



सत्यमेव जयते
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MONTHLY COMMERCIAL REPORT

Important news reports related to Iran

Bilateral Trade

1) NIOC commences Farzad B Gas Field development operations

According to the Managing Director of the National Iranian Oil Company (NIOC), Mohsen Khojastehmehr, operations to develop the Farzad B Gas Field in the Persian Gulf have commenced. He added that the first phase of the development plan will cost \$2 billion and is expected to be completed by 2024. A trilateral contract was signed by domestic firms to develop the project, including NIOC, Petropars Group, and Iranian Offshore Engineering and Construction Company (IOEC). He further added that the development project aims to increase natural gas output from the current 5 million cubic meters per day (mcm/d) to 28 mcm/d by 2026. The produced sour gas will be transferred to Kangan Petro Refining Company in Bushehr Province for processing and then piped to refineries in the South Pars complex in Asalouyeh before being injected into the national grid.

2) Value of Iran's rice imports decline by 49% in 4 months

As per the data released by the Islamic Republic of Iran Customs Administration, during the first four months of the current Iranian calendar year, Iran imported 509,348 tons of rice worth \$601 million, indicating a decline of 31% YoY and 49% YoY in terms weight and value respectively. Further, the report highlights that in the previous Iranian calendar year FY 2022-23, a total of 1.779 million tons of rice worth 2.13 dollars was imported by Iran.

3) Iran imposes seasonal ban on import of rice

According to Deputy Agriculture Minister of Iran, Shapour Alaei, the Agriculture Ministry of Iran has imposed a ban on rice imports to support local farmers and balance supply and demand in the market. He added that the ban is intended to stimulate the market for Iranian rice. However, as per reports, the Association of Rice Suppliers and Importers has criticized the ban, stating that cheap rice imports are essential to cover the production deficit and ensure food security for lower-income segments of the population.

Iran's Economy

1) President Raisi emphasizes on importance of technology and knowledge based growth in his address

President Raisi while speaking at the 27th Grand Conference on the National Day of Industry and Mining on 01 July 2023, emphasized the importance of technology and knowledge-based growth. He said that production should be accompanied by advancements in science and technology. He further added that knowledge-based production contributes to the country's strength and is recognized globally. He also highlighted the importance of addressing industry challenges, pledging government support, including tax exemptions, to ensure uninterrupted production.

2) IMF revises Iran's 2023 economic growth forecast to 2.5%

As per reports, International Monetary Fund (IMF) in its biannual World Economic Outlook report has revised GDP growth projections for Iran in 2023 at 2.5% from the previous projection of 2%.

3) Iran's inflation rate drops under 40%: Gov't Spokesperson

The Iranian government spokesperson Ali Bahadori Jahromi on 25 July, 2023 stated that the inflation rate in Iran dropped below 40 percent in the current month. Separately, in its latest report the Statistical Center of Iran stated that inflation in Iran a nearly 2.5 percent decrease in inflation from the preceding month, with the rate reaching below 40 percent as of 22 July 2023.

4) Tax revenue collection in Iran increases by 50% in four months

According to the Iranian National Tax Administration (IRICA), Iran's tax revenues for the first four months (21 March – 21 July, 2023) of the current Iranian calendar year stood at \$4.5 billion (2,162.99 trillion rials), registering an increase of 50% YoY. During the period, direct tax accounted for 61.5% of Iran's tax revenues, totaling over 1,330 trillion rials where Corporate tax revenue collection reached approximately 810 trillion rials. Reportedly, as per budgetary targets for the current FY, Iran aims to collect 7,490 trillion rials (approximately \$15.5 billion) in tax revenues by March 19, 2024.

5) Iran purchased 8 million tons of wheat domestically: GTO

According to the Managing Director of the Government Trading Organization of Iran, Saeed Rad, Iran bought over 8 million tons of wheat from the domestic farmers as part of a national "guaranteed purchase" initiative to fulfill the country's wheat requirements. He added that these purchases were made within a span of 130 days, starting from the beginning of the current calendar year (i.e, from March 21) up to July 28, 2023. He further added that , with the current procurement, the total amount of purchased wheat, stands at 1.878 million tons, representing an increase of 30% YoY.

