



सत्यमेव जयते
Embassy of India
Tehran



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MONTHLY COMMERCIAL REPORT

Important news reports related to Iran

Bilateral Trade

1) India in talks with Iran to resume crude oil imports: Report

Citing a report by Business Standard newspaper, the Iranian media on 23 January 2024 reported that India is considering resumption of oil imports from Iran. The report claimed that resumption of oil import was a key point of discussion in recent bilateral meetings between the Indian and Iranian Foreign Ministers. As per the report, the Indian officials are currently evaluating proposals to restart oil imports from Iran.

2) Iran-India bilateral trade increases by 21% YoY in November 2023

According to the latest data released by Ministry of Commerce and Industry of India, the value of bilateral trade between India and Iran registered an increase of 21% YoY in the month of November 2023 and stood at \$191 million. During this period, India exported goods worth \$132 million to Iran while Iranian exports to India totaled \$59 million.

Iran's Economy

1) International Monetary Fund: Iran's economy grows by 5.4 % in 2023

The International Monetary Fund (IMF), in its latest report published quarterly on 30th January 2024 reported a 5.4% growth for Iran's economy for the past calendar year. IMF estimates that Iran's economic growth in 2023 has reached 5.4%, showing a significant increase compared to the previous year. The report had previously announced a 3.8% growth for Iran's economy in 2022. The IMF has also revised its projection for Iran's economic growth in 2024 compared to its report three months ago, increasing it to 3.7%.

2) Iran's industrial production growth rate stood at 6.5% in 2022: UNIDO

According to the latest data released by United Nations Industrial Development Organization (UNIDO) in the "International Yearbook of Industrial Statistics", Iran's industrial production in the year 2022 stood at 6.5%, registering a decline of 0.1% YoY. As per the data, the per capita added value of Iran's industrial productions increased to \$825 in 2022 from \$712 in 2021. The industrial added-value's contribution to Iran's

gross domestic product (GDP) in 2022 was 14.7% while the industrial sector accounted for 47.7% of Iran's exports in 2022.

3) Iran's grain output surpasses 23 million tons in 2023

The grain production in Iran exceeded 23 million tons in 2023, registering more than 3% growth as to the year earlier, according to the statistics of the US Department of Agriculture.

4) Iran average daily crude oil production for the year 2023 stands at 2.87 million bpd: US Department of Energy

According to the latest report by the US Department of Energy, Iran emerged as the leading crude oil producer among the Organization of Petroleum Exporting Countries (OPEC) for the year 2023. According to the report, Iran's average daily production of crude oil stood at 2.870 million bpd. The report further states that Iran's oil production volume increased by 330,000 bpd compared to a year earlier.

5) NIORDC: 115 million liters of gasoline consumed in Iran per day

The CEO of the National Iranian Oil Refining and Distribution Company (NIORDC), Jalil Salari on 16 January 2024 said that Iran consumes approximately 115 million liters of gasoline daily. He added that heavy vehicles account for 63 million liters of diesel consumption per day, while another 70 million liters are used in power plants. Salari also mentioned that Iran produces around 60 million liters of Mazut daily, and the country's refineries have a processing capacity of 2.2 million barrels per day.

Foreign Trade, Investment and Infrastructure

1) FATF agrees to remove Iran's name from 'Recommendation 7' list

Iranian Minister of Economic Affairs and Finance, Ehsan Khandouzi, on 22 January 2024 stated that the Head of the Financial Action Task Force (FATF) has agreed to remove Iran's name from FATF Recommendation 7 and other documents related to the UN Resolution 2231, which endorses the 2015 Iran nuclear deal (JCPOA). Recommendation 7 calls for countries to enforce targeted financial sanctions to prevent the spread and financing of weapons of mass destruction, in line with UN resolutions. However, FATF still remains on the Recommendation 19 of FATF.

