



सत्यमेव जयते
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MONTHLY COMMERCIAL REPORT

Important news reports related to Iran

Bilateral Trade

1) Iran to sign long-term contract with India on Chabahar port

Speaking during a ceremony commemorating World Maritime Day at the Iranian Ports and Maritime Organization in Tehran, Iranian Minister of Roads and Urban Development, Mehrdad Bazarpash, announced plans to sign a long-term contract with Indian partners to operationalize the Chabahar Port project in the near future. He highlighted the importance of developing north-south corridors with rail and road connections to facilitate transit between the northern and southern seas. He also laid stress on the necessity of completing the Chabahar-Zahedan-Yonsi-Birjand-Sarakhs railway line and expressed the intention to prioritize rail transportation for goods.

2) Government is serious in resolving problems related to Iran's agreement with India on Chabahar

Secretary General of Iran Shipping and Related Services Association Masoud Pelmehe said that President Raisi's administration is "serious" in solving the problems related to the agreement with India on the Chabahar port. Regarding Iran's agreement with India about Chabahar port development, he said that the Indian side was obliged to invest \$220 million, of which \$85 million must be used on equipment. He added that the Indians have not carried out their initial commitments. He hoped that Iran and India will continue working on Chabahar.

3) Iran launching direct Shipping Line from Chabahar Port to Nhava Sheva

As per reports, the Islamic Republic of Iran Shipping Line Group (IRISL) is going to launch a direct shipping route between Iran's Chabahar port and India's Nhava Sheva port in Mumbai. This route is expected to reduce transportation time between Iran and India to five days and offer competitive prices to businesses. Reportedly, IRISL has already established direct shipping routes between Chabahar and Chinese ports.

4) Iran-India bilateral trade value in 6 Months reaches \$1 Billion

As per the latest data released by India's Ministry of Commerce and Industry, the total value of trade between the India and Iran from January to June 2023 stood at \$993 million, representing a decline of 27% YoY. During the period, India's exports to Iran during this period reached \$641 million while Iran's exports to India totaled \$352 million. As per report, the major products exported by Iran to India during this period included oil related products, with India importing \$139 million worth of oil products from Iran. Other notable exports from Iran to India included raw materials for production of paint and fresh fruits and vegetables.

5) Iran and India agree to establish joint committee on agriculture

During the visit of Iranian Deputy Minister of Agriculture-Jahad Alireza Peymanpak to India, both sides signed a memorandum of understanding to set up a joint committee on agriculture. Mr. Peyman Pak held discussion with Agriculture Secretary Mr. Manoj Ahuja and agreed on starting the consultations on free trade regarding the agricultural products.

Iran's Economy

1) Iran's economic growth at 7.9% in YoY in Q1 of current Iranian year: SCI

According to the latest data released by the Statistical Center of Iran (SCI), Iran's economy witnessed a growth rate of 7.9% in the first three months of the Iranian calendar year (21 March - 21 June, 2023). During this period, Iran's Gross Domestic Product (GDP) reached 2,144 trillion rials (including oil), and at 1,818 trillion rials (excluding oil). The report also indicated a 4.6% contraction in the agriculture sector, a 7.3% expansion in the industry and mining sector, and a 9.3% expansion in the services sector during this period.

2) Inflation rate in Iran declines by 0.6%: SCI

According to the latest data released by the Statistical Center of Iran (SCI), the average inflation rate for the twelve-month period ending on September 22, 2023, decreased to 46.1%, (down by 0.6%) from the previous twelve-month period. Further as per data, the point-to-point inflation rate for the sixth month of the Iranian calendar year stood at

39.5%, indicating that consumers paid 39.5% more for the same goods and services compared to the previous year.

3) Iran's oil sector's growth increases by 368% YoY: CBI

According to the latest data released by Central Bank of Iran (CBI), the Iranian oil sector's economic growth rate increased by 368% YoY in the first quarter (Q1) of current Iranian calendar year (21 March – 22 June, 2023) compared to the previous year. As per the data, the oil sector's economic growth increased from 3.5% in the first quarter of the Iranian calendar year (21 March - 22 June, 2022) to 16.4% in the corresponding period in 2023. Further, as per the data, oil sector contributed more than 24% to the country's GDP growth in Q1, 2023.

4) Iran's GDP growth stands at 6.2% in Q1: CBI

As per the latest data released by the Central Bank of Iran (CBI), Iran's gross domestic product (GDP) (including oil sector) registered a growth of 6.2% YoY in the first quarter (21 March - 21 June, 2023) of the current Iranian calendar year while the figures after excluding oil sector stood at 5.2% YoY. Further, as per the data, GDP growth rates in all four quarters for previous Iranian calendar year (March 22 – March 2023) were 1.9 percent, 3.9 percent, 4.9 percent, and 5.3 percent, respectively.

5) Tax receipts up by 52% YOY

As per the data released by Iranian National Tax Administration (INTA), Iran collected more than \$5.75 billion worth of tax revenues in the first five months of the current Iranian calendar year 1402 (from 22 March to 22 August) an increase of 52% YOY. The figure is equal to 90% of the revenue collection of the five-month target set in the current year's budget.

6) Iran's foreign debt decreases by 20%: IMF

According to the latest report released by the International Monetary Fund (IMF), Iran's foreign debt decreased by 20% in the year 2022, placing Iran in a better position than 132 other countries. As per report, in the year 2021, Iran's total gross debt was 42.4% of its GDP. Media reports claim that under the current Administration, Iran's foreign debt has decreased by 30%, leading to improved global ranking.