6) Iran's external debt decreases by 27%: CBI

As per the Central Bank of Iran (CBI), Iran's foreign debt as of the end of the last Iranian calendar year (March 2022- March 2023) stood at \$6.3 billion, representing a decline of 27.6% YoY. As per the CBI, the medium and long-term debt accounted for \$4.5 billion or 71.5% of the total, while short-term debt amounted to around \$1.80 billion.

7) Iran, world's 3rd largest gas producer, 8th largest oil producer in 2022: Report

According to a recent report by the Energy Institute, Iran was ranked as the world's third-largest gas producer and the eighth-largest oil producer in 2022. As per the report, Iran's oil and gas condensate production increased by 4.1% reaching 3.313 million barrels per day in 2022. In terms of gas production, Iran experienced an increase of 1.1%, reaching 259 billion cubic meters in 2022.

8) Iran to pursue its interests in shared Arash gas field: Oil minister

The Iranian Oil Minister, Javad Owji, on 30 July 2023 said that Iran will not tolerate any "infringement" upon its rights in shared Arash gas field and emphasized that Iran will "vigorously" pursue its interests in the matter. He further emphasized that Iran is open to amicably resolving bordering and maritime disputes with neighboring countries and seeks to find friendly settlements through negotiations, particularly regarding shared excavation in the Arash gas field.

9) Total capacity of Iran's renewable power plants reaches 1,080 MW

The Head of Iran's Renewable Energy and Energy Efficiency Organization (SATBA), Mahmoud Kamani announced that the capacity of Iran's renewable power plants has reached 1,080 megawatts (MW). He added that this capacity is continuously increasing as

more power plants are being constructed and put into operation. Reportedly, the Iranian government aims to add 10,000 MW to the renewable power plant capacity by August 2025.

10) Iranian car-makers squandering its oil resources: NIORDC

The Deputy Director of the National Iranian Oil Refining and Distribution Company criticized the domestic automakers in Iran for producing energy-inefficient cars that use excessive gasoline. He added that these automakers have neglected the need of manufacturing energy efficient vehicles, given the country's fuel shortages and its inability to increase gasoline output.

11) Petrochemical sector in Iran faces another challenge

The Secretary-General of the Association of Petrochemical Employers Unions, Ahmad Mahdavi-Abhari stated that the new directive issued by the National Iranian Oil Company which requires petrochemical firms to pay 80% more for natural gas (both as fuel and as feedstock) may lead to the scaling down of production or closure of petrochemical plants, particularly those involved in methanol production. He added that the high prices for natural gas as feedstock are "unreasonable" compared to international market rates and could push the petrochemical sector towards insolvency. He emphasized the need for a coherent and long-term policy regarding feedstock to attract investment in Iranian petrochemical sector.

12) Vehicles production in Iran increases by 30% in four months

The Director of Auto Department of Iranian Ministry of Industry, Mine, and Trade (MIMT), Abdollah Tavakkoli Lahijani, said that the Iran produced approximately 443,000 units of vehicles in the first four months of the current Iranian calendar year, registering an increase of 30% YoY. He added that, during the period, approximately 363,000 passenger vehicles were manufactured while the the production of pickup trucks stood at 51,000 units. Of the total vehicles produced during the said period, the private sector produced more than 90,000 cars

13) Iran 7th largest producer of steel globally: WSA

According to the latest data released by the World Steel Association (WSA), in June 2023, steel production in Iran registered an increase of 17.4% and stood at 3.2 million tons, making Iran as the seventh-largest steel producer in the world. The report further

stated that in the first six months of 2023, Iran produced a total of 16.1 million tons of crude steel, making it the eighth-largest crude steel producer globally, with a 4.8 percent growth compared to the same period in 2022.

14) Iran's food demand will rise 15% in 2031: AREPO

Iran's Agricultural Research Education and Promotion Organization (AREPO) has projected a 15% increase in the Iran's food demand by March 2032. The Head of AREPO, Mojtaba Khayyam Nekouyi stated that food demand in Iran is expected to reach 180 million metric tons in 2031, corresponding to an estimated population of 103 million. He added that currently, Iran's agriculture output satisfies 80% of total food demand of 156 million metric tons for its population which is around 85 million.