2) Iran-China bilateral trade stands at \$14.6 Billion in 2023:

China's Customs Data

According to the latest data released by China's Customs Office, the value of total bilateral trade between Iran and China in the year 2023 stood at \$14.6 billion, experiencing a decline of 6.2% YoY. During this period, China's exports to Iran amounted to \$10.70 billion while Iran exported goods worth \$4.580 billion to China.

3) Iran-Pakistan Border Trade Committee convenes meeting at Chabahar

According to media reports, the 11th Joint Border Trade Committee meeting between Iran and Pakistan commenced on 16 January 2024 in Chabahar, Iran. The Iranian delegation was led by Iraj Hassanpour, Head of the Industry, Mine, and Trade department of Iran's Sistan and Baluchestan Province, while the Pakistani side was led by Abdul Qadir Memon, chief of Balochistan's Customs office. The two-day meeting focuses on enhancing commercial exchanges, expediting transportation, and facilitating customs procedures between Iran and Pakistan.

4) Iran, Pakistan to set up a joint technology park in Chabahar

The Iranian Science Minister Mohammad-Ali Zolfigol on 16th January 2024 met with the Chairman of Pakistan's Higher Education Commission, Mukhtar Ahmed, in Tehran. During the meeting, Ali Zolfigol announced Iran's plan to establish a joint science and technology park in Chabahar to boost scientific cooperation. Zolfigol added that Iran welcomes developing ties with Pakistan in these areas, including attracting Pakistani students to study in Iran, carrying out joint research and tech projects, co-authoring scientific works, patenting inventions and establishing knowledge-based companies. He also said Iran supports promoting Persian language in Pakistan and the Urdu language in Iran.

5) Iran exports non-oil products worth \$1 billion to Pakistan in 2023

According to Pakistan's Ministry of Commerce, Iran exported approximately \$1 billion worth of non-oil products to Pakistan in the year 2023, registering an increase of 13% YoY from the \$834 million recorded in 2022. During this period, Pakistan's exports to Iran stood at \$155,000.

6) Iran invites foreign and domestic investors to participate in its development projects

The Secretary of Iran's Free Zones High Council, Hojatollah Abdolmaleki on 17th January 2024 said that Iran welcomes domestic and foreign investors to participate in Iran's development projects in its free and special economic zones. He added that over \$16 billion has been invested in these zones since March 2023, with 15% from foreign entities and 85% from domestic ones. Abdolmaleki further said that Iran is offering 1,000 investment packages worth 20 billion Euros to investors interested in participating in such projects. Reportedly, in the current Iranian calendar year (March 2023 – March 2024), over \$740 million has been invested in these areas and investors have applied to invest about \$8.6 billion in 1,400 projects in 7 different zones.

7) Iran's crude oil revenue reaches \$34 billion in 9-month period in 2023: IEA

According to a latest report by International Energy Agency (IEA), Iran's oil revenues reached \$34 billion in the first nine months of 2023 (January – September, 2023) representing 12% of the total oil income of OPEC member states during this period. According to the US Department of Energy estimates Iran's crude oil sales were \$17 billion in 2020 and \$37 billion in 2021. Furthermore, Iran's oil sales revenue exceeded \$54 billion in the year 2022.

8) Iran's rice imports decline by 42% YoY in the current calendar year

Iranian Deputy Minister of Agriculture and Jihad, Ahmad Khani Norouzi recently said that Iran's rice imports decreased by 42% YoY in the current Iranian calendar year (March 2023- March 2024). He added that, over the past decade, Iran has imported an average of 1.4 million metric tons of rice annually, with imports peaking at 1.8 million metric tons in the past calendar year (March 2022- March 2023). He also mentioned that Iran's average annual rice production stands at 2.2 million metric tons.

9) Iranians consume 3.6 million metric tons of rice annually

Secretary of Iran's Rice Exporters, Suppliers, and Importers Association Masih Keshavarz told state-run news agency IRNA (Islamic Republic News Agency) on 2 January 2024 that Iranians consume about 3.6 million metric tons (mt) of rice annually. He said that 2 million mt of rice are produced by domestic farmers annually and between 1.2 and 1.5 million mt of rice are imported annually. He noted that Iran imposes bans on

rice imports during harvest season each year (July 22 – November 22) to protect domestic rice farmers. He added that although the seasonal ban on rice imports has been lifted, no imports have been done yet. He said that imports require allocating the necessary funds and updating the prices.

