



सत्यमेव जयते
Embassy of India
Tehran



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MONTHLY COMMERCIAL REPORT

Important news reports related to Iran

Bilateral Trade

1) Economic and Technical delegation from Afghanistan visits Chabahar Industrial Free Trade Zone

On 25 February, a delegation from Afghanistan visited Chabahar Industrial Free Trade Zone to explore trade and investment opportunities in the Iranian port. Akbar Bavar, the public relations and international affairs manager of the Chabahar Free Zone stated that several residential, commercial, and hotel projects were inaugurated during the visit. The Afghan delegation, including officials from the Ministries of Foreign Affairs, Industry and Commerce, Transport and Civil Aviation, and Finance, arrived in the free zone along with Iran's special envoy to Afghanistan Hassan Kazemi Qomi. Bavar said that the Afghan delegation 'will assess' the capacities and facilities of the Chabahar Free Zone and port to enhance transit and exports to Afghanistan.

Iran's Economy

1) Iran's monthly road transit of goods reaches 10 year high

The head of Iran Road Maintenance and Transportation Organization (RMTO), Dariush Amani, informed that the monthly transit of goods via Iran's roads reached its highest in 10 years in the tenth month of the current Iranian calendar year (December 22, 2023 - January 20, 2024). Earlier, the head of the Islamic Republic of Iran Customs Administration (IRICA) had informed that transit of commodities through Iran increased by 29 percent during the first ten months of the current Iranian year, as compared to the same period last year.

2) Iran's Free Zones attract 2.2 billion Euros of investment this year

Secretary of Iran's Free Zones High Council Hojatollah Abdolmaleki stated that since the beginning of this Iranian year, Iran's Free Zones have attracted investments of more than 2.2 billion euros and proposals amounting to about \$14.4 billion. He also said that the speed of development of construction projects in these zones has 'doubled' and the infrastructure is being completed. He added that the objective of these zones is to

strengthen domestic production and increase the export of domestically produced products.

3) The container capacity of Iranian ports is going to increase by 200 million tons

On 26 February, Mehrdad Bazrpash, the Iranian Transport and Urban Development Minister stated that with the completion of two new ports in the Makran Coasts, namely Makran Port and Persian Gulf Port, the capacity of Iranian port will increase by 200 Million Tons. Bazrpash added that Only in one and a half years, in Shahid Rajaei Port, the unloading and loading capacity has increased by more than 20 percent, and due to simultaneous investments of the government in the development of large and small ports, the unloading and loading capacity of Iran's ports are about 300 million tons.

Foreign Trade, Investment and Infrastructure

1) Iran oil industry attracts USD4.8bn Foreign Direct Investment

On 28 February, Ehsan Khandouzi, Iran's Minister of Economic Affairs and Finance said that Iran's oil industry attracted the largest foreign investment within the framework of FDI in the past 11 months of Iranian calendar. Khandouzi said that the value of FDI in the oil industry made from March 21, 2023, to February 22, 2024, was around USD4.8bn. He added that some \$3.8 billion, \$580 million, \$617 million and \$4.8 billion of foreign investment have been attracted in the industrial, agricultural, services and oil sectors respectively from March 21, 2023 to February 22, 2024.

2) OIETAI Head: China's Iran Investment rises tenfold in a year

In an interview with IRNA, the head of the Organization of Investment, Economic and Technical Assistant of Iran (OIETAI), Ali Fekri, said the value of the investment made by China in Iran last year (ending 20 March 2023) stood at \$3 billion, registering a tenfold hike compared to a year before. He further said that the total Foreign Direct Investment (FDI) attracted during the current administration stood at \$10.608 billion, with Russia being the largest investor in this period.