15) Domestic air traffic in Iran increases by 1% in Q1, 2023-24

According to the latest data released by Iran Airports Company, during the first quarter of the current Iranian year (21 March-21 June, 2023), domestic air passenger traffic in Iran registered an increase of 1% YoY and stood at 9.22 million passengers. As per the data, the number of takeoffs and landings, decreased by 2% YoY to reach 78,654. During the period, Tehran's Mehrabad International Airport experienced the highest traffic, accounting for 3.22 million of the total number of transported passengers while Mashhad International Airport and Kish International Airport followed with 1.55 million and 791,853 passengers, respectively.

16) Iran to have 250 planes in its air fleet by March 2024: Head, ICAO

As per reports, the Head of Iran's Civil Aviation Organization (CAO), Mohammad Mohammadi-Bakhsh, said that the number of passenger airplanes in Iran will increase to 250 by the end of the current Iranian calendar year (March 2024). He added that approximately 70 airplanes are expected to be added to the CAO fleet during this period. Earlier, in August 2022, Mohammadi-Bakhsh had stated that the organization was implementing a comprehensive program aimed at increasing the number of passenger airplanes to 550 within 10 years. This program includes fleet expansion, repairing airplane parts, and indigenizing knowledge for aircraft construction in the country.

17) CBI launches Forex 'Murabaha Bonds' to finance profitable industrial projects

As per reports, the Central Bank of Iran (CBI) has introduced foreign exchange Murabaha bonds (Euro denominated) to provide financing for profitable industrial projects. These bonds will have a maturity period between one to four years and the issuance of the bonds will be permitted through the Iran Currency Exchange (ICE). The maximum amount for issuance per project is set at €200 million, with the potential for higher amounts upon approval. The interest rates on the bonds, will range from 5% to 5.5% annually. The introduction of Murabaha bonds is part of the CBI's efforts to control foreign exchange and gold prices in Iran.

18) CBI to launch Crypto-Rial by March 2024

As per reports, the Majlis Digital Economy Committee has finalized its report on the Central Bank of Iran's (CBI) Crypto-Rial (also known as Digital Rial) project, and tasked CBI with finalizing it by the end of the current Iranian calendar year (19 March, 2024). As per the report, the Crypto-Rial project has progressed beyond the pilot stages with Bank Melli, Bank Mellat, and Tejarat Bank involved in experimental stages. The report states that electronic wallets for the new currency will be offered by all banks and credit institutions and the initial phase will include minting of 10 billion Crypto-Rials, with plans for a fully digital version in the future.

19) Iranian PMI declines by 7% in the 3rd month of the current FY

As per the new data released by the Statistics and Economic Analysis Center of the Iran Chamber of Commerce, Industries, Mines and Agriculture (TCCIMA), the Purchasing Managers' Index (PMI) for Iran's overall economy experienced a decline in the third month (21 May – 21 June, 2023) of the current Iranian year and stood at 53.28. As per the data, factors such as difficulties in procuring foreign currencies for importing raw materials, price fluctuations, cash shortages, electricity and gas cuts, delays in petrochemical plants' feedstock supply, and higher taxation costs contributed to the decline.

20) Q1 unemployment decreases to 8.2%: SCI

According to a report by the Statistical Center of Iran (SCI), Iran's unemployment rate stood at 8.2% in the first quarter of the current Iranian year (21 March - 21 June, 2023), indicating a decline of 1% YoY. Further during this period, a total of 2.16 million

Iranians were unemployed, with men's unemployment rate standing at 6.8% and women's unemployment rate at 14.8%. The unemployment rate was higher in urban areas at 9% compared to 5.6% in rural areas. The labor force participation rate increased by 0.3% YoY and stood at 41.2%, with men's participation rate at 68.3% and women's participation rate at 14.1%.

21) Iran plans to increase gasoline, diesel production by 15% in five years

As per a latest report by Iran Students News Agency (ISNA), efforts are underway in Iran's refining industry to increase the daily production of petroleum products to 130 million liters per day of gasoline and diesel each by March 2027. According to the reports, 75% of the output will meet Euro 4 and 5 standards. Reportedly, approximately 70% of the country's primary gasoline and diesel output, equivalent to over 75 million liters of gasoline and 70 million liters of diesel produced daily, comply with Euro 4 and 5 standards. The report expects that by March 2027, this figure will rise to 75%.

