of the Republic of Azerbaijan Shahin Mustafayev had a telephonic conversation with Iran's Minister of Transport and Urban Development, Mehrdad Bazrpash on 23 December 2023. During the conversation, Mr Mustafayev stated that the volume of rail transport between Iran and Azerbaijan registered an increase of 47% YoY in 2023 and reached over 700,000 tons of goods in 2023. Both sides also laid emphasis on the need to expedite the finalization of joint projects, including the new transit route in the Astara border and collaborative dam initiatives.

16) Iran and Uzbekistan agree to reduce transit charges for trucks

Making a reference to his meeting with the Uzbek Deputy Minister of Transportation, Mamanbiy Omarov, the Iran's Deputy Minister of Roads and Rural Development, Shahriar Afandizadeh, on 05 December 2023, stated that Iran's cooperation with Uzbekistan and Turkmenistan will have a major impact on transit through the North-South and East-West corridors. He added that both nations are committed to enhancing

road cooperation and lowering truck fees domestically, and they have an agreement to hasten the process of doing so.

17) Iran's nine-month exports to China hit \$10.3 billion

Deputy Minister of Economic Affairs and Finance and also President of Islamic Republic of Iran Customs Administration Mohammad Rezvanifar said that Iran's exports to China during the first nine months of current Iranian year 1402 (21 March to 21 December 2023) stood at \$10.3 billion, up 62.07% YOY. China was the top export destination for the Iranian goods during the said period. He added that Iran's imports from China during the said period stood at \$13.7 billion, up 45.12% YOY. China ranked second among the import source countries for Iran during the nine months period.

18) Iran and Azerbaijan inaugurate new border bridge

Iran and Azerbaijan inaugurated a new vehicular bridge that connects Iran's northwestern city of Astara to the Azerbaijan's southeast city of Astara on 30 December 2023. Iranian Minister of Roads and Urban Development Mehrdad Bazrpash and Azerbaijan's Deputy Prime Minister Shahin Mustafayev attended the inauguration ceremony. The border bridge is 32 meters wide and 89 meters long. It completes a major section of an international highway that connects Iran's Rasht city to the Azerbaijan capital city Baku. The new bridge is the fifth border crossing between the two countries.

19) Central Asia countries' share of Iran non-oil foreign trade insignificant

Tehran Chamber of Commerce, Industries, Mines, and Agriculture (TCCIMA) says that Central Asian countries account for just 1% of Iran's non-oil foreign trade. Central Asian countries are Uzbekistan, Kazakhstan, Turkmenistan, Tajikistan and Kyrgyzstan. As per TCCIMA, Iran's trade with the five countries at around \$1.5 billion in 2022, up 8% YOY. TCCIMA further said that Iran's imports from Central Asia grew 26% in 2022 with its exports to the five countries rising 3%. The news item does not mention specifically Iran's imports from the Central Asian countries.

20) Isfahan-Muscat direct flights to be launched in January 2024

Isfahan Province's Airports Department Director General Abouzar Ziaie said on 30 December 2023 that direct flights between Iran's Isfahan city and Oman's capital city Muscat will start from 14 January 2024, at 14:00 local time in Iran. The flights are

scheduled for Sundays. Isfahan currently has direct flights to Iraq's Najaf and Baghdad, Kuwait City, Dubai, Isfahan and Tbilisi.

21) Iran and Qatar sign energy, trade co-operation document

During the ninth Iran-Qatar Joint Economic Committee meeting which took place in Tehran from 9-11 December 2023, Iran and Qatar signed a comprehensive cooperation document. The document, signed by the Energy Ministers of both countries, emphasizes on enhanced collaboration in various sectors such as energy (water, electricity, oil, gas, and environment), organizing events, and promoting relations in banking, insurance, customs, and other areas. Qatar's Minister of Commerce and Industry expressed satisfaction with the progress in economic ties with Iran. The Iranian Energy Minister called for enhanced cooperation in the energy sector, including renewable energy projects and the connection of power grids.

22) Iran imports over 9.2 million phones in 8 months

According to the latest data released by the Islamic Republic of Iran Customs Administration (IRICA) Iran imported over 9.268 million cell phones, valued at \$1.938 billion during the first eight months of the current Iranian calendar year (21 March - 21 November 2023). According to the data, commercial importers brought in 8.928 million phones of worth \$1.74 billion, while passengers imported 339,542 phones valued at \$197.807 million.