7) Iran self-sufficient in wheat production: Iranian Minister of Agriculture

The Iranian Minister of Agriculture and Jihad, Mohammad Ali Nikbakht, said that the Iran has achieved self-sufficiency in wheat production and will not need to import this essential grain in the upcoming year (March 2024 – March 2025). He emphasized the Iranian government's commitment to maintaining self-sufficiency in order to ensure stability in wheat supply. Reportedly, this statement comes in the wake of the Iranian Government Trading Corporation's (GTC) purchase of 10.3 metric tons of wheat from domestic farmers, highlighting the government's support for domestic wheat production.

8) UN Ready to Help Iran Electrify Transportation Sector: Official

According to the Head of the Niroo Research Institute (NRI), Iranian Ministry of Energy, Majid Amidpour, the United Nations has expressed its willingness to assist Iran in electrifying its transportation sector and an MoU in this regard has been signed between the NRI and the United Nations to facilitate this cooperation. He highlighted the role of knowledge-based companies in the water and electricity sector and stated that these firms will contribute to three main areas: productivity, the development of renewable energy, and smart-building technologies. Laying emphasis on the importance of hydroelectric power plants in meeting peak electricity demand, he added that Iran plans to add 30,000 megawatts of electricity capacity through renewable power plants in its 7th and 8th Five-Year Socioeconomic and Cultural Development plans.

9) Irrigation wells responsible for over 65% of Iran's water use: Report

According to a latest report released by Iran's Energy Ministry, approximately 65.6% of Iran's annual water requirement is fulfilled through the mode of wells. As per report, Kerman province in southeastern Iran recorded the highest water extraction from irrigation wells, totaling 5.7 bcm, while Mazandaran province in the north has the largest number of irrigation wells, exceeding 196,000. On average, each well in Iran extracts around 40,527 cubic meters of water per year, equivalent to 111 cubic meters per day. Report further suggests that excessive extraction of water from these wells, primarily for agriculture purposes, raises concerns about the future sustainability of farming and rural communities in Iran.

10) PMI in Iran declines for second consecutive month

As per the latest data released by Iran's Chamber of Commerce, the Purchasing Managers' Index (PMI) data for the fiscal month of July 22 – August 22, registered a

decline in second consecutive month and stood at 49.97, indicating contraction of economy. As per the data, issues with the supply of raw materials and rising raw material prices were the major impediments obstructing growth in Iranian production sector. These conditions may further contribute to the growing Producer Price Index (PPI). A PMI reading of above 50 indicates expansion in economic sector while a reading of 50 indicates contraction of economy.

11) Iran aims to operationalize mining projects worth \$27.6 billion between 2023 and 2029

The Iranian Deputy Industry Minister, Muhammad Reza Movaseghinia said that the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) and its subsidiary units have plans of putting more than \$27.641 billion worth of mining and mineral projects into operation between 2023 and 2029. Further, highlighting IMIDRO's success in attracting over \$9.5 billion in investments from the private sector, he added that approximately \$3.9 billion worth of mining projects in the country had already been completed.

12) Production capacity of South Pars Gas Field to exceed 730 mcm/d by next year: Official

The CEO of Iran's Pars Oil and Gas Company (POGC) said that Iran plans to increase gas production in the South Pars (SP) field to over 730 million cubic meters per day in the upcoming Iranian calendar year, starting March 21, 2024. He added that in order to achieve additional production of 30 million cubic meters per day, activation of Phase 11 wells, platform 13A, and a new pipeline from Phase 16 will be needed.

13) Iran to invest \$50 billion to boost oil and gas output: NIOC Deputy

The Deputy CEO of the National Iranian Oil Company (NIOC), Reza Dehghan on 20 September, 2023 said that NIOC plans of investing \$50 billion in country's energy sector in the current Iranian calendar year to boost domestic oil and gas production, with an additional \$33 billion planned for future projects. He added that, Iran aims to reach 5.5 million barrels per day (bpd) of oil production and 1.5 billion cubic meters per day (bcf/d) of gas production by the year 2029.

14) Aluminum ingots production in Iran declines in five months

According to a latest report from the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO), in the first five months of the current Iranian

calendar year (21 March - 22 August, 2023), Iran produced approximately 268,000 tons of aluminum ingot registering a decline in output as Iran had produced 271,226 tons of aluminum ingot during the corresponding period in the previous year.

15) Mining Projects worth over \$27.6 billion to be implemented between 2023-2029 in Iran

The Iranian Deputy Minister of Industry and Mines, Muhammad Reza Movaseghinia, recently stated that Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) plans to launch over \$27.641 billion worth of mining and mineral projects between 2023 and 2029. He added that IMIDRO, has already secured over \$9.5 billion in private sector investments, generating employment for more than 23,000 individuals, and completing \$3.9 billion worth of mining projects.

16) Motorcycle production increases by 45% YoY in five months

As reported in local news media, motorcycle production in Iran experienced a growth of 45% YoY in the first five months of the current Iranian calendar year (21 March - 22 August, 2023) and stood at approximately 194,000 motorcycle units. The report further indicates that annual motorcycle production in Iran is expected to surpass 600,000 units. Currently, there are 44 motorcycle manufacturing factories in Iran.

17) Iran stored up approximately 10.5 million mt of essential goods in the last calendar year

The Iranian Deputy Minister of Agriculture & Jihad, Saeed Rad, said that Iran has stockpiled approximately 10.5 million metric tons (mt) of various essential goods in the last calendar year (March 2022- March 2023), which includes over 8.5 million mt of wheat, as well as 2 million mt of edible oil, rice, and sugar. Reports indicate that Iran has been increasing its domestic production, leading to a decrease in imports, with 3 million fewer essential goods imported last calendar year compared to the previous year.