22) Iran pays energy subsidies nearly twice its oil revenues: Oil ministry

According to the Iranian Oil Ministry, the quantum of energy subsidies paid by Iran to its citizens amount to nearly twice the revenue it generates from oil sales. The Ministry's announcement made on 03 July 2023 stated that Iran spends approximately \$80 billion annually on fuel subsidies, while its oil revenues for the previous year stood at \$43 billion. [otaghiranonline.ir]

Foreign Trade, Investment and Infrastructure

1) FDI inflow to Iran rises by 5% in 2022: UNCTAD

According to the latest report by the United Nations Conference on Trade and Development (UNCTAD), foreign direct investment (FDI) inflows in Iran increased by 5% YoY in the year 2022 and stood at \$1.5 billion, up from \$1.425 billion in the year 2021. As per the report, Iran made \$100 million in foreign direct investment in other countries in 2022, a rise from \$82 million in the previous year.

2) Iran projected to export 9.42 million tons of LPG in 2023: Report

According to a latest report by S&P Global, Iran's LPG exports saw a significant increase, with shipments totaling about 4.013 million metric tons in the first five months of 2023. The monthly average of LPG loading from January to May reached 802,652

metric tons, leading to a projection of total export of 9.63 million metric tons by 2023. According to Platts cflow, China was the dominant buyer of Iranian LPG

3) Iran's oil revenue in 2022 reaches \$42.6 billion: Report

According to the statistical bulletin of the Organization of the Petroleum Exporting Countries (OPEC) in 2023, Iran's oil revenue in 2022 reached \$42.6 billion, surpassing the country's oil revenue in the first year of the implementation of the Joint Comprehensive Plan of Action (JCPOA), which stood at \$41.1 billion. As reported by Kepler statistics, the increase in oil exports to 1.4 million barrels of oil per day (bpd) by the end of 2022, and the rise in crude oil prices were the main factors behind increase in Iran's oil revenue.

4) Iran's natural gas export rises 9% in 2022: Report

According to a latest report by the Energy Institute (EI), Iran exported 18.9 billion cubic meters (bcm) of natural gas in the year 2022, registering an increase of 9% YoY. During the period, Iran's gas exports to Iraq reached 9.4 bcm, while its exports to Turkey and Azerbaijan amounted to 9.1 bcm and 0.4 bcm, respectively.

5) INSTC's third trilateral meeting held in Tehran

As per reports, the third tri-lateral meeting of the founding member states of the International North-South Transport Corridor (INSTC) was held on 04 July 2023 in Tehran. During the meeting, discussions were held to enhance freight transit through the corridor. The event, named "Iran Rah" was attended by senior officials from the three countries. During the discussions, Iran side highlighted the advantages of transit through Iran and expressed their commitment to removing tariff and non-tariff barriers. India expressed its determination to cooperate with Iran and Russia to complete the corridor, while Russia highlighted the need for a unified trade policy among participating countries.

6) Iran offering discounts on its oil exports to China

According to reports, during May and June 2023, Iran offered discounts ranging from \$12 to \$15 per barrel on its oil exports to China. The report states that if Iran continues its upward trend in oil exports to China (i.e., exporting 930 thousand barrels of oil per day), the discounts provided in May and June, 2023 could amount to a minimum of \$670 million and a maximum of \$837 million of total value of crude oil. Reportedly, the Raisi

administration has opted for oil discounts to maintain its presence in the Chinese oil market, bolster its exports, and secure foreign currency earnings.

7) Crude shipments from Iran to China tripled in last three years: Kepler

As per the latest report released by tracker agency Kepler, Iran's oil shipments to China tripled over the past three years. In 2023, Iranian crude exports to China stood around one million barrels per day (bpd), compared to 325,000 bpd in 2020. As per the report, Chinese private refineries especially those in Shandong, known as teapots, have been prioritizing Iranian oil, while mainstream buyers opt for Russian supplies, which have become more expensive.

