

NEWS IN BRIEF

Kenya says to boost trade ties with Moscow

AFP – Kenya said Monday it has agreed to boost trade ties with Moscow, during a surprise visit by Russian Foreign Minister Sergei Lavrov to the East African country. Lavrov's trip came on the heels of an African tour last week by his Ukrainian counterpart Dmytro Kuleba, with the warring sides each seeking to bolster support on the continent for their cause.

ADB grants \$350m to cash-strapped Sri Lanka

CNBC – The Asian Development Bank approved a \$350 million loan on Monday for bankrupt Sri Lanka, buttressing an IMF bailout as the country battles its worst economic crisis. The loan will help stabilise the economy of the South Asian nation, the ADB said, after Sri Lanka ran out of foreign currency and defaulted on its \$46 billion debt over a year ago. The Manila-based lender was committed to supporting "Sri Lanka as it addresses its present challenges and strides toward economic stabilisation, sustainable recovery and inclusive growth," ADB President Masatsugu Asakawa said.

Iran's gov't approves bill on 7th National Development Plan

Iran's bill of the 7th National Development Plan was approved at a cabinet meeting chaired by President Ebrahim Raeisi. Iranian government spokesman Ali Bahadori Jahromi said on Monday that, for the first time, the standpoints of think tanks had been obtained before the draft document of the Seventh National Development Plan was unveiled, IRNA reported.

On May 20, 2023, the final document of Iran's 7th National Development Plan was unveiled in a ceremony attended by more than 500 government officials, experts, and scholars. Reportedly, one of the main goals and fundamental priorities of the five-year development plan is to attain progress, accompanied by justice, with an average economic growth rate of 8%.



Iran, second-biggest date producer in world

Iran is the second biggest producer of dates in the world, announced the chairman of the National Date Association of Iran on Monday. Export of Iranian dates has the capacity to fetch



\$1 billion to the country's per annum, Mohsen Rashid-Farrokhi said, IRNA reported. According to the official, exports of dates added \$400 million to Iran's foreign exchange in the previous Iranian year (ended on March 20). Last year, 1.3 million tons of dates were produced in Iran, the official underlined, adding that annually between 20-30 percent of the produce is exported. He mentioned the United States and China as the two biggest importers of the Iranian dates. According to Farrokhi, date production has created 1.5 million direct and four million indirect job opportunities in Iran.

Stone expo kicked off in Tehran

The 13th International Stone Exhibition of Iran kicked off in Tehran on Monday. The opening ceremony of the exhibition was attended by senior officials including Reza Mohtashamipour, deputy Industry, Mine, and Trade minister, and Mostafa Taheri, an Iranian lawmaker. Over 110 Iranian companies as well as their counterparts from six different countries, namely China, Russia, India, Italy, Turkey, and Greece, are showcasing their latest products and achievements in the five-day exhibition, IRNA reported. The exhibition covers three main areas, namely mining machinery and



equipment, consumables, and minerals processing. Currently, there are more than 6,000 mining and decorative stone processing units active across Iran, which have provided jobs for about 600,000

people. On average, 10 to 11 million tons of decorative stones are being mined in the country annually. However, the production rate has never exceeded 15 million tons.

Iran-Oman bright ...

In response, the Omani government implemented structural reforms to extricate itself from this predicament, focusing on fostering economic growth, boosting sustainable government revenues, enhancing resource productivity, supporting vulnerable segments of society, and strengthening financial management within the public sector. Oman's impressive economic performance includes a GDP of \$87.6 billion and a growth rate of 12% in 2021. Inflation remains moderate at 2.46%, while the export of goods and services reaches a substantial \$32 billion. Oil production averages at 971,000 barrels per day, and foreign investment has surged to an impressive \$42.6 billion. The country's commitment to economic activities and industrial development is evident through its three free zones, one special zone, and nine industrial cities. Major development plan Oman's 2040 development plan aims to increase private sector participation, foreign investment, and achieve an annual growth rate of 6%. The plan also focuses on the non-oil sector contributing 93% to the GDP, positioning Oman as a global trade hub.

Key sectors identified for development include tourism, logistics and transport, industries, fisheries, and mining. Oman has consistently maintained a positive trade balance, with exports exceeding imports. The government has signed tariff elimination agreements with 27 countries. The UAE, China, Saudi Arabia, India, and Brazil are major suppliers of Omani goods, while China, India, South Korea, and Japan are primary destinations for Omani oil exports. Despite competitive advantages in certain imported goods, awareness among Omanis regarding these products is lacking.