18) Iranian oil's price increases by \$6 per barrel in August 2023: OPEC

According to the latest data released by the Organization of Petroleum Exporting Countries (OPEC), Iranian oil prices increased by an average of \$6.1 per barrel and stood at \$87.58 per barrel in August, 2023. Further, as per data these prices were higher than the average OPEC and Brent prices for the same period, which stood at \$87.33 and

\$86.14 per barrel, respectively. Additionally, OPEC data revealed that Iran's total oil output in August stood at an average of 3 million barrels per day.

19) Iran 3rd biggest country globally in terms of number of CNG stations: NIORDC

According to the Head of the National Iranian Oil Refining and Distribution Company (NIORDC), Ali-Akbar Nejad-Ali, Iran has 2,500 CNG fuel stations, distributing 22 million cubic meters of CNG across the nation daily ranking 3rd globally in terms of total CNG fuel stations. He added that the volume of CNG consumption is equivalent to saving 22 million liters of gasoline every day. He further indicated of Iran's plan to add 400 more CNG stations in various cities, increasing the total number to 2,900.

20) Iran among World's Top 10 Steel Producers: ISPA

The Head of the Iranian Steel Producers Association (ISPA), Bahram Sobhani, said that Iran produces approximately 32 million tons of steel annually, ranking among the top 10 steel-producing countries globally. Highlighting the growth registered in this sector, he noted that in the year 2016, Iran's steel production stood at 9 million tons, and the country was a net importer of steel at that time while it is amongst the top exporters presently.

21) Iran aims to produce 55 million tons of steel annually by 2025

According to a board member of the Iranian Steel Producers Association, Bahador Ebrahimian, Iran aims to achieve an annual steel production capacity of 55 million metric tons (MT) by 2025 and the country's steel output capacity has already grown over sixfold in the past 20 years, reaching 45 million MT annually. He added that the output capacity is expected to increase by more than 22% in the next two years.

Foreign Trade, Investment and Infrastructure

1) Iran's €5.57b frozen assets unblocked: Governor, CBI

The Governor of Central Bank of Iran (CBI), Mohammadreza Farzin, on 18 September announced that €5.573 billion of the country's frozen assets were accessible again to Iran. He added that these funds were deposited into the accounts of six Iranian banks in Al-Ahli and Dukhan banks in Qatar. Reportedly, the funds were initially transferred from South Korean banks and the Seoul branch of Bank Mellat to the Swiss Central Bank, where they were converted into euros. Subsequently, six Iranian banks opened accounts

in Qatari banks, and the funds were deposited following agreements and payments facilitated by brokers and SWIFT.

2) Iran to soon access another \$10bn of its blocked funds: ICJCC Chairman

The Chairman of the Iran-China Joint Chamber of Commerce (ICJCC), Majid Reza Hariri said that Iran is set to gain access to approximately \$10 billion of its blocked funds held in the banks in other countries. This news follows reports that the U.S. had approved the transfer of around \$6 billion of Iranian funds from Switzerland to Qatar, for the Central Bank of Iran to use them for the purchase non-sanctioned goods.

3) Qatar to commence the transfer of Iranian funds: Qatari FM

As per reports, Qatar's Foreign Minister, Sheikh Mohammed Bin Abdulrahman al-Thani in a phone call to his Iranian counterpart on 14 September, 2023 said that the process of transferring Iran's unfrozen funds from South Korea to bank accounts in Qatar, as part of a prisoner exchange deal with the US, will commence in the coming week. Reportedly, Qatar played a mediating role in the talks that led to this prisoner exchange deal, which was made public on August 10.

4) Iran to dispatch 30 Commercial Envoys overseas by March 2024: TPOI

The Head of the Trade Promotion Organization's (TPO) Department of Commercial Attaches, Mohammad Rajabnejad stated that TPOI intends to dispatch 30 commercial envoys (including two female envoys for the first time) to foreign countries by the end of the current Iranian calendar year (March 20, 2024). He added that these envoys will be selected from experts in various Iranian ministries, including oil, economy, agriculture, and industry. Reportedly, Iran currently has 17 commercial attaches stationed in countries such as Iraq, Oman, China, Armenia, India, Qatar, Afghanistan, and others while it intends to expand its commercial presence in Serbia, Brazil, and Pakistan.

5) Iranian oil exports at a 4-Year high: Report

As per reports, Iran is currently exporting around 1.5 million barrels per day (bpd) of crude oil, (the highest level in over four years) with over 80% of it is being exported to China. As per the report, small independent Chinese refiners are buying discounted Iranian oil due to its discounted price and seasonal demand while large state-owned refiners are still avoiding it. The report further speculates that Chinese imports of Iranian crude could potentially rise further if the prices of Iranian oil remain low.

6) Iran's oil export continues upward trend

Iran's oil exports have reportedly continued their uptrend trend in August 2023 to reach 1.85 million bpd. Tanker Trackers reported that Iranian crude exports topped two million barrels a day in the first 20 days of August 2023, the highest this year. Iran has been steadily ramping up its oil production and exports this year, finding buyers for its supplies in Asia. Earlier, SVB International, an energy consultant, estimated Iran's oil production in August 2023 to be 3.15 million bpd, the highest since 2018.

