

Hemmati says cooperation roadmap charted with IsDB, OPEC Fund

Economy Desk

Iran's Economy Minister Abdolnaser Hemmati announced plans to strengthen relations with the Islamic Development Bank (IsDB) and the OPEC Fund for International Development.

He acknowledged the current challenges in Tehran's interactions with the two institutions, which have been impacted by sanctions, and said future cooperation was mapped out during recent meetings with their leaders, IRNA wrote.

In a statement in Farsi on X, Hemmati detailed his discussions in Riyadh with the heads of both organizations.

"We held extensive meetings and agreed that the OPEC Fund would not only provide loans to developing countries but also utilize the technical and engineering services of Iranian companies and encourage Iranian private investors to participate in joint projects," he said.

Hemmati traveled to Riyadh on Monday to attend the 28th Annual Meeting of the World Association of Investment Promotion Agencies (WAIPA). The three-day event, which began on Monday, focuses on leveraging digital transformation and exploring sustainable growth investment opportunities. During his trip, Hemmati also met Saudi Finance Minister Mohammed Al-Jadaan and Saudi Minister of Investment Khalid Al-Falih. The Global Investment Conference is an international platform aimed at promoting foreign direct investment (FDI), trade, and technology.

Non-oil exports up 18% in eight months: *IRICA*

Economy Desk

The head of the Islamic Republic of Iran Customs Administration (IRICA) announced an 18% increase in the country's non-oil exports during the first eight months of the current Iranian year, reaching \$38.152 billion.

Foroud Asgari, the IRICA head, presented the latest statistics on Tuesday, highlighting developments in Iran's non-oil trade noting that imports, including gold bullion, amounted to \$45.127 billion during the same period,

IRNA reported.

In terms of weight, Asgari said Iran's imports decreased by 1.73%, reaching 24.525 million tons. Meanwhile, non-oil export reached 103.558 million tons, marking a 14.66% year-over-year increase.

Asgari added that the average value per ton of exported goods rose by 3%, reaching \$368 during the eight-month period.

According to the IRICA head, Iran exported 44.9 million tons of petrochemical products valued at \$17.5 billion during the same period. This represented a 31.43% increase in weight and a 29.79% increase in value compared to the previous year.

China and Iraq were the top destinations for Iranian goods. Asgari stated that China accounted for \$9.9 billion of Iran's exports, followed by Iraq (\$8.3 billion), the United Arab Emirates (\$4.8 billion), Turkey (\$4.4 billion), Afghanistan (\$1.6 billion), Pakistan (\$1.5 billion), and India (\$1.2 billion).

These seven countries collectively accounted for 82.29% of the weight and 82.94% of the value

of Iran's total non-oil exports.

The largest sources of imported goods were the UAE (\$13.6 billion), China (\$11.5 billion), Turkey (\$7.8 billion), Germany (\$1.6 billion), Russia (\$1.1 billion), India (\$1 billion), and Hong Kong (\$900 million). Together, these countries represented 76.42% of the weight and 83% of the value of Iran's total imports.

The average value per ton of imported goods rose by 8% to \$1,840 during this eight-month period, Asgari said.

Iran's top export items



included liquefied natural gas (\$5.1 billion), liquefied propane (\$2.2 billion), and methanol (\$1.7 billion). On the import side, the main

items were unprocessed gold (\$4.6 billion), corn for livestock feed (\$1.8 billion), and smartphones (\$1.5 billion).

Speaker urges resolution of major issues causing energy deficit



Economy Desk

Mohammad Baqer Qalibaf, the speaker of Iran's Parliament, said the country faced an energy deficit of more than 15,000 megawatts during the summer of 2024 and stressed that the shortfall caused a 1.5% decline in industrial production and economic growth, resulting in losses for both producers and the government.

Speaking at Tuesday's parliamentary session, during a review of the Energy Committee's report on power outages and fuel supply for thermal

power plants, Qalibaf underscored the need for systemic and strategic solutions.

"The energy sector requires serious attention from intellectuals, parliament, and the government," he said.

Qalibaf underlined as two main responsibilities for the oil and energy ministries the ensuring of a stable energy supply for public consumption and creating added value to guarantee economic growth and boost GDP.

The speaker emphasized that energy resources such as oil, gas, and derivatives are the

country's most significant assets, urging their optimal use. Referring to the energy deficit, he stated, "In the summer, we experienced a deficit exceeding 15,000 megawatts, leading to a 1.5% drop in industrial output, according to the Research Center of Parliament's report. This impacts the government as well as it cannot collect taxes from profits when producers face losses."

He added that during last winter, the country faced a 250 million cubic meter gas shortfall despite industrial shutdowns and pressure drops.

Highlighting the consequences of energy deficits on Iran's global stance, Qalibaf said, "There was a time when we could leverage oil in the face of threats. Now, we lack sufficient production and market control, even if sanctions are lifted. Is this not a loss that demands our attention? Both the government and parliament bear responsibility."

He noted that logistical challenges further complicate the situation, even if production increases. "It's not just a question of burning mazut; the issues

are far deeper," he said, adding that coordination between the Oil and Energy Ministries aims to prevent power outages and ensure fuel delivery.