10) Power plants with 2,000MW cumulative capacity to get operational next year in Iran

The Managing Director of Tavanir (Iran's Power Generation, Distribution, and Transmission Company), Mostafa Rajabi Mashhadi on 17th January 2024 said that power plants having a cumulative capacity of 2,000 megawatts (MW) are set to become operational by late March 2025. He also highlighted Iranian government's objective to expand the capacity of the country's thermal power plants by 10,000 MW by August 2025. Reportedly, 8,500 MW of this target has been achieved till date.

11) Iranian officials attend the first BRICS meeting at Moscow

The first BRICS meeting with the official presence of the Islamic Republic of Iran was held on 30th January 2024. The Deputy Foreign Ministers of the bloc's 10 member countries participated in the event. From Iran, Deputy Foreign Minister for Economic Diplomacy Mehdi Safari attended the meeting.

12) Iran exports non-oil commodities worth \$40.5b in 10 months

Deputy Minister of Economy and The Head of the Islamic Republic of Iran Customs Administration (IRICA) Mohammad Rezvani-Far stated that Iran exported 113 million tons of non-oil goods valued at \$40.5 billion during the first 10 months of the current Iranian calendar year (March 21, 2023-January 20, 2024). He also added that the 10-month non-oil export indicates a 9% growth in weight, but an 11% fall in value, YOY. The official also said the country exported \$29.9 billion of crude oil in the mentioned 10 months, registering a 10% rise, YOY. Rezvani-Far further announced that Iran has imported 32.7 million tons of goods worth \$54.8 billion in the first 10 months of the present year, which indicates an 11.6 percent rise in value and six percent growth in weight. During this period, China, Iraq, the United Arab Emirates (UAE), Turkey, and India were the major export destinations of Iranian goods, and the UAE, China, Turkey, Germany, and India were the main sources of import.

13) Iran exports about \$30 bn of oil in 10 months

The President of the Islamic Republic of Iran Customs Administration (IRICA), Mohammad Rezvanifar, stated that Iran exported \$29.9 billion worth of oil products in the 10 months of the current Iranian calendar year (started March 21, 2023), registering a 10% growth in terms of value. Some 113 million tons of goods, valued at \$40.5 billion, were exported between March 21, 2023, and January 22, 2024, with oil, luggage trade, electricity, and technical-engineering services excluded. He said that Iran's export of non-oil products showed a 9.4% growth in weight and an 11% decline in value.

14) Iran exports \$100 million of medicines overseas annually: TPOI

The Director General of the America and Europe Affairs Office at the Trade Promotion Organization of Iran (TPOI), Ahmad Firouzi, on 21 January 2024 said that Iran exported \$100 million worth of pharmaceuticals in the current Iranian year (March 2023 onwards). He added that approximately 50 Iranian trade units are involved in these exports. Firouzi highlighted the potential of the Polish market, stating that Poland imports \$8.5 billion and exports \$4.5 billion in medicines annually. He further added that Iran's pharmaceutical exports are mainly focused on emerging markets like Poland and Norway.

15) Iran removes tariffs on saffron exports

Iran's First Vice President Mohammad Mokhber on 16th January 2024 issued a decree regarding the removal of tariffs on saffron exports. This directive, issued to the Iranian Ministry of Agriculture Jihad, Ministry of Industry, Mine, and Trade, and Iran's Finance Ministry, specifically calls for the elimination of a 0.5% virtual water tax on saffron exports.