7) Agro-food exports rise 19% in 5 months

The Caretaker of the Department of Monitoring and Foreign Trade at Iran Central Rural Cooperatives Organization Ruhollah Latifi said that Iran's exports of agricultural and foodstuff products during the first five months of current Iranian year 1402 (21 March to 22 August 2023) has increased by 19% YOY. He noted that Iran exported 2.86 tons valued at \$1.68 billion to its 15 neighboring countries. He said that the major export destinations of the said products were Iraq, the United Arab Emirates (UAE), Russia, Pakistan, Afghanistan, and Turkey.

8) Iran targets \$1 billion in pharmaceutical and medical equipment exports

Food and Drug Administration of the Islamic Republic of Iran (FDA) Chairman Heidar Mohammadi said that Iran's seventh development plan (2022-2026) envisages pharmaceutical and medical equipment exports to reach \$1 billion annually. With the removal of preferential currency rates for pharmaceuticals, exports in the first five months of the current Iranian year 1402 (started on 21 March, 2023) have reached \$50 million up by 300% YOY.

9) Increase in gold imports of Iran

Islamic Republic of Iran Customs Administration (IRICA) data showed that Iran imported 4.1 million tons of gold ingots valued at \$265 million during the first five months of current Iranian year 1402 (21 March to 22 August 2023). Deputy Minister and new President of Trade Promotion Organization (TPO) Mehdi Zeighami indicated that the increase in gold imports was related to Iran's eased regulations since last year related to the return of export proceeds, which has led to companies engaging in exports to import gold to pay their hard currency liabilities to Central Bank of Iran (CBI).

10) Iranian oil's price increases by \$6 per barrel in August: OPEC

According to the latest data released by the Organization of Petroleum Exporting Countries (OPEC), Iranian oil prices increased by an average of \$6.1 per barrel and stood at \$87.58 per barrel in August, 2023. Further, as per data these prices were higher than the average OPEC and Brent prices for the same period, which stood at \$87.33 and \$86.14 per barrel, respectively. Additionally, OPEC data revealed that Iran's total oil output in August stood at an average of 3 million barrels per day.

11) Iran's steel exports increases by 36% YoY in four months: IMIDRO

According to figures released by Iranian Mines & Mining Industries Development & Renovation (IMIDRO), in the first four months (March to June, 2023) of the current Iranian calendar year, Iran exported approximately \$2.693 billion worth of steel, registering an increase of 36% YoY. As per data, during the period, China accounted for 37% of Iran's steel purchases as it imported 6.711 million mt of Iranian steel.

12) Iranian saffron exports registers increase

According to the Spokesperson for Iran's Trade Promotion Commission of the House of Industry, Mine, and Trade, Seyed Rouhollah Latifi in the first five months of the current Iranian calendar year (March to August, 2023), Iran exported over 81,520 tons of saffron valued at \$88 million to 47 countries globally, registering an increase of 66% YoY in weight and 52% YoY in value respectively. During the period, China was the top destination for Iranian Saffron followed by UAE, Spain, Qatar, and Afghanistan were among the other key importers of Iranian saffron.

13) Iran imports seeds worth \$35 million in 5 months

The Spokesperson of Iran's House of Industry, Mine and Trade, Seyed Rouhollah Latifi said that in the first five months of the current Iranian calendar year (21 March to 22 August, 2023), Iran imported over 3 million kilograms of seed species, with a total value of \$35 million. During this period, Iran imported seeds of grass, sunflower, ornamented plants, and colza, with quantities varying in this period.

14) Iran exported 1,500 tons of indigenous catalysts last year: NPC Chief

The CEO of Iran's National Petrochemical Company (NPC), Morteza Shahmirzaei, on 17 September, 2023 said that Iran exported 1,500 tons of localized catalyst in the previous Iranian calendar year (March 2022 – March 2023). He highlighted that the current

production capacity of Iran's petrochemical industry is over 92 million tons and as a part of the 7th Five-Year Socioeconomic and Cultural Development Plan, a \$150 billion investment in various petrochemical sectors is earmarked.

15) Iran's export of aquatics increased by 32% in 5 months: Official

According to the Director General of the Iranian Fisheries Organization for Quality Improvement, Processing, and Aquatic Market Development, Abbas Mokhtari, Iran's aquatics export registered a growth 32% YoY in terms of both weight and value respectively in the first five months (March – August, 2023) of the current Iranian calendar year, and reached 83,000 tons of aquatics valued at \$140 million. During the period, the export of shrimps stood at 11,104 tons and the export of aquatic feed increased to 28,628 tons.

16) NPC has signed MoUs to complete petrochemical value chain: CEO

The Chief Executive Officer (CEO) of Iran's National Petrochemical Company (NPC), Morteza Shahmirzaei, on 19 September, 2023 said that NPC has signed different MoUs worth “tens of billions of dollars” to complete the value chain of Iranian petrochemical sector. He added that Iran is planning to indigenize 100 percent of the catalysts needed in its petrochemical industry. He further added that in the year 2022, Iran sold \$16 billion worth of petrochemical products.

17) Transit of goods via Iran increases by 18%

According to reports, transit of goods via road through Iranian territory has experienced an increase of 18% YoY in the first half of the current Iranian calendar year (21 March to 22 September, 2023). During the period, more than 5 million tons of goods were transported via Iran by nearly 270,000 domestic and foreign transport fleets.

18) Solyanka Port Iran's strategic base in INSTC: Official

The Iranian Director of Solyanka Port, Dariush Jamali, the port is a “strategically important base” for Iran within the International North-South Transport Corridor (INSTC) as it facilitates the safe and reliable transport of essential goods between Iran and Russia. He added that Iran's Islamic Republic of Iran Shipping Lines (IRISL) has invested \$10 million in the port since 2022 and has acquired 53 percent of its shares. Reportedly, Solyanka Port is currently the largest port in the Astrakhan region.