Qalibaf pointed to fundamental flaws in Iran's energy sector. "We need to resolve these structural issues. The Parliament's Research Center, government, and legislature must work together with expert input to address institutional challenges and conflicts of interest between the two ministries," he stated.

Fuel smuggling

He also revealed that 25-30 million liters of fuel are smuggled daily, emphasizing that this is an organized issue involving major producers and consumers. "Recognizing the problem is the first step to finding solutions," he asserted. Referring to a previous parliamentary law concerning removing production obstacles, Qalibaf said under the budget law for the current year, the Energy Ministry was required to set purchase rates for bulk industrial consumers at the beginning of the year. However,

delays in implementation have caused financial shortfalls.

"The 400 trillion rials (approximately \$570 million) allocated for investment last year faced significant issues. This year, the situation remains problematic," he said, citing delays in payments for renewable energy and private sector power purchases, which have tarnished the government's credibility. Qalibaf stressed that the 400 trillion rials represent an opportunity for investment. Under the law, 25% is earmarked for purchasing renewable energy, 20% for private-sector power producers, 20% for modernizing aging infrastructure, 10% for network digitization, and 10% for industrial companies. "We are losing 20% of our energy to inefficiencies. These funds must be used to address such waste," he concluded.

Speaking at the session, Energy Minister Abbas Aliabadi stated that a plan is in the works to add more than 10,000 megawatts of capacity by the next summer, a measure that could greatly help to reduce power shortages in the coming year.

A window of...

Since then, the Russian invasion of Ukraine and the ensuing war has added another layer of complexity to the Iran-Europe dynamic, with the Ukraine conflict becoming a major economic and security challenge for Europe. Europeans have accused Iran of providing military aid to Russia against Ukraine, essentially viewing Iran as a security threat alongside Russia. As a result, the Ukraine issue has become a top priority for Europe.

Aside from the nuclear issue and the Ukraine war, there's also the challenge of dual nationals in bilateral relations between Iran and some European countries. In recent years, some Iranian dual nationals have been detained in Iran for various reasons, with some released and others still in detention. The recent execution of one such dual national has strained relations between Iran and Germany to the point of almost severing diplomatic ties. These are perhaps the most pressing issues between Iran and Europe on the eve of the Geneva talks.

It seems that with the recent adoption of the anti-Iran resolution at the IAEA Board of Governors, led by

the European troika, the nuclear issue has taken center stage again. Do you think that revisiting the nuclear issue and the new talks between Iran and Europe can either escalate tensions or open a new window for reducing tensions and reaching new understandings?

Both possibilities can be on the table. Over the past month or so, Europeans have been more provocative on the Iranian nuclear issue. This might be because they think that the Iranian nuclear program can be used as leverage against Iran. Europeans have gone back to the Iranian nuclear issue, anticipating Donald Trump's victory in the US presidential election. But I believe that these pressures, specifically the adoption of the resolution at the IAEA Board of Governors, are a European attempt to open a new chapter in negotiations with Iran. Because, talking about the nuclear issue is smoother for Europeans and Iran than discussing the Ukraine war.

In fact, do you believe that the willingness to engage in talks is not one-sided and that Europeans are also interested in starting new negotiations with Iran?

Yes, that's right. The new Iranian government has announced its policy of interacting with the world, and Masoud Pezeshkian explicitly expressed the government's willingness to engage with the world, including Europeans, at the UN General Assembly. Talks were also held between Iran and Europeans on the sidelines of the UN General Assembly in New York. Following Trump's victory in the US presidential election and his stances on NATO, the Ukraine war, and the Gaza war, Europeans are now interested in dialogue with Iran. In this context, the adoption of the IAEA Board of Governors' resolution against Iran can even be seen as a European attempt to initiate new negotiations with Iran.

Ukraine is currently the top concern for Europeans due to energy and security challenges. They are aware of Donald Trump's stances on NATO, which have rekindled their concerns. They also know about Trump's positions on ending the Ukraine war. If Trump and Putin, the presidents of the United States and Russia, reach an agreement on Ukraine, the Iran issue will likely be affected by this agreement.

In this context, the recent positions of Ali Larjani, an advisor to the Leader

[Ayatollah Seyyed Ali Khamenei], regarding the possibility of dialogue with the United States and reaching a new agreement on the nuclear issue are significant and noteworthy for Europeans. In this framework, Europeans are inclined to reopen the channel of communication with Iran.

Can we be optimistic that the new talks will lead to official negotiations and new agreements between Iran and Europe?

Yes, we can be optimistic, provided that there is a consensus among Iran's governing institutions and decision-makers. The controversy and differing views on the alleged meeting between Iran's UN ambassador and Elon Musk, a Trump advisor, show that internal differences in Iran can still hinder the implementation of foreign policy. This is particularly relevant as Europeans and Americans have experience

in the nuclear deal and Iran's internal disagreements.

However, Europeans should also consider another factor: the new US administration. Any agreement with Iran will not yield clear results without US participation and support. During his previous presidency, Donald Trump complained that the 2015 nuclear deal allowed European companies to operate in Iran while American companies were excluded. Therefore, the 2015 nuclear deal and its aftermath should be considered a

tangible experience that Iran, Europe, and the US should draw from. Nevertheless, we can be optimistic about the new talks between Iran and Europe, as Europeans are also eager to revive their relations with Iran.

