

# Afghanistan to move up in Iran's trading partners: *Official*

## Economy Desk

The economic advisor to the Iranian president's special envoy on Afghanistan affairs said that Afghanistan is set to return to the top of Iran's list of trading partners.

Mohammad-Mehdi Javanmard Ghassab also announced the upcoming visit of an Afghan political-economic delegation to Iran.

Looking at the statistics released by the Islamic Republic of Iran Customs Administration (IRICA), it can be observed that in recent years, China, Iraq, Turkey, the United Arab Emirates, and Afghanistan have consistently been the largest customers of Iran's non-oil products.

However, since the Iranian year 1401 (started March 21, 2022) and the establishment of the Taliban interim government, Afghanistan was removed from Iran's list of the top five export destinations.

IRICA statistics indicate that in the Iranian year 1397 (started March 21,

2018), Afghanistan accounted for 6.6% of Iran's non-oil exports with total imports of \$6.6 billion.

The trend continued in the following years with some notable changes, except in 1398, and Afghanistan remained one of the top five destinations for Iranian goods.

In the year 1401, after the Taliban came to power, this figure almost halved, as the country's imports from Iran reached the lowest level in recent years at \$1.634 billion. As a result, in the list of non-oil product importers from Iran, other countries including India replaced Afghanistan.

The trend changed in 1402 when the Taliban interim government, after overcoming post-establishment crises in Kabul, showed a commitment to strengthen its ties with traditional trading partners, especially its neighbors like Iran.

This change in the economic relations between the two countries is the result of a special focus by Iran's incumbent government on



its neighbors, on one hand, and the attention given by the interim Taliban government to developing its relations with neighboring countries such as Iran, on

the other hand.

These efforts have been strengthened by the exchange of economic delegations between Tehran and Kabul.

Exploring new opportunities for cooperation between Iran and Afghanistan and addressing some of the existing obstacles, alongside holding discus-

sions on topics such as transit and mining cooperation, will be on the agenda of the economic delegations in the upcoming meetings.

## Bright prospect for Tehran-Kabul trade

### OPINION

The developments in Afghanistan and the takeover of power by the Taliban have created new conditions.

Most influential countries, despite not recognizing the Taliban government, have made extensive efforts to utilize economic opportunities and create new positions to expand their influence in Afghanistan.

The Islamic Republic of Iran, with its 940-kilometer land border with Afghanistan and deep cultural, civilizational, and religious ties, has many capacities for economic and commercial cooperation.

In recent years, the special conditions that Iran's eastern neighbor — which was under American military occupation for about two decades — was working under were the main obstacles to securing deep economic and cultural cooperation.

After the Taliban's takeover in Afghanistan, conditions have changed, and the Islamic Republic of Iran, while not officially recognizing the new government, is making efforts to take advantage of available opportunities.

Cooperation with the Taliban, as a current reality in Afghanistan, in the areas of security, economics, and the preservation of historical and civilizational ties is considered a necessity.

It should be noted that the Taliban is part of the Afghan society and currently runs the government of the country.

Therefore, due to the geographical proximity and the relationship the two have as neighbors, the Islamic Republic of Iran is compelled to strengthen its relations with the government of Afghanistan based on the logic of protecting national interests and national security.

It is necessary to mention that the visits made by political and trade delegations from both countries do not imply Iran's formal recognition of the Taliban; rather, they purely serve Iran's national interests. Other countries like Turkey and Qatar that have not officially recognized the Taliban similarly act in their national interests.

## Protocol signed on transport corridor to Europe through Iran

The protocol of China's transport corridor to Europe through Uzbekistan, Turkmenistan, Iran and Turkey has been signed by the ministers and representatives of the member countries of the Economic Cooperation Organization (ECO).

The signing took place on the sidelines of the first Shanghai Cooperation Organization (SCO) International Transport Forum in

Tashkent on Thursday.

The first transport forum of the SCO was held in Uzbekistan, bringing together representatives from the transportation authorities of member countries and over 60 major companies from 15 countries.

Under the protocol, unification of tariffs and transportation procedures and border processes will be implemented among the countries, on the basis of

which it is expected that a significant share of China's transit to Europe will shift to Iran's East-West transit route.