Trends in Bilateral trade and investment

i. Bilateral Trade (in million USD)

	Export to India	Import from India	Total Trade	Exports % Change	Imports % Change
Iran's monthly non-oil trade with India (October 2023) Source: DoC, India	63.61	29.57	93.18	-17.08	-59.78
Iran's cumulative non-oil trade with India (April 2023 to October 2023) Source: DoC, India	341.37	566.25	907.62	-10.70	-47.26
Iran's non-oil global trade (October 2023) Source: Islamic Republic of Iran Customs Administration	4,201	5,563	9764	-12.51	-11.06
Iran's cumulative non-oil global trade (April 2023 to October 2023) Source: Islamic Republic of Iran Customs Administration	28,345	36,006	64351	-0.97	12.61

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

S. No.	Commodity (HS code)	Period	Total (mn \$)	% Growth	% share in total export
1	Basmati Rice (10063020)	October 2023	4.13	-85.57	13.96
2	Bananas, fresh (08039010)	October 2023	2.63	-39.33	8.89
3	Other antibiotics (29419090)	October 2023	2.08	14,216.55	7.03
4	Boneless meat of bovine animals, frozen (02023000)	October 2023	1.41	38.70	4.76
5	Crank shaft for engines of heading 8408 (84831092)	October 2023	1.30	123.15	4.39

S. No.	Commodity (HS code)	Period	Total (mn \$)	% Growth	% share in total export
6	Tea black in packet > 3kg but <= 20 kg (09024010)	October 2023	1.07	-79.44	3.61
7	Other medicine put up for retail sale n.e.s. (30049099)	October 2023	0.99	429.71	3.34
8	Meal of soyabean, solvent extracted (defatted) variety (23040030)	October 2023	0.94		3.17
9	Dry (09103020)	October 2023	0.87	241.02	2.94
10	Kernels, H.P.S. (12024210)	October 2023	0.69	112.90	2.33

Source: Department of Commerce, India

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

S. No.	Commodity	HS Code	Period	Total	% share in total import
1	Other smartphones	75171390	October 2023	75216590	5.05
2	Animal corn	10059010	October 2023	10104210	5.03
3	Soya beans, whether or not broken	12019010	October 2023	12064210	3.32
4	Separate parts for the production of 8703 series passenger cars	98870312	October 2023	98915512	2.13
5	Raw gold (including gold plated with platinum) for non-monetary purposes	71081200	October 2023	71126400	1.81
6	Sunflower seed, safflower or cotton seed oil and their fractions	15121100	October 2023	15166300	1.68
7	Rice	10063020	October 2023	10108220	1.54
8	Barley, except seed	10039000	October 2023	10084200	1.22
9	Ordinary wheat	10019920	October 2023	10065120	1.06
10	Crude soybean oil	15071000	October 2023	15116200	0.17

Source: Islamic Republic of Iran Customs Administration

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

S. No.	Commodity (HS code)	Period	Total (mn \$)	Percentage Growth (%)	% share in total Imports
1	Saturated methanol (methyl alcohol) (2905110)	October 2023	18.15	-15.46	28.53
2	Petroleum bitumen (27132000)	October 2023	15.26	175.15	23.98
3	NAOH IN AQS SOLN (SODA LYE OR LQD SODA) (28151200)	October 2023	5.46		8.58
4	Dry dates soft (khayzur or wet dates) (08041020)	October 2023	4.38	33.18	6.88
5	Apples fresh (08081000)	October 2023	3.25		5.10
6	Acetic acid (29152100)	October 2023	2.05		3.22
7	Shelled almonds fresh or dried (08021200)	October 2023	1.88	80.02	2.95
8	Natural gypsum and anhydrite (25201010)	October 2023	1.83		2.87
9	In shell (08025100)	October 2023	1.71	107.19	2.68
10	Liquified propane (27111200)	October 2023	1.63	-60.48	2.56

Source: Department of Commerce, India

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

S. No.	Commodity	HS Code	Period	Total	% share in total export
1	Liquefied: Propane	27111290	October 2023	27156490	5.87
2	Petroleum bitumen	27132000	October 2023	27177200	5.42
3	Methanol	29051100	October 2023	29096300	4.90
4	Natural gas	27111190	October 2023	27156390	4.04
5	Other urea even in water soluble form	31021090	October 2023	31066290	3.64

S. No.	Commodity	HS Code	Period	Total	% share in total export
6	Other liquefied butane	27111390	October 2023	27156590	3.30
7	Ingots, iron, non	72061000	October 2023	72106200	3.11
8	Other petroleum gases and gaseous hydrocarbons in liquefied form not mentioned in containers of one thousand cubic centimeters and more	27111990	October 2023	27157190	2.68
9	Bars, rods, iron	72142000	October 2023	72187200	2.52
10	Semi-finished products of iron or unalloyed steel with a square or rectangular cross-section whose width is less than twice its thickness with a thickness of more than 200mm	72071290	October 2023	72116490	1.19

Source: Islamic Republic of Iran Customs Administration

vi. Potential products of exports for India

S.No.	HS Codes	Description	Rationale
1	85171210	Mobile phones	These are amongst the top import items in Iran with high percentage of growth which can be capitalized by Indian exporters
2	98870312	Of a domestic manufacture from 20 percent to 30 percent excluding Tires	
3	84862000	Machines and devices for manufacturing semiconductor devices, electronic integrated circuits	

Market Access

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

S.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)

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

NA		
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iii. Details of seminar/conference/trade fairs/BSM organized (whether or not supported by MAI funds)

S.No.	Particulars of trade fair, dates etc	Number of participants from India	Feedback received
1			

iv. Total trade enquiries received

Sr.	Month	Enquiries received (2023-24)
1.	April 2023	73
2.	May 2023	61
3.	June 2023	61
4.	July 2023	49
5.	August 2023	110
6.	September	67
7.	October	84
8.	November	52
9.	December	81
Total		225389