19) Iran to operationalize major highway linking Isfahan to Shiraz

As per reports, the Iranian Ministry of Transportation announced that a highway project linking the cities of Isfahan and Shiraz will be made operational by October, 2023. This 212-kilometer highway project has a total cost of 250 trillion rials (\$500 million), with almost half of the funding coming from private investors. The new highway will significantly reduce travel times between Isfahan and Shiraz, the third and fifth-largest cities in Iran, by 134 kilometers or nearly two hours. Additionally, it is expected to save 100 million liters of fuel per year.

20) Azerbaijan-Nakhchivan corridor can pass through Iran: Erdogan

As per reports, Turkish President Recep Tayyip Erdogan has welcomed Iran's proposal concerning the Zangezur corridor, which connects Azerbaijan to Armenia. He added that if Armenia doesn't allow the corridor to pass through its territory, it could potentially pass through Iran. Reportedly, Azerbaijan has been attempting to use the Zangezur corridor through Armenian territory leading to altered border between Iran and Armenia. Iran has consistently opposed any change to the internationally recognized borders and has offered to allow Azerbaijani trucks to pass through Iran while preserving these borders.

6) Armenia seeks access to Arab markets, India through Iran

Armenia's Commercial attaché to Iran Vardan Kostanyan said that Armenia wants to export its goods through Iran to regional Arab states and India, while increasing the bilateral trade between Iran and Armenia. He said that Armenia and Iran attach great importance to the prospect of carrying out shipments through the Persian Gulf logistic route, and the Armenian side is maximally seeking to support the implementation of this megaproject.

21) First Russian LPG cargo transited via Iran

The Chairman of the Board of Directors of Sarakhs Special Economic Zone in Iran's northeastern Khorasan Razavi province, Mohammadreza Berahmand announced the successful transit of the first shipment of Russian liquefied petroleum gas (LPG) through the Iranian territory to Pakistan. He added that over 100,000 metric tons of Russian LPG were transported via Iran to the Rimdan Border Crossing in Sistan Va Baluchestan province. He also made a mention of the ongoing discussions to finalize a new contract for the transit of a second Russian LPG cargo to Pakistan through Iran.

22) Iran-Turkmenistan to restore pre-pandemic transit system

As per reports, foreign trucks can directly enter Iran from its two shared borders (Incheh Borun & Sarakhs) with Turkmenistan. This marks a change from previous requirement of transshipment as the trucks can now enter Iran without the need for transshipment. Reports further indicate that starting late October, 2023, Iranian transit companies will also be able to send their cargo to Turkmenistan directly without transshipment requirements.

23) Trilateral agreement signed with Chinese company

The Acting Head of Fanavaran Petro Olefin Company, an affiliate of Fanavaran Petrochemical Company, and Tamin Petroleum & Petrochemical Investment Company (TAPPICO) signed a trilateral MoU with a Chinese consortium under which the Chinese side will provide technical know-how and implementing a project of Fanavaran Petro Olefin Company. The MoU is expected to the outset of the development of future cooperation of Iran's petrochemical industry with Chinese firms.

24) Chinese investors briefed about Qeshm free zone business opportunities

Deputy Head of Qeshm Free Zone Organization Mansour Azimzadeh Ardebili met with Chinese investors and entrepreneurs active in Qeshm Island on 2 September 2023. During the meeting, Ardebili briefed the Chinese businesspersons about business opportunities in Qeshm Island. For their part, the Chinese businesspersons highlighted issues and problems that the Chinese are facing in Qeshm Island.

25) Iran's Anzali FTZ and Chinese companies sign two cooperation agreements

As per reports, during the 23rd China International Fair for Investment & Trade (CIFIT), two cooperation agreements between Chinese private firms and Anzali Free Trade Zone (FTZ) were signed on 14 September, 2023. Reportedly the agreements aim to increase the Chinese investment in the manufacturing of electric bicycles and motorcycles in Iran, as well as the development of new-generation software for production line machines within the Anzali Free Trade Zone.

26) Iran's oil exports to China hit historic record in August: Report

According to a latest report released by tanker tracker firm Kpler, Iran's average daily oil exports to China in the month of August 2023 reached an all time high of average of 1.5 million barrels per day, fetching Iran approximately \$3.5 billion in revenue from oil during the period. Reports further indicate that in order to make its oil price competitive Iran is offering discounts upto \$10 per barrel.

27) Iranian IKCO to import EVs from China

The CEO of Iranian car manufacturer Iran Khodro Company (IKCO), Alimardan Azimi, said that IKCO is set to import its first batch of electric vehicles (EVs) from China's Dongfeng Motor Corporation. He also added that IKCO plans to import 6,000 EVs by March 2024 and majority of these EVs will be imported from Dongfeng, while some models will be sourced from China's Haima Automobile. Further, as per reports, the Iranian government has mandated that domestic car manufacturers, including IKCO and SAIPA, will introduce at least one EV model in their product range by March 2025.

28) Iran awards \$2.7 billion airport project to Chinese contractor

CEO of Imam Khomeini International Airport (IKA) Saeid Chalandari said that Iran has awarded a contract to an unnamed Chinese company to develop Imam Khomeini Airport. Iran will spend at least €2.5 billion (\$2.7 billion) to build a second phase at the airport under the contract signed with the unidentified Chinese company. He said that Iran will pay for the project using a barter mechanism that allows swapping crude oil for financial resources, equipment and technical services.

