

Head of joint chamber of commerce in exclusive interview

# Tehran, Ashgabat moving from mistrust to cooperation

*Pezeshkian should take privatization seriously*

By Sadeq Dehqan & Amir Mollaei Mozaffari  
Staff writers

## INTERVIEW

In recent years, relations between Iran and Turkmenistan, especially in the economic sector, have gone through their fair share of ups and downs. After things turned cold due to the gas dispute, it's encouraging to see relations expanding once more, with an increase in the level of trade exchanges promising a bright future.

The two countries share over a thousand kilometers of common border. Following Turkmenistan's independence from the Soviet Union in 1991, Iran was quick to recognize its sovereignty, and from there, the two nations built strong economic ties in areas such as transportation and energy.

Turkmenistan has long been Iran's most important export destination in Central Asia, and the trade volume between the two has been the largest in the region. In 2009, approximately 100 industrial projects were either built or under construction in Turkmenistan with Iran's assistance, showcasing their commitment to economic cooperation.

However, a long-standing dispute over gas transfers cast a shadow over this relationship. The gas trade between the two countries began in 1997 with a 25-year contract. Things took a turn in 2007 when Turkmenistan demanded a steep price increase, which was eventually moderated due to pushback from Iranian officials. Despite this hiccup, relations remained stable until 2013. In 2017, Turkmenistan halted its gas exports to Iran due to accumulated debts. That same year, it was revealed that Turkmenistan owed \$1.8 billion for gas delivered to Tehran. Iran's delay in payment was due to a change in the settlement method with the Turkmen side, shifting from bartering to cash, which proved challenging due to US-imposed sanctions. The fallout from the Turkmen gas cutoff affected other commercial fields as well.

However, since the inauguration of Iran's late president Ebrahim Raisi in 2021, there has been a flurry of diplomatic activity and cooperation across various sectors, leading to improved relations. The current volume of exchanges stands at approximately \$500 million. Experts believe that the exchange capacity between the two nations is much higher and that the new government's focus on empowering the private sector and reducing the impact of Western sanctions could significantly boost trade.

Iran Daily conducted an exclusive interview with Ramezan Bahrani, the head of the Iran-Turkmenistan Joint Chamber of Commerce, to discuss the current state and future prospects of trade exchanges between the two countries.



Turkmenistan's Minister of Foreign Affairs Rashid Meredov (L) congratulates Iran's new President Masoud Pezeshkian on his election and inauguration on July 30, 2024.  
● president.ir

**IRAN DAILY:** First, could you outline the current trade situation between Iran and Turkmenistan?

**BAHRAMI:** In the last two to three years, the government of president Raisi really picked up the pace and fostered good cooperation with Turkmenistan, taking things forward in a way that outshines the previous Iranian

government. During the Rouhani government, relations hit a low point when the Turkmen government filed a complaint with the International Court of Justice in The Hague over a gas dispute. Dialogue and negotiations broke down, and the situation escalated when the other side resorted to using force. In fact, the level of relations between the two

countries was at its lowest point in 30 years before the Raisi government stepped in. However, since the late president took office, things have taken a turn for the better. The then-president's visit to Turkmenistan and the reciprocal visits by Turkmen officials helped reset the relationship. Discussions on gas swaps resumed, and trades

across the borders flourished once more. The appointment of an active and knowledgeable ambassador to Turkmenistan signaled a shift, and it's clear that the president's government has a particular focus on fostering good relations with neighboring countries. Given these positive steps, the previous government certainly deserves



Ramezan Bahrani

credit for its efforts in developing trade with Turkmenistan.



Head of the Iran-Turkmenistan Joint Chamber of Commerce Ramezan Bahrani (2nd-L) meets with Turkmen and Iranian businessmen on the sidelines of the Iran EXPO 2024 event.  
● otaghironline.ir

**Were there no weak points in the previous government when it came to commercial and economic cooperation?** I want to emphasize that despite the strides made by

the Raisi government in fostering better relations with neighboring countries, the existing laws and regulations pertaining to trade and the business environment hin-

dered the success of these efforts. Customs regulations, currency obligations, and banking requirements, for example, significantly hampered the operational and ex-

ecutive power of merchants. It's important to recognize that the current trade volume between Iran and Turkmenistan largely stems from the initiatives of the private sector, with border residents and businesspersons in border provinces playing a pivotal role. Our trade is not structured optimally, and the private sector's resilience is largely responsible for maintaining the current exchange levels. Government directives, regulations, and incentives fall short when it comes to adequately supporting the private sector.

Let me provide an illustration. Even when our agricultural products are at risk of perishing in fields, there aren't any regulations in place that allow businessmen to sell them in foreign markets without the burden of foreign currency obligations. Even when a

product is surplus to the farmer's needs, he is told that the foreign currency he gets for selling it in foreign markets must be returned to the country immediately. This is true even when exchanges occur amicably between businessmen from both countries, and it may take time to recoup the currency.

In light of this, I believe that while Raisi made commendable efforts to develop foreign relations, particularly with Turkmenistan, the actions of government agencies involved in this work, from the banking system to the Agricultural Organization, undermined these initiatives. For instance, delays of five to 10 days in issuing export licenses by the Ministry of Agriculture, which does happen, can lead to a decline in product quality and ultimately, its destruction.