Bilateral commercial ties

The trade relations between Iran and Oman have witnessed a significant improvement in recent years. Last year, the trade volume reached an impressive \$1.9 billion, a substantial increase from the \$221 million recorded a decade ago. Iran's exports accounted for \$1.9 billion, while imports from Oman amounted to \$800 million. The expansion of infrastructure and transportation routes between the two

countries has contributed to this progress. Oman's capacity in mining, fisheries, and tourism sectors, coupled with its role as a re-export hub, has paved the way for a potential increase in economic relations, possibly reaching \$5 billion. Maritime routes play a crucial role in trade, leading to the establishment of a regular cargo shipping line between Iran's Bandar Abbas and Omani ports. Passenger vessel transportation between Oman and the Iranian port of Chabahar has also been identified as an important aspect of maritime cooperation. Oman's position as an intermediary for re-exporting goods benefits Iran, allowing it to reach countries that may be inaccessible directly. With Oman's contracts and free zones, Iranian goods can be exported to countries with zero customs tariffs, overcoming sanctions, strained political relations, and financial transaction challenges. Re-exporting through Oman presents an advantageous solution for delivering goods to these nations.

Tourism potential

Tourism plays a significant role in the relationship between Oman and Iran. In 2012, around 2,000 Omani tourists visited Iran for tour-

ism and therapeutic purposes. However, the number of flights increased to ten in 2017 and 2018, accompanied by the removal of visa requirements for Omani citizens. This led to a substantial rise in Omani tourists visiting Iran, reaching 85,000 individuals, with 85% seeking health tourism and 15% engaging in religious and leisure tourism. Flights were temporarily halted due to the COVID-19 pandemic but have since resumed. Experts suggest that health tourism from Oman can be facilitated by Iran's low-cost healthcare services. Increasing direct flights and coordinating travel agencies and hospitals are recommended. The health ministers of both countries emphasized the need to enhance health tourism during the World Health Assembly.

Industry-oriented trade

Oman's market for clothing, particularly Omani sandals and slippers, is predominantly met by China, Thailand, and Turkey. Iranian exports in this sector remain relatively low, presenting a significant market opportunity. Oman heavily relies on imported men's clothing, including turbans and thawbs, with Pakistan as a major exporter. Iranian needlework handicrafts from Sistan and

Baluchestan can supply hats for Omani men and be utilized for Omani women's clothing. Iranian businessmen have the potential to export various goods to Oman, including iron, steel, fossil fuels, coal, oil products, live animals, grains, vegetables, fruits, nuts, salt, sulfur, ceramics, and seafood. Oman's interest in importing food products provides an opportunity for exporting a diverse range of vegetables and fruits to the nation, including edible vegetables, kiwi, lettuce, cauliflower, watermelon, lemon, eggplant, and beetroot. The construction materials sector holds potential for exporting various stones, plaster, cement, and related items to Oman. Furniture, handicrafts, household appliances, and industrial machinery also present export opportunities. Oman's limited industrial strength and reliance on imported goods create an additional opportunity for trade between the two countries. The Iranian Parliament Research Center proposes focusing on sectors such as gas industry, renewable energies, water infrastructure, tourism resorts, free zones and ports, grain and livestock transit, military equipment export, railways and subways construction,

clothing export, academic interaction, workforce training, filmmaking, and public diplomacy. Detailed plans are being formulated to pursue these opportunities comprehensively.

Hurdles need to be removed

Mohsen Zarrabi, former head of the Iran-Oman chamber of commerce, acknowledges that Iran's trade transactions surpassed \$1 billion in 2018, despite US sanctions. However, trade volume declined in subsequent years due to factors such as flawed implementation of foreign exchange deals, export bans, disruptions in clearing processes, and abrupt closures of customs duties. Zarrabi highlights that even in 2021, trade performances improved compared to 2019 and 2020, thanks to implemented policies and decisions. Banking and money transfer challenges are major hurdles in Iran's trade, as noted by Mohammad Abdul-Hossein Baqer, head of the Iran-Oman chamber of commerce. These statements suggest that the path for Iran-Oman trade development is gradually being paved. With a positive approach, trade relations could reach the target of three billion dollars, a focus for businessmen in this field. Resolving the chal-

lenges related to banking and commercial exchanges is crucial for progress in this area.

Upward trade trend

Trade exchanges between Iran and Oman have shown volatility and instability despite an overall upward trend in the past two decades. From 2017 to 2020, the value of trade between the two countries has decreased. Iran's exports to Oman predominantly consist of raw and semi-raw materials like steel, iron, bitumen, live livestock, melons, and watermelons. Experts highlight the strategic positioning of Oman's neighboring countries, such as Saudi Arabia and the United Arab Emirates, which pose potential threats to Iran's interests. Saudi Arabia plans to bypass the Strait of Hormuz by connecting its oil lines to eastern Oman, while the UAE holds a significant share in Oman's imports and has made substantial investments in the country. Given Oman's economic challenges, Iran must deepen its relations with Oman based on their relative advantages and economic opportunities. Proactive steps are needed from Iran to strengthen its engagement with Oman, especially after the transition of power to Sultan Haitham.