29) Pakistan in process to finalize plan to launch three new border crossings with Iran

As per reports, in a meeting on the situation of border regions, Pakistan's Minister of Interior, Sarfraz Bugti called for expediting the finalization of plans to reopen three new border crossings with Iran. Earlier, the Mirjaveh-Taftan Border Crossing was the only official border crossing between Iran and Pakistan for seven decades. However, with the opening of the Gabd-Rimdan and Mand-Pishin joint border crossings the total number of official border crossings will increase to three.

30) Iran exports non-oil goods worth \$2.3 billion to UAE in 5 months

As per the latest data released by the Islamic Republic of Iran Customs Administration (IRICA), Iran exported non-oil commodities worth \$2.3 billion to UAE in the first five months of the current Iranian calendar year (21 March to 22 August, 2023) making UAE as the third top export destination for Iranian non-oil goods. During the period, Iran imported goods worth \$7.3 billion from the UAE.

31) Iran-UAE bilateral trade witness growth as UAE eases trade restrictions

As per reports, the bilateral trade between Iran and UAE experienced an increase as UAE eased trade restrictions on its business dealings with Iran. Reports indicate that UAE has rolled back limits on corporate registrations and visa issuance for Iranian companies, despite Iran still under US sanctions. Reportedly, trade between Iran and the UAE has rebounded from \$11 billion during the 2020-2021 pandemic to \$24 billion in the 12 months ending in March 2023, surpassing the pre-sanctions level of \$22 billion in 2012. Iran aims to further boost bilateral trade to around \$30 billion within the next two years.

32) Iran, Qatar discuss strategies to expand financial, banking relations

The Governor of the Central Bank of Iran (CBI), Mohammad-Reza Farzin on 26 September, 2023 met the Qatari Central Bank (QCB) Governor, Sheikh Bandar bin Mohammed bin Saoud Al-Thani in Doha. During the meeting, both sides discussed strategies for enhancing financial and banking relations between the two countries and reached agreements to initiate banking operations, utilizing foreign currency resources transferred to six Iranian banks in Qatar. The meeting also focused on the need for increased monetary, banking, and financial cooperation between Iran and Qatar, aiming to boost economic ties and trade, with an estimated trade value of \$3 billion by the Iranian calendar year 1404 (beginning March 2025).

33) Iran-US bilateral trade increases by 26% in 7 Months

As per the latest report released by the US Bureau of Statistics, the value of bilateral trade (non-oil) between Iran and the United States in the first seven months of 2023 (January – July, 2023) registered an increase of 26% YoY and reached \$31 million. As per the data, during the period, US exported non-oil products worth \$30.6 million to Iran while Iran imported approximately \$0.6 million worth of non-oil products from US.

34) Russia, Iran initiate visa-free group tourists flights

The Head of Russia's trade mission in Iran, Rustam Zhiganshin, on 22 September, 2023 announced the commencement of the first-ever visa-free flights for tourist groups traveling between Iran and Russia. Under this system, tourist groups of up to 50 individuals can travel visa-free either to Russia or Iran and stay there for a maximum of 15 days without visa requirements.

35) Russian SBERBANK launches new services in Iran

According to reports, Russia's largest bank, SBERBANK became the second Russian Bank after VTB to introduce a money transfer service which allows clients (both individuals and businesses using Sber accounts) to send funds to the banks in Iran. The service is primarily aimed to serve the tourists and under this mechanism Russian rubles will be directed to the Pasargad Bank of Iran, at a standard international transaction commission of 1%.

36) Iran and Russia agree on navigation in Volga for Iranian ships

The Deputy Head of the Ports and Maritime Organization (PMO) Majid-Ali Nazi said that the Iranian cabinet has approved the purchase of second-hand ships for Caspian Sea shipping. He added that Iran and Russia have agreed to reduce transit time of the Iranian ships from the Volga to two weeks, down from previous one year. He said that PMO also facilitates the purchase of new and second-hand ships, as clients can buy second-hand ships from countries such as Kazakhstan. He explained that these steps will facilitate development of the International North-South Transit Corridor.

37) Iran issues license operationalizing its trade center in Jeddah: TPOI

The Chairman of the Trade Attachés and Trade Centers Department at the Trade Promotion Organization of Iran (TPOI), Mohammad Rajabnejad on 20 September, 2023 said that a license for establishing a trade center in Jeddah, Saudi Arabia was issued. He added that Iran is in process of expanding its network of trade centers abroad, with 46 active trade centers currently in operation. Reportedly, apart from Saudi Arabia, licenses have recently been issued for the establishment of trade centers in Kyrgyzstan, Malaysia, and Indonesia.

38) Saudi's Ambassador to Iran calls for boosting petrochemical ties with Iran

As per reports, Saudi Arabia's Ambassador to Iran, Abdullah bin Saud al-Anzi, during a visit to the pavilion of Iran's National Petrochemical Company (NPC) at the 17th IranPlast International Exhibition said that Saudi Arabia is ready to expand cooperation with Iran in the petrochemical sector. He highlighted potential areas of cooperation between Saudi Basic Industries Corporation (SABIC) and NPC and emphasized on the need for discussions on petrochemical projects.

39) Finance Ministers of Iran and Egypt discuss bilateral ties at AIIB meeting

Iran's Minister for Economic Affairs and Finance, Seyed Ehsan Khandouzi, on 24 September, 2023 met with the Egyptian Minister of Finance, Mohamed Maait, in Cairo during the 8th annual meetings of the Asian Infrastructure Investment Bank (AIIB). During the meeting, both sides discussed bilateral relations, particularly in trade and the economy. Khandouzi highlighted Iran's commitment in enhancing ties with neighboring and regional countries and emphasized the potential of increasing trade between Iran and Egypt.