16) Samad Hassanzadeh elected as head of Iran's Chamber of Commerce

According to reports, Samad Hassanzadeh has been elected as the head of the Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA) for a four-year term. Hassanzadeh secured the position with 208 votes out of 21 qualified candidates. Farajollah Me'mari followed as the runner-up with 181 votes. This election comes after the previous round on June 18, where Hossein Selahvarzi was elected but later removed from the position due to his qualification not being confirmed by Iran's Intelligence Ministry.

17) Iran to launch offshore rial by late March

Governor of the Central Bank of Iran (CBI) Mohammad-Reza Farzin visited Khorasan Razavi Province and met with local companies. During the meeting, Farzin said that CBI is finalising a plan to use “offshore rial” in exchanges with a number of Iran’s neighbouring countries by the end of the current year 1402 (scheduled to end on 20 March). Farzin said that this mechanism has been devised for the settlement of exchanges of goods and services which will facilitate trade with countries like Afghanistan and Iraq. Farzin explained that offshore currencies are among tools that are used by some countries to boost the use of their national currencies in trade and help manage their forex reserves.

18) Private sector welcomes CBI’s plan to introduce offshore rial

In a letter to Central Bank of Iran (CBI) Governor Mohammad-Reza Farzin dated 2 January 2024, President of Iran Chamber of Commerce, Industries, Mines, and Agriculture (ICCIMA) Hossein Selahvarzi welcomed CBI plan to offshore rial in trade exchanges with Iraq and Afghanistan. Selahvarzi termed the plan as a “wise measure”. He called on CBI Governor Mohammad-Reza Farzin to elaborate on the plan. He wrote that the details would enable Iranian local chambers of commerce to brief their member companies about the new mechanism for settlement of their exchanges with Iraq and Afghanistan.

19) IRISL begins shipping cargo to Russia via Solyanka Port

According to local media reports, the Islamic Republic of Iran Shipping Lines (IRISL) has initiated the use of the Solyanka Port corridor in Astrakhan, Russia, for exporting Iranian goods. This development follows the activation of the cold corridor at Solyanka Port, a project funded by IRISL, which is equipped to handle perishable goods in refrigerated containers. The inaugural cargo from Amirabad Port in Iran’s northern province of Mazandaran to Astrakhan in Russia included citrus fruits.

20) Iran-EU trade reaches €3.7 billion in 10-months: Eurostat

According to a latest report by Eurostat, the value of trade between Iran and the 27 European Union member states stood at approximately €3.7 billion in the first 10 months of 2023 (January - October), registering a decline of 13% YoY. During this period, Germany was the largest EU trade partner with Iran, accounting for 31% of Iran’s total trade with Europe, including over €191 million in non-oil imports from Iran and exports worth €977 million to Iran.

21) Iran and Afghanistan cut border tariffs

The aide to the Iranian President's Special Envoy for Afghanistan, Mohammad-Mehdi Javanmard Ghassab on 23 January 2024 said that Iran and Afghanistan have taken steps to bolster their bilateral trade by reducing border tariffs for the transit of goods and an agreement has been reached between the two countries. Under this agreement, a portion of the fees imposed on transit goods at the shared border will be reduced by approximately \$70 out of the total \$245.

22) Iran and Uzbekistan take major steps to develop economic and energy ties

Trade Promotion Organization (TPO) Deputy Head for International Business Promotion Mohammad-Sadegh Ghanadzadeh on 29th January 2024 stated that Iran's Minister of Industry, Mining and Trade Abbas Aliabadi led a delegation to the Uzbekistan capital of Tashkent, called-on the senior Uzbek officials to broaden bilateral ties in trade, economic and energy fields. During the visit, the Iranian delegation met and held talks with the Minister of Industry and Investment, the Minister of Energy, the Minister of Mines and Geology, and called-on the Prime Minister of Uzbekistan.