3) Pakistan approves construction of the Iran-Pakistan Gas pipeline

On 26 February, Pakistan Ministry of Energy announced the approval by the Cabinet Committee on Energy, for the construction of the first phase of the Iran-Pakistan (IP) gas

pipeline reportedly, to avoid USD18bn penalty as the long-stalled project's deadline approaches in 2024. Tehran claims to have completed its side of the project and has invested USD2bn. The approved work includes the construction of an 80km section of the pipeline within Pakistan, extending from the border to Gwadar. It is reported that a Pakistan private company named Inter State Gas Systems will carry out the project, which is expected to cost approximately USD158 million and is funded by the Gas Infrastructure Development Cess (GIDC). The pipeline will bring natural gas from Iran's South Paras Gas field. According to some media reports Pakistani authorities have decided to approach the US for a waiver of its sanctions on the project.

4) Iran non-oil exports to Russia exceeds USD2bn

On 26 February, according to local media reports the non-oil exports from Iran to Russia exceeds USD2bn in 2023. The report added that Russian non-oil to Iran decreased in 2023. It is to be noted that Iran recently signed a Free Trade Agreement with the EAEU members during the EAEU summit in St. Petersburg on December 25, 2023. It is reported that once the FTA becomes operational the customs tariff of more than 90 percent of the goods reportedly will be minimized to zero level.

5) Iran and Russia signed 19 MOUs

On 28 February, 19 MOUs were signed in the presence of the Iranian Oil Minister Javad Oji and Russia's Deputy Prime Minister Alexander Novak, who co-chaired 17th Joint Economic Committee between Iran and Russia held in Tehran. The MOUs covers area extending from cooperation in education, Free trade zones, Banking and finance to cooperation in scientific and technical fields of the oil and gas industry and cooperation between the National Iranian Oil Company (NIOC) and Russia's ZN Vostok (ZNV) and Iran's National Petrochemical Company (NPC) and the Russian side.

6) Iran's export of products to EAEU States reaches \$1.4 Billion in 10 months

Iran's Deputy Minister of Agriculture, Alireza Paymanpak, said that Iran exported \$1.4 billion worth of goods to the Eurasian Economic Union (EAEU)'s member states in the first 10 months of the current Iranian year (started March 21, 2023). Iranian agriculture products, including summer crops, fresh fruits, vegetables and dairy products were among the top exports to the Eurasian market. On 25 December 2023, the EAEU countries signed a full-scale free trade agreement with Iran, which will officially come into force from the moment it is ratified by the member states.

7) Iran exports 5.4 BCM gas to Turkey in 2023: Eurostat

The Statistical Office of the European Union “Eurostat” said Iran’s export of gas to Turkey in 2023 reached 5.4 billion cubic meters (bcm), showing a 42 percent decline compared to a year earlier.

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 (October 2023) Source: DoC, India	61.06	166.38	227.44	32.07	3.02
Iran's cumulative non-oil trade with India (April 2023 to December 2023) Source: DoC, India	461.16	864.94	1326.1	-4.81	-35.30
Iran's non-oil global trade (December 2023) Source: Islamic Republic of Iran Customs Administration	4191	6159	10350	5.77	14.28
Iran's cumulative non-oil global trade (April 2023 to December 2023) Source: Islamic Republic of Iran Customs Administration	36,434	48,358	84,792	-0.68	12.29

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)	December 2023	109.62	20.34	65.88
2	Meal of soyabean, solvent extracted (defatted) variety (23040030)	December 2023	19.52	58,332.63	11.73
3	Bananas, fresh (08039010)	December 2023	8.33	179.21	5.00
4	Kernels, H.P.S. (12024210)	December 2023	3.09	4.22	1.85
5	Tea black in packet > 3kg but <= 20 kg (09024010)	December 2023	2.74	-29.24	1.64
6	Boneless meat of bovine animals, frozen (02023000)	December 2023	1.14	-41.36	0.68