40) Iran can export 100,000 barrels of crude oil to Syria daily: NIORDCO

The CEO of the National Iranian Oil Refining and Distribution Company (NIORDC), Jalil Salari, on 25 September, 2023 said that Iran has completed the repair and maintenance services for Syria's Homs Refinery which will allow it to export 100,000 barrels of oil per day to Syria. He added that Iran plans to enhance its presence in extraterritorial refineries in Syria through a tripartite memorandum of understanding with Venezuela and Syria by building a new 140,000-barrel oil refinery in Syria, with both Iran and Venezuela supplying the required oil.

41) Iran, Iraq to Launch Joint Bank, Trade Zone Jointly: TPOI

According to the Director General of the Trade Promotion Organization of Iran (TPOI) for the Arabic-African Affairs Office, Farzad Piltan, Iran and Iraq are planning to establish a joint bank and trade zone in the near future. He added that both countries consider this collaboration a significant milestone and aim to achieve \$20 billion worth of trade between Iran and Iraq. As per recent trade data, Iran's non-oil exports to Iraq for the

first five months of the current Iranian calendar year (21 March to 22 August, 2023) amounted to \$3.5 billion after registering an increase of 24% YoY.

42) Iran's exports to Iraq reach \$3.5 billion in five months

According to the latest data released by the Islamic Republic of Iran Customs Administration (IRICA), Iran exported non-oil goods worth \$3.5 billion to Iraq during the first five months of the current Iranian calendar year (21 March to 22 August, 2023) making Iraq as the second top destination for Iranian non-oil exports during this period. As per reports, Iran and Iraq have decided to increase the quantum of bilateral trade to \$20 billion in the near future.

43) Iran's exports to Iraq to top \$12 billion by March 2024

Iran-Iraq Joint Chamber of Commerce Secretary General Jahanbakhsh Sanjabi Shirazi on 4 September 2023 said that Iran's exports to Iraq increased by 18.5% during the first five months of current Iranian year 1402 (21 March to 22 August). He predicted that Iran's exports to Iraq will reach \$12 billion by the end of current Iranian year 1402 (ending 19 March 2024).

44) Iraq PM to lay foundation for Iran-Iraq railway project

Iraqi sources announced that Iraqi Prime Minister Mohammed Shia al-Sudani will visit the Basra province to lay the foundation for the railway project linking Iraq with Iran. Iraqi Minister of Transportation recently visited Tehran to discuss the railway project for transporting passengers between the two countries. The agreement between the two countries includes starting the process of removing mines planted since the eight-year Imposed War between Iraq and Iran (1980-1988) in the border areas, as well as constructing a movable bridge on the Shatt al-Arab (north of Basra), with completion targeted within a year and a half. Iran and Iraq's top officials signed the agreement for the Shalamcheh-Basra Railway on 26 December 2021.

45) Iran's four-month export to ECO members rises by 4.52% YOY

Islamic Republic of Iran Customs Administration (IRICA) Director for International Affairs and Public Relations Omid Golzari said that IRICA's data showed that during the first four months of the current Iranian year 1402 (21 March to 22 July), Iran exported over \$3.615 billion worth of non-oil goods to the member states of the Economic Cooperation Organization (ECO) up by 4.52% YOY. The data also showed that Iran's non-oil trade with ECO member states during 2022-23 stood at \$20.5 billion. During

2022-23, Iran's non-oil exports to ECO member states stood at \$13 billion, while Iran's imports from ECO member states stood at \$7.5 billion. Iran's main non-oil exports to ECO member states have included dairy products, foodstuff, fresh and dried fruits, juices and citrus fruits, carpets, saffron, fish, caviar, ornamental aquatic products, various stones, construction equipment, clothing, industrial equipment, bags and shoes, medicine, and health supplies, as well as plastic products. On the other hand, Iran's main imports from ECO member states included industrial machinery, medical supplies and medicine.

46) Second overseas DRI plant using Iranian technology to be built in Peru

Iran signed a MoU with a Chinese company to build Iran's second sponge iron factory in abroad using Iranian technology 'PERED' in Peru. The MoU was signed between the Chinese investor and the Iranian Mines and Metals Engineering Company (MME) as the developer of the PERED technology. The annual capacity of the project is one million tons of sponge iron. The furnace part of the factory (DRI) will be designed by the MME and part of its strategic equipment will be manufactured in Iran.

47) Visit of Burkina Faso FM to Iran

Iran's Minister of Cooperatives, Labour, and Social Welfare and visiting Burkina Faso Minister of Foreign Affairs Olivia Rouamba met in Tehran. Both sides discussed development of multilateral cooperation between the two countries in technical and industrial fields, engineering services, energy, professional training, infrastructure projects, transformation industries, chemical products, iron and steel, and social support. Mortazavi said that Iran and Africa trade has been increasing. He added that his ministry is ready to share its experiences in different fields including social security, insurance support, welfare, and child labor. Rouamba emphasized that the two countries can provide grounds for increasing interactions in the fields of defense industry, transportation, construction, steel, tourism, agriculture, and petrochemicals.