8) Iran imports commodities worth \$4.7 billion in 4 months

According to the latest data released by the Islamic Republic of Iran Customs Administration (IRICA), during the four months of the current Iranian calendar year (21 March to 22 July, 2023), Iran imported 7.352 million tons of basic goods worth \$4.763 billion, representing a decline of 6.27% YoY in terms of value. As per data, among the imported items, corn had the highest value at \$1.297 billion, followed by edible oils at \$1.022 billion, oil seeds at \$707 million, rice at \$601 million, and wheat at \$525 million. During the period, UAE, China, Turkey, Germany, and India were the top five countries from which Iran sourced its imports.

9) Iran registers a 20% rise in livestock feed imports

According to the latest data released by the Islamic Republic of Iran Customs Administration (IRICA) Iran imported a total of 1.87 million tons of livestock feed worth \$887 million in the first two months of the current Iranian year (21 March to 21 May 2023), registering an increase of 20% YoY in terms of weight (291,000 tons) and value (\$148 million) respectively. Austria, Spain, Slovakia, the UAE, Britain, Germany, Turkey, Switzerland, China, Oman, Russia, Kyrgyzstan, Kazakhstan, and Hong Kong were the 14 exporters to Iran during this period. Feed corn accounted for the largest share of imports followed by Soybean, Barley and soymeal. As per the data, 75% of Iran's domestic demand for livestock feed is met through imports, while 25% is produced locally.

10) Annual exports of dried fruits from Iran decline

According to the Secretary General of the Iranian Dried Fruit Exporters Union, Zeynolabedin Hashemi, Iran's exports of dried fruit, nuts, and seeds stood at \$ 1 billion in the previous Iranian calendar year (ended on 20 March 2023), registering a decline of 70% compared to the previous two years. He added that the main export destinations for Iranian dried fruits and nuts were China, India, Eurasian countries, and Persian Gulf countries.

11) Iran imports cars worth \$5.6 Million in Q1, 2023-24

As per the latest data, during the first quarter (21 March-21 June, 2023) of the current fiscal year, Iran imported a total of 241 vehicles worth \$5.6 million. As per the report, the number of imported cars increased by 517% YoY, while the value of imports rose by 452% YoY. During the period, the main cars imported during the period were ambulances, Zoyte, Changan, and Benz passenger cars. Pars Khodro was the leading car importer during the period, bringing in 90 vehicles worth \$965,835 followed by Pakro Sabz Qeshm Company, which imported 23 vehicles worth \$698,953, and the Health Ministry, which imported 10 ambulances worth \$687,294.

12) Bushehr province accounts for 25% of Iran's Non-Oil Exports

According to reports, during the first three months of the current Iranian year (21 March - 21 June), Bushehr Province accounted for 25% of Iran's total exports. During this period, Iranian exports (excluding crude oil and gas condensate) from Bushehr Province, stood at 7.4 million tons worth \$2.8 billion. The main items of exports included petrochemical products, cement, clinker, and vegetables. As per the report, major export destinations included China, UAE, India, Turkey, Pakistan, Sri Lanka, Vietnam, Thailand, and South Africa.

13) Iran-Pakistan to sign FTA by March 2024: TPO

The Head of Iran's Trade Promotion Organization's South Asia Department, Hadi Talebian, stated that Iran and Pakistan are scheduled to engage in direct talks for a Free Trade Agreement in September this year, with the possibility of reaching an agreement by the end of the current Iranian year in March 2024. He further added that complications may arise in achieving the desired trade outcomes due to the trade imbalance favoring Iran. He suggested that the proposed Free Trade Agreement would include special

arrangements which will benefit Iran more than the barter mechanism launched by Pakistan in June 2023.

14) Iran to launch car factory in Syria: Iranian Minister of Roads and Urban Development

Addressing the Joint Economic Commission of Iran and Syria, Iran's Minister of Roads and Urban Development, Mehrdad Bazrpash, on 31 July 2023 announced the upcoming launch of a car factory's production line in Syria. He highlighted progress made in the insurance sector, and said that a joint company will be established to offer services to Iranian visitors, travelers, and companies in Syria. Regarding the joint banking activities between the two nations, the Minister stated that the Central Bank of Iran will issue the necessary license to Iranian entities to operate in Syria and the operations are expected to begin soon.