The financing of infrastructure projects by the Asian Development Bank, completing missing rail and road links, as well as commercializing and strengthening regional corridors, including Islamabad-Tehran-Istanbul, Almaty-Tehran-Istanbul and East-West corridors to connect China to Europe and the Caspian Sea were among the other topics discussed at the forum.

Participants underlined the excellent transport and logistics potentials of the SCO member states in the construction and use of Eurasian transit corridors. "East-West multimodal transport connectivity can play an important role in the future, as transport

becomes increasingly multimodal and new opportunities arise to improve existing and develop new Eurasian transport networks," Kazakh Deputy Minister of Transport Talgat Lastayev told the forum.

"Our region is a key region connecting Europe and East Asia, as well as an important region for China's Belt and Road Initiative and Europe's Global Gateway Initiative," Lastayev added. Iran's Deputy Roads and Urban Development Minister for Transportation Affairs Shahriar Afandizadeh outlined the Islamic Republic's "Iran-Rah" transportation initiative, saying its implementation will enable all countries in the region to find safe and cheap access to their surrounding geographical areas.

Iran's special geographical location, being situated

along the international corridors of North-South and East-West, which connect West Asia to East Asia and Europe, has provided a special transit status for the country.

Iran's railway network in the west links with Turkey and Europe; in the northwest, to Azerbaijan; in the north, to the Caspian Sea and Turkmenistan, Kazakhstan, Azerbaijan and Russia; in the northeast, to Turkmenistan and Central Asia, Russia and China; in the southeast, to Pakistan, and in the south, to the Persian Gulf and the open waters of the world.

The potential income of Iran's rail transit from trade exchanges between East Asian countries and Europe through the East-West corridor is estimated at about \$1.8 billion, and through the International North-South Transit Cor-

ridor, at about \$90 million per year.

According to the Islamic Parliament Research Center of Iran, the country's annual transit capacity is at least 80 million tons, but only 5.3 million tons of goods went through the country in 2020.

Emerging economic powers such as China and India, which are the main parties pursuing the completion of corridors in the region, are trying to arrange multiple routes for their trade.

Even though none of the trade routes in the region can replace those through Iran, parallel routes can reduce the transit benefits of the country.

Therefore, Iran's delay in securing its share of transit in the region would benefit its competitors and seriously undermine the country's national interests.



## Iran to construct wind farms to produce 3,000 MW of electricity

The economic council of the Iranian government approved the construction of 3,000 megawatts of wind power, announced head of Iran's Renewable Energy and Energy Efficiency Organization (SATBA) Mahmoud Kamani.

For the past year and a half, models for the construction of wind power plants along with solar power plants have been presented and discussed by the council, Press TV reported.

The electricity generated by the wind parks will be pur-

chased by the Ministry of Energy at a rate of 9.5 cents for each kilowatt of electricity, for a period of four and a half years, after which the owners of the power plants can trade it on the Iran Energy Exchange (IRENEX).

The statute of the self-regulatory commodity exchange stipulates that all energy carriers and energy-based derivatives including oil, gas and electricity shall be listed and traded on one of the IRENEX markets.

The company says its mis-

sion is to develop a market in which trade is done under transparency, efficiency and liquidity.

According to Kamani, sites for constructing 40,000 MW of renewable capacity have been identified. In the first phase, tenders will be held for four sites in Khorasan Razavi, South Khorasan, Sistan and Baluchistan, and Zanjan provinces to build wind farms.

In the next phase, tenders will be held in ten other provinces, including Kerman and Semnan, where the nec-

essary appraisals have been completed.

The initial 3,000 MW capacity is estimated to join the national grid in five years since wind power usually takes more time to build than solar power, Kamani said.

In the past, Iranian officials have said there is a potential to install 30,000 MW of wind power and 10,000 MW of solar power capacity across the country.

Currently, Iran has about 450 MW of wind power installed. It has also a capacity of about

440 MW, represented by solar installations.

Iran is a signatory of the 2015 Paris Climate Agreement, committing 195 nations to limit their carbon emissions. In its intended nationally determined contribution (INDC) in 2015, Iran committed to reducing its greenhouse gas emissions by 4% (unconditional pledge), and up to 12% (conditional on international financial and technical assistance) by 2030, compared to a business-as-usual (BAU) scenario.