SI No.	Commodity (HS code)	Period	Total (mn \$)	% Growth	% share in total export
7	Crank shaft for engines of heading 8408	December 2023	1.04	148.45	0.62
8	Polio (single vaccines for) (30024114)	December 2023	0.99	-	0.59
9	Turmeric, dried (09103020)	December 2023	0.96	-2.21	0.57
10	Other sesamum seeds w/n broken (12074090)	December 2023	0.77	119.53	0.46

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	Raw gold (including gold plated with platinum) for non-monetary purposes	71081200	December 2023	465.32	7.55
2	Other smartphones	85171390	December 2023	366.97	5.95
3	Animal corn	10059010	December 2023	339.94	5.51
4	Separate parts for the production of 8703 series passenger cars	98870312	December 2023	309.92	5.03
5	Oilcake	23040000	December 2023	300.49	4.87
6	Ordinary wheat	10019920	December 2023	203.44	3.30
7	Motorcycles, 20% internally manufactured, with the exception of Engine, tire and body, exhaust	98871182	December 2023	136.65	2.21
8	Soya beans, whether or not broken	12019010	December 2023	110.07	1.78
9	Rice	10063020	December 2023	109.65	1.78
10	Barley, except seed	10039000	December 2023	87.84	1.42

Source: Islamic Republic of Iran Customs Administration

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

SI No.	Commodity (HS code)	Period	Total (mn \$)	Percentage Growth (%)	% share in total Imports
1	Apples fresh (08081000)	December 2023	15.66	453.86	25.64
2	Saturated methanol (methyl alcohol) (2905110)	December 2023	9.19	77.71	15.05
3	Petroleum bitumen (27132000)	December 2023	7.60	-4.34	12.44
4	Dry dates soft (khayzur or wet dates) (08041020)	December 2023	5.63	21.77	9.22
5	Toluene	December 2023	5.54		9.07
6	NAOH in aqueous solution (soda lye or liquid soda) (28151200)	December 2023	3.47		5.68
7	Cement clinkers (25231000)	December 2023	2.89		4.73
8	Shelled almonds fresh or dried (08021200)	December 2023	2.43	-12.82	3.97
9	Shelled, pistachios (08025200)	December 2023	1.82	-35.95	2.98
10	In shell, pistachios (08025100)	December 2023	1.46	-33.51	2.39

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	Natural gas	27111190	December 2023	309.31	7.38
2	Liquefied: Propane	27111290	December 2023	243.66	5.81
3	Petroleum bitumen	27132000	December 2023	212.08	5.06
4	Methanol	29051100	December 2023	200.74	4.78
5	Ingots, iron, non	72061000	December 2023	194.29	4.63
6	Other liquefied butane	27111390	December 2023	183.49	4.37

SI No.	Commodity	HS Code	Period	Total	% share in total export
7	Bars, rods, iron	72142000	December 2023	166.10	3.96
8	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	December 2023	154.54	3.68
9	Other urea even in water soluble form	31021090	December 2023	133.04	3.17
10	Other petroleum gases and gaseous hydrocarbons in liquefied form not mentioned in containers of one thousand cubic centimeters and more	27111990	December 2023	101.93	2.43
Source: Islamic Republic of Iran Customs Administration					

vi. Potential products of exports for India

SI 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	Auto parts. Of a domestic manufacture from 20 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:

SI 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)

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

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

SI No.	Particulars of trade fair, dates etc	Number of participants from India	Feedback received
1	Name: The 17th Iran International Tourism and Related Industries Exhibition 2024 Date: 12 to 15 February, 2024 The exhibition had more than 15,000 visitors.	0	The Embassy participated and booked a stall at the exhibition. The Embassy staff briefed interested Iranians about India's tourism potential & visa rules. The feedback was positive and the Embassy's presence was well-received.

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 2023	67
7	October 2023	84
8	November 2023	52
9	December 2023	81
10	January 2024	109
11	February 2024	114
Total		861

v. Total business visas issued for February 2024

Sr.	Month	Business Visas Issued
1.	February 2023	87