48) Iran-Africa trade increasing

Iran's Minister of Cooperatives, Labour, and Social Welfare and visiting Burkina Faso Minister of Foreign Affairs Olivia Rouamba met in Tehran to discuss development of multilateral cooperation between the two countries in technical and industrial fields, engineering services, energy, professional training, infrastructure projects, transformation industries, chemical products, iron and steel, and social support. Mortazavi said that Iran and Africa trade has been increasing. He added that his ministry is ready to share its experiences in different fields including social security, insurance support, welfare, and

child labor. For her part, Rouamba emphasized that the two countries can provide grounds for increasing interactions in the fields of defense industry, transportation, construction, steel, tourism, agriculture, and petrochemicals.

49) Iran and South Korea hold 11th joint scientific cooperation meeting

Iran and South Korea held their 11th meeting for joint cooperation for expanding scientific and public diplomacy. The participants discussed issues such as investment in Iran, entrepreneurship, energy, small businesses, and development of business cooperation.

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 (July 2023) Source: DoC, India	137.33	40.72	178.05	-33.21	53.11
Iran's cumulative non-oil trade with India (April 2023 to July 2023) Source: DoC, India	455.64	205.14	660.78	-37.86	6.10
Iran's non-oil global trade (July 2023) Source: Islamic Republic of Iran Customs Administration	3,344	5,520	8,864	-19.82	9.00
Iran's cumulative non-oil global trade (April 2023 to July 2023) Source: Islamic Republic of Iran Customs Administration	15,906	19,539	35,445	-7.97	10.82

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)	July 2023	106.35	-26.05	77.44
2	OTHER MXTR OF ODORFRS SBSTNS OF A KIND USDKIND USD IN FOOD/DRINK INDUSTRIES (33021090)	July 2023	3.32	-1.27	2.41
3	Soft drink, other than sharbat (21069019)	July 2023	1.99	-1.66	1.44
4	Other sesamum seeds w/n broken (12074090)	July 2023	1.76	-23.83	1.28
5	Phenol, pure carbolic acid (29071110)	July 2023	1.33	731.04	0.96

SI No.	Commodity (HS code)	Period	Total (mn \$)	% Growth	% share in total export
6	Bananas, fresh (08039010)	July 2023	1.28	140.03	0.93
7	Rice parboiled (10063010)	July 2023	1.12	-71.69	0.81
8	Boneless meat of bovine animals, frozen (02023000)	July 2023	1.01	-13.71	0.73
9	MEAL OF SOYABEAN,SOLVENT EXTRACTED (DEFATTED) VARIETY (23040030)	July 2023	0.99	-	0.72
10	Kernels, H.P.S. (12024210)	July 2023	0.87	59.38	0.63

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	Animal corn	10059010	July 2023	288.67	5.22
2	Other smart phones not mentioned elsewhere	85171390	July 2023	228.55	4.14
3	Basmati rice	10063020	July 2023	201.67	3.65
4	Soya	12019010	July 2023	199.91	3.62
5	Ordinary wheat	10019920	July 2023	175.66	3.18
6	Sunflower seed, safflower or cotton seed oil	15121100	July 2023	154.48	2.79
7	RBD Palm Oil in containers of 200 liters and more	15119010	July 2023	121.86	2.20
8	Separate parts for the production of 8703 gasoline passenger cars with a cylinder volume of 2000cc, with internal construction of 14% to less than 30%, excluding tires	98870312	July 2023	93.39	1.69
9	Crude oil, whether or not degummed	15071000	July 2023	82.36	1.49
10	Motorcycles with 20% internal construction, excluding engine, tires and body, exhaust	98871182	July 2023	59.34	1.07

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	Saturated methanol (methyl alcohol) (2905110)	July 2023	14.44	80.64	35.46
2	Liquified propane (27111200)	July 2023	6.12	288.32	15.02
3	Liquified butanes (27111300)	July 2023	5.46	177.46	13.40
4	Petroleum bitumen (27132000)	July 2023	4.96	32.61	12.18
5	Natural gypsum and anhydrite (25201010)	July 2023	1.18	-	2.89
6	In shell (08025100)	July 2023	0.88	-48.59	2.16
7	Shelled almonds fresh or dried (08021200)	July 2023	0.82	-38.14	2.01
8	Dry dates soft (khayzur or wet dates) (08041020)	July 2023	0.76	-11.81	1.86
9	Other : Urea, whether or not in aqueous solution (31021090)	July 2023	0.74	-	1.81
10	Returned goods (99930020)	July 2023	0.61	-	1.49

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	Liquefied: Propane	27111290	July 2023	257.09	7.68
2	Other liquefied butane	27111390	July 2023	231.26	6.91
3	Petroleum bitumen	27132000	July 2023	164.74	4.92
4	Methanol	29051100	July 2023	145.49	4.35
5	Other urea even in water soluble form	31021090	July 2023	124.89	3.73
6	Other petroleum gases and gaseous hydrocarbons in liquefied form not mentioned in containers of one thousand cubic centimeters and more	27111990	July 2023	105.95	3.16

SI No.	Commodity	HS Code	Period	Total	% share in total export
7	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	July 2023	105.52	3.15
8	Aluminium not alloyed	76011000	July 2023	65.83	1.96
9	Agglomerated, iron, ores	26011200	July 2023	65.04	1.94
10	Iron Ore Concentrates	26011150	July 2023	47.61	1.42
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	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:

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	A delegation of 22 leading pharmaceutical companies from India participated in the IRANPHARMA EXPO 2023, held from 28-30 September 2023. On the sidelines of the event, a B2B meeting between the Indian and Iranian pharmaceutical companies was held on 28 September 2023 to explore newer market and expand the business to business relations.	50	Positive

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
Total		421