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	63.61	29.57	93.18	-17.08	-59.78
Iran's cumulative non-oil trade with India (April 2023 to October 2023) Source: DoC, India	341.37	566.25	907.62	-10.70	-47.26
Iran's non-oil global trade (October 2023) Source: Islamic Republic of Iran Customs Administration	4,201	5,563	9,764	-12.51	-11.06
Iran's cumulative non-oil global trade (April 2023 to October 2023) Source: Islamic Republic of Iran Customs Administration	28,345	36,006	64,351	-0.97	12.61

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)	October 2023	4.13	-85.57	13.96
2	Bananas, fresh (08039010)	October 2023	2.63	-39.33	8.89
3	Other antibiotics (29419090)	October 2023	2.08	14,216.55	7.03
4	Boneless meat of bovine animals, frozen (02023000)	October 2023	1.41	38.70	4.76
5	Crank shaft for engines of heading 8408 (84831092)	October 2023	1.30	123.15	4.39
6	Tea black in packet > 3kg but <= 20 kg (09024010)	October 2023	1.07	-79.44	3.61

SI No.	Commodity (HS code)	Period	Total (mn \$)	% Growth	% share in total export
7	Other medicine put up for retail sale n.e.s. (30049099)	October 2023	0.99	429.71	3.34
8	Meal of soyabean, solvent extracted (defatted) variety (23040030)	October 2023	0.94		3.17
9	Dry (09103020)	October 2023	0.87	241.02	2.94
10	Kernels, H.P.S. (12024210)	October 2023	0.69	112.90	2.33

Source: Department of Commerce, India

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

SI No.	Commodity	HS Code	Period	Total	% share in total import
1	Other smartphones	75171390	October 2023	281	5.05
2	Animal corn	10059010	October 2023	280	5.03
3	Soya beans, whether or not broken	12019010	October 2023	185	3.32
4	Separate parts for the production of 8703 series passenger cars	98870312	October 2023	119	2.13
5	Raw gold (including gold plated with platinum) for non-monetary purposes	71081200	October 2023	101	1.81
6	Sunflower seed, safflower or cotton seed oil and their fractions	15121100	October 2023	94	1.68
7	Rice	10063020	October 2023	86	1.54
8	Barley, except seed	10039000	October 2023	68	1.22
9	Ordinary wheat	10019920	October 2023	59	1.06
10	Crude soybean oil	15071000	October 2023	10	0.17

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)	October 2023	18.15	-15.46	28.53
2	Petroleum bitumen (27132000)	October 2023	15.26	175.15	23.98
3	NAOH IN AQS SOLN (SODA LYE OR LQD SODA) (28151200)	October 2023	5.46		8.58
4	Dry dates soft (khayzur or wet dates) (08041020)	October 2023	4.38	33.18	6.88
5	Apples fresh (08081000)	October 2023	3.25		5.10
6	Acetic acid (29152100)	October 2023	2.05		3.22
7	Shelled almonds fresh or dried (08021200)	October 2023	1.88	80.02	2.95
8	Natural gypsum and anhydrite (25201010)	October 2023	1.83		2.87
9	In shell (08025100)	October 2023	1.71	107.19	2.68
10	Liquified propane (27111200)	October 2023	1.63	-60.48	2.56

Source: Department of Commerce, India

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

SI No.	Commodity	HS Code	Period	Total	% share in total export
1	Liquefied: Propane	27111290	October 2023	247	5.87
2	Petroleum bitumen	27132000	October 2023	228	5.42
3	Methanol	29051100	October 2023	206	4.90
4	Natural gas	27111190	October 2023	170	4.04
5	Other urea even in water soluble form	31021090	October 2023	153	3.64
6	Other liquefied butane	27111390	October 2023	139	3.30

SI No.	Commodity	HS Code	Period	Total	% share in total export
7	Ingots, iron, non	72061000	October 2023	131	3.11
8	Other petroleum gases and gaseous hydrocarbons in liquefied form not mentioned in containers of one thousand cubic centimeters and more	27111990	October 2023	113	2.68
9	Bars, rods, iron	72142000	October 2023	106	2.52
10	Semi-finished products of iron or unalloyed steel with a square or rectangular cross-section whose width is less than twice its thickness with a thickness of more than 200mm	72071290	October 2023	50	1.19
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	-	-	-

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
Total		747