15) US Gov't bans 14 Iraqi Banks

As per reports, the United States on 19th July, 2023 prohibited 14 Iraqi banks from conducting dollar transactions as part of a crackdown on the flow of US currency to Iran. As per the report, the ban imposed by the Treasury Department and the Federal Reserve Bank of New York, comes after the US uncovered evidence of money laundering and fraudulent transactions by the Iraqi banks, with concerns that Iran could benefit from these activities. Reportedly, some of the transactions may have involved sanctioned individuals, prompting the US to take action to prevent funds from reaching designated or potentially designated entities. Among the banks on the US ban list are Al Mustashar Islamic Bank, Erbil Bank, World Islamic Bank, and Zain Iraq Islamic Bank.

16) Iran needs US license to access its funds in Iraq

According to Jahanbakhsh Sanjabi, the Secretary of Iran-Iraq Chamber of Commerce, Iran's blocked funds in Iraq have been unfrozen, but Iran still requires a U.S. license to convert the funds into dollars. He estimated the unblocked funds to be around \$10 billion. Separately, making his observations on the Iraqi budget for current FY, he added that 85% of the goods and services required to fulfill the budget goals will need to be sourced from abroad. He added that Iran needs to change its exporting pattern to Iraq and focus on supplying ironware, home appliances, and construction materials and equipment.

17) Mining exports from Iran in Q1, 2023 reaches \$3.3 billion

According to a report by the Iranian Mine and Mining Industries Development and Renovation Organization (IMIDRO), Iran exported mining and mineral products worth \$3.3 billion in the first quarter (21 March - 21 June, 2023) of the current Iranian calendar year. The steel and steel products sector accounted for over \$1 billion of the total amount.

18) Iran and Russia sign contract to start works on Rasht - Astara railway project

As per reports, Iran and Russia on 4 July 2023 signed a contract outlining the construction plans for the Rasht-Astara railway as part of the International North–South Transport Corridor (INSTC). The contract was signed by officials from both sides on the sidelines of the 3rd trilateral meeting between India, Iran and Russia on transit facilitation through INSTC . The contract provides detailed executive plans for the construction process of the Rasht-Astara railway. It includes a timetable that is set to begin in early 2024 and aims to complete the project within three to four years.

19) Iran-EU trade reaches €1.869 billion in 5 Months: Eurostat

According to data released by the European Union's statistics office Eurostat, the trade volume between Iran and the European Union's (EU) member states reached €1.869 billion in the first five months of 2023 representing an increase of 10% YoY. During the period, the EU's exports to Iran stood at €1.517 billion (down by 6% YoY) while its imports from Iran reached €352 million (down by 24% YoY).

20) Iran-China bilateral trade reaches \$6.5 billion in 6 months

As per the latest data released by the Islamic Republic of Iran Customs Administration (IRICA), during the first three months of the current Iranian calendar year (21 March – 21 June, 2023), Iran exported non-oil commodities worth \$3.5 billion to China while it imported goods worth \$4 billion from China. As per the data released by the Chinese customs authorities, the economic exchanges between Iran and China reached \$6.5 billion in the first six months of 2023.

21) Iran-U.S. trade reaches \$22.4 million in 5 months

According to the latest statistics released by the American Statistical Association (ASA), the value of trade between Iran and the U.S. reached \$22.4 million in the first five months of the year 2023, indicating an increase of 5% YoY. Further, as per the data, U.S.

exported goods worth \$21.9 million to Iran during January-May 2023 (up by 34% YoY) while Iran's exports to the U.S. amounted to \$500,000 during the same period, reflecting a decline of 89% YoY.

22) Iran and Malaysia sign MOU on agricultural co-op

Iran and Malaysia on 23 July, 2023 signed a Memorandum of Understanding (MOU) to strengthen bilateral cooperation in the fields of agriculture, with a focus on research and education. The MoU was signed during a meeting between Iran's Deputy Agriculture Minister, Mohammad Khayam-Nikouie, and Malaysian Minister of Agriculture and Food Security, Mohamad Sabu. The MOU encompasses various areas of collaboration, including the establishment of a joint research station for tropical fruits and the provision of research opportunities in water management, fisheries, horticulture, irrigation, and plant conservation.

