

# Petrochemicals; a pioneering industry in Iran's non-oil economy

60 countries import Iran's petchem products



## Economy Desk

Iran's petrochemical industry has come a long way, producing over 72 million tons of petrochemical products annually, and has become a cornerstone of the country's non-oil economy. With exports to over 60 countries globally, the industry rakes in over \$15 billion in annual revenue, playing a crucial role in reducing the country's reliance on crude oil. Companies like Persian Gulf Petrochemical Industries Company (PGPIC) and Marun Petrochemical Complex are major players in the production and export of these products, holding a special place in international markets.



By producing a diverse range of petrochemical products, Iran's petrochemical industry has turned into a major source of non-oil revenue.

### Petrochem industry's role in boosting national wealth

Iran's petrochemical industry, as a cornerstone of the country's economy, has a significant impact on increasing national wealth. According to reports from the Oil Ministry, this industry directly accounts for around 25% of the country's non-oil exports. In 2022, Iran produced over 72 million tons of petrochemical products, including methanol, polyethylene, polypropylene, and various chemical fertilizers. This production volume has not only met domestic needs but also generated substantial revenue for the country. Moreover, the production of petrochemical products has reduced dependence on crude oil exports, enabling Iran to export a greater volume of high-value-added products to global markets. This industry also plays a vital role in creating direct and indirect jobs in the country. According to statistics from the Labor Ministry, the petrochemical industry has created over 143,000 direct jobs. Many of these jobs

have been created in southern regions of the country, such as Bushehr and Khuzestan provinces and have significantly contributed to the economic development of these areas. In this regard, major petrochemical companies like the PGPIC and Marun Petrochemical Complex have provided job opportunities for thousands of people by expanding their operations. In addition to creating employment, Iran's petrochemical industry also serves as an economic driver for downstream industries. For instance, by producing chemical and plastic products domestically, industries such as automotive, home appliances, and textiles can access the raw materials they need and reduce their reliance on imports. This directly contributes to increasing domestic production and reducing dependence on imports, ultimately leading to economic growth.

### Economic propellant

In recent years, Iran's petrochemical industry has emerged as a major economic propellant, playing a pivotal role in propelling the country's econ-

omy forward. According to reports from the Iran Trade Promotion Organization, in 2022, Iran raked in over \$15 billion in revenue from the export of petrochemical products. This revenue, largely generated from the export of chemical products, methanol, and polyethylene to various countries, has contributed significantly to increasing the country's value-added output. This, in turn, has had a direct impact on reducing the country's reliance on crude oil exports and boosting domestic production capacity. Iran has solidified its position in global markets by producing over 72 million tons of petrochemical products annually. According to statistics from the Iranian Customs Administration, Iran's petrochemical products are exported to over 60 countries, and these products are in high demand in global markets, particularly in Asia and Europe. Furthermore, these exports generate substantial value-added revenue for the country, as they involve the sale of products with more complex processing, which leaves a larger share of the revenue in the

country rather than just selling crude oil.

In addition to boosting export revenues, the petrochemical industry also plays a crucial role in promoting job creation. The Ministry of Labor estimates that the industry has directly created over 300,000 jobs, primarily in technical and engineering fields, production and transportation, and supporting downstream petrochemical industries. The expansion of this industry, particularly in southern regions of the country such as Bushehr and Khuzestan provinces, has led to economic growth and improved living standards in these areas.

### Knowledge-based companies' role in petrochemicals

Knowledge-based companies have leveraged cutting-edge technologies and optimized production processes to boost the performance of the petrochemical industry. According to statistics from the Ministry of Science, Research, and Technology, the number of knowledge-based companies operating in Iran's petrochemical

industry has been on the rise in recent years. These companies have particularly excelled in the production of catalysts, innovative technologies, and process optimization, which has helped reduce production costs and enhance the quality of petrochemical products. Examples of such companies include Pouyakimia and Behsan Petrochemical Engineering companies, which specialize in the production of catalysts and other chemical materials.

These companies have also introduced new technologies in petrochemical production, thereby increasing Iran's competitiveness in global markets. According to reports from the Planning and Budget Organization, the export of technology-intensive products manufactured by Iranian knowledge-based companies reached over \$200 million in 2022, which underscores the significant impact of these companies on the country's economy. Furthermore, collaborations between petrochemical companies and Iranian knowledge-based companies have led to a reduction in dependence on imported