23) Iran and Lebanon sign MoU on labor Cooperation

As per reports, the Lebanon's Labor Minister, Mustafa Bayram, visited Iran on 02 July 2023 and held a meeting with his Iranian counterpart, Seyyed Solat Mortazavi. During the meeting, both sides signed an MoU on increasing bilateral cooperation in the areas of workers training, worker-employer relations, vocational education, and technical services. Both ministers expressed their intention to benefit from each other's experiences, particularly in entrepreneurship and job creation.

24) Iran's barter trade with Venezuela facing issues

According to Masoud Daneshmand, a member of the Board of Directors of the Association of Transportation Institutions stated that we do not receive payment for the sale of goods to Venezuela, resulting in almost empty ships returning from Venezuela. He added that under the barter mechanism Venezuela lacks goods to trade with Iran, leading to ships coming back without cargo. Regarding cargo transfer between Iran and Venezuela, he said there is no regular line established due to the limited cargo volume of both countries. Cargo is moved only three times a year, resulting in long waiting periods for shipments. This extended wait can be detrimental as it may lead to the loss of the target market during this time.

25) Iran proposes to undertake goods for goods program with Iraq

According to the Secretary General of the Iran-Iraq Joint Chamber stated that Iraq is in need of electricity and gas imports from Iran. He added that in order to address the challenge of settling debts resulting from Iran's energy exports, a proposal was made to exchange goods for goods. Under this agreement, crude oil and fuel oil will be exchanged for gas. He further added that while it may not be the ideal solution, it can expedite money settlement for Iranian exporting companies, especially in the face of US monitoring and potential sabotage.

26) Exports from Iran to Armenia increases by 38% in Q1

According to Ruhollah Latifi, the spokesman of the Trade Development Committee of the Iranian House of Industry, Mining, and Trade, the value of Iran's exports to Armenia increased by 38.4% in the first quarter (21 March to 21 June 2023) of the current Iranian calendar year and stood at \$101.747 million. During the period, the main goods exported to Armenia include steel products, food, fish and shrimp, fruits and vegetables, dried fruits, bitumen, urea, construction materials, petroleum derivatives, and various other products like health and cosmetic items, clothing, carpets, household appliances, and more.

27) Iran, Azerbaijan agree to launch Astarachay Bridge in 4 months

As per reports, Iranian Minister of Transport and Urban Development, Mehرداد Bazrpash held a telephone conversation with Deputy Prime Minister of Azerbaijan, Shahin Mustafayev on 25 July, 2023. Both sides reached an agreement to complete the construction of the Astarachay Bridge within the next four months. The bridge is intended to connect the international transit highways of both countries, specifically the Baku-Rasht-Qazvin highways. As the heads of the Iran-Azerbaijan Joint Economic Committee, the officials emphasized the importance of strengthening economic relations between Iran and Azerbaijan.

28) Iran exporting packaging paper to Europe and Asia

According to a member of the Paper, Cardboard, and Cellulose Products Importers Association of Iran, Reza Omid, the country's annual production of packaging paper exceeds 1.6 million tons. He added that domestic demand for packaging paper is around 850,000 tons per year, while Iran exports more than 65,000 tons of the product to Europe, Asia, and the Persian Gulf littoral states. He further added that the total annual

consumption of paper and cardboard in Iran is approximately 1.9 million tons, with about 1.2 million tons being imported.

29) Iranian investors willing to invest in Kazakhstan: Dy Agriculture Minister of Iran

According to reports, Iran's Deputy Agriculture Minister, Alireza Peymanpak during his meeting on June 28 with Kazakhstan's Deputy Prime Minister and Minister of Trade and Integration, Serik Zhumangarin stated that Iranian investors and manufacturers are willing to invest in various sectors in Kazakhstan. During the meeting, discussions were also held on developing a draft joint roadmap between Iran and Kazakhstan to increase the bilateral trade between the two countries to \$3 billion.

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 (June 2023) Source: DoC, India	49.96	99.18	149.14	19.10	-61.06
Iran's cumulative non-oil trade with India (April 2023 to June 2023) Source: DoC, India	164.43	318.31	482.74	-1.39	-39.67
Iran's non-oil global trade (June 2023) Source: Islamic Republic of Iran Customs Administration	19,976	21,960	41,936	-7.45	8.22
Iran's cumulative non-oil global trade (April 2023 to June 2023) Source: Islamic Republic of Iran Customs Administration	12,463	14,019	26,482	-8.84	5.49

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)	June 2023	72.95	-55.23	73.55
2	Bananas, fresh (08039010)	June 2023	3.25	-0.05	3.27
3	Boneless meat of bovine animals, frozen (02023000)	June 2023	2.24	4.38	2.25
4	Soft drink, other than sharbat (21069019)	June 2023	1.63	-68.08	1.64
5	Rice parboiled (10063010)	June 2023	1.46	-79.77	1.47
6	Tea black in pckt>3kg but<= 20 kg (09024010)	June 2023	1.18	-76.68	1.18

SI No.	Commodity (HS code)	Period	Total (mn \$)	% Growth	% share in total export
7	Other sesamum seeds w/n broken (12074090)	June 2023	0.97	-73.74	0.97
8	Phenol, pure carbolic acid (29071110)	June 2023	0.75	33.98	0.75
9	Tea black, leaf in bulk (09024020)	June 2023	0.65	-78.46	0.65
10	Chilly seeds (12099170)	June 2023	0.64	1,128.82	0.64

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	June 2023	465.26	2.11
2	Motorcycles with 20% internal construction, excluding engine, tires and body, exhaust	15121100	June 2023	372.71	1.69
3	Automatic gearbox	10063020	June 2023	316.03	1.43
4	Sunflower seed, safflower or cotton seed oil	15121100	June 2023	287.08	1.30
5	Other smart phones not mentioned elsewhere	85171390	June 2023	224.48	1.02
6	Soya	12019010	June 2023	219.19	0.99
7	Ordinary wheat	10019920	June 2023	165.41	0.75
8	Rice semi-milled or wholly-milled rice, whether or not polished or glazed	10019920	June 2023	142.87	0.65
9	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	June 2023	127.22	0.57
10	RBD Palm Oil in containers of 200 liters and more	15119010	June 2023	79.88	0.36

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)	June 2023	19.87	19.43	39.77
2	Petroleum bitumen (27132000)	June 2023	7.59	102.71	15.19
3	Liquified propane (27111200)	June 2023	7.02	-	14.05
4	Liquified butanes (27111300)	June 2023	5.35	-	10.70
5	Naoh in aqueous solution (soda lye or liquid soda) (28151200)	June 2023	3.66	-	7.32
6	Dry dates soft (khayzur or wet dates) (08041020)	June 2023	1.01	-4.44	2.02
7	Apples fresh (08081000)	June 2023	0.78	-31.30	1.56
8	Asafoetida (13019013)	June 2023	0.51	-43.27	1.02
9	Shelled almonds fresh or dried (08021200)	June 2023	0.47	-66.41	0.94
10	Shelled walnuts fresh or dried (08023200)	June 2023	0.40	-	0.80

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, liquefied	27111190	June 2023	1,081.37	4.92
2	Liquefied: Propane	27111290	June 2023	290.71	1.32
3	Other petroleum gases and gaseous hydrocarbons in liquefied form not mentioned in containers of one thousand cubic centimeters and more	27111990	June 2023	216.82	0.98
4	Other liquefied butane	27111390	June 2023	181.32	0.82
5	Petroleum bitumen	27132000	June 2023	174.64	0.79
6	Ingots of unalloyed iron and steel, not mentioned elsewhere	72061000	June 2023	167.38	0.76

SI No.	Commodity	HS Code	Period	Total	% share in total export
7	Methanol	29051100	June 2023	145.69	0.66
8	Other urea even in water soluble form	31021090	June 2023	131.04	0.59
9	Agglomerated, iron, ores	26011200	June 2023	64.28	0.29
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	June 2023	62.78	0.28

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	List of large participants	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
Total		244