

Iran's annual carpet exports plunge to \$40m



Economy Desk

The value of Iran's handwoven carpet exports dropped sharply from over \$2 billion annually in the Iranian year of 1373 (1994) to around \$40 million today, according to Morteza Haji-Aqamiri, head of the Carpet, Art, and Handicrafts Commission at the Iran Chamber of Commerce.

Commenting on the significant decline in Iranian carpet exports to Germany, one of the primary markets for these goods, Haji-Aqamiri noted that Germany and other German-speaking countries have historically been the largest purchasers of Iranian handmade carpets, ILNA reported.

Haji-Aqamiri added that Iranian carpets are still exported to other European countries, including France, the UK, and Italy, as well as to non-European markets such as the United Arab Emirates, which remains a strong export destination.

He highlighted that Germans have had such a deep connection with Iranian carpets that the academic study of carpets began at universities in Berlin.

Haji-Aqamiri attributed the decline in demand for Iranian carpets in Germany to changing tastes among younger generations in Europe and said younger consumers now view carpets as short-term floor coverings that need to be replaced frequently, making them unwilling to invest in luxurious, high-quality Iranian carpets.

Instead, they opt for cheaper Turkish and Indian carpets that align with their preferences, allowing Indian and Turkish producers to dominate the European market.

He also pointed to international sanctions and flawed domestic currency policies as factors exacerbating the decline in Iranian carpet exports to Europe.

Haji-Aqamiri added that 44% of global carpet exports go to the United States, which has sanctioned Iranian carpets. This leaves Iran's carpet industry focusing on the 56% of the market.

Haji-Aqamiri also said Japan is a promising market for Iranian carpets, emphasizing the importance of participating in expos there.

Pezeshkian reaffirms support for private sector amid challenges

President Masoud Pezeshkian said on Sunday that he as the head of the government is accountable to the people and the private sector regarding ongoing challenges.

The first meeting of the board of trustees of the National Development Fund (NDF) under the current administration was held on Sunday, chaired by Pezeshkian, according to president.ir.

During the meeting, the fund's performance report was reviewed, the budget for the next Iranian year was approved, and a proposal for the fund's role in addressing energy shortages and national development was discussed.

It was decided that the proposal would be examined by a specialized working group to develop solutions in line with existing laws and regulations. These solutions will be presented for approval at the next board meeting.

According to the proposal, the NDF expressed readiness to collaborate with the private sector in financing projects to address

energy deficits, based on a specific framework designed by the fund's experts.

Due to limitations in the fund's charter regarding direct financial intervention in the economy, the board decided that the proposal would be reviewed by the working group comprising members from the three branches of government.

The group will develop solutions that comply with existing laws and regulations. Given time constraints, the working group was urged to finalize these solutions within two weeks for review and approval at the next board meeting.

Pezeshkian referenced statistics indicating that the private sector incurred losses of at least 175 trillion tomans (\$2.18 billion) due to energy deficits in the first nine months of the year (started March 20, 2024).

He emphasized that the current administration has been actively working to resolve energy shortages since its beginning but has encountered persistent challenges. "As the head of the government,



I am accountable to the people and the private sector for these issues. Given that solar power plants are the fastest, most effective, and cost-efficient solution available, we must not waste any more time. We need to quickly approve and implement action-

able solutions in this area," the president added.

Pezeshkian stressed that having resources but being unable to use them to address critical national issues due to a lack of actionable plans is illogical. He pledged to expedite the de-

velopment of practical solutions aligned with the country's laws and interests.

The president also committed to preventing any misuse, waste, or corruption in the allocation of approved resources for this purpose.

Petrochemical industry exports hit \$10b in nine months: NPC



The CEO of the National Petrochemical Company announced that the industry has exported \$10 billion worth of products in the first nine months of the current Iranian calendar year (March 20–December 20, 2024), with projections estimating this figure will reach \$13 billion by yearend (March 20).

Speaking at a meeting of the Oil Ministry's deputies on Saturday, attended by Vice President Mohammadreza Aref, Hassan Abbaszadeh highlighted that the petrochemical sector comprises 70 production complexes and three utility complexes, Shana reported on Sunday.

He noted that 85% of the industry is concentrated within holdings, most of which are subsidiaries of the country's pension funds, while 15% operate within the private sector. Abbaszadeh emphasized that the industry has also supplied \$10 billion worth of feedstock to downstream domestic industries, which are utilized in various sectors such as polymers, footwear, textiles and detergents.

Focus on value chain development

The deputy oil minister stated that the Seventh Development Plan outlines 61 petrochemical projects, with a focus on completing the value chain.

Abbaszadeh explained that while

previous development plans prioritized increasing production capacity, the current plan emphasizes value chain integration and aims to achieve a total capacity of 131.5 million tons by 2027 across methanol, polyethylene, ethylene, and other chains.

He acknowledged that this approach has made the work more challenging but stressed that it will help move the industry toward higher-value-added products.

Abbaszadeh added that the National Petrochemical Company is monitoring and prioritizing value chain completion projects, aligning with the Seventh Development Plan's goals of boosting production capacity while enhancing value chain integration.

Over 60 projects requiring \$24b in investment

Abbaszadeh identified financing as the primary challenge for implementing petrochemical projects, noting that the Seventh Development Plan requires \$24 billion in investments.

So far, \$12 billion has been spent, with projects averaging 50% physical progress. An additional \$12 billion will be invested to complete the initiatives.

He also mentioned that plans for the Eighth Development Plan have been drafted and are in their initial stages. To ensure sustainable feedstock

supply, petrochemical companies have invested in capturing associated gases.

The CEO highlighted that memorandums of understanding have been signed with petrochemical holdings and companies to develop small gas fields, with some companies preparing contracts to increase gas production and partially address feedstock challenges.

Optimizing household gas consumption

Abbaszadeh noted that the petrochemical industry has also entered the energy optimization sector, targeting several cold-climate cities this year.

The initiative involves replacing equipment and promoting cultural changes to optimize household gas consumption, thereby freeing up gas for use as petrochemical feedstock. He added that major petrochemical companies have begun investing in solar farms, with some signing contracts to build solar power plants. For example, Kaveh Methanol has signed agreements to produce 800 megawatts of solar power and 500 megawatts of wind power to meet its electricity needs.

Regional planning for petchem development

Abbaszadeh stressed the importance of proper regional planning for the petrochemical industry, tailored to each province's water resources, existing industries, and feedstock availability.

This approach aims to attract investors focused on developing downstream industries.

He also mentioned that efforts are underway to study and expand the portfolio of international customers, aiming to identify new markets while retaining traditional ones with the help of petrochemical holdings. Abbaszadeh emphasized that petrochemical projects will be prioritized based on their potential to generate higher value-added products.

Promising prospects for China-Iran cooperation within BRICS: Envoy



China's ambassador to Iran said the prospects of cooperation between the two countries within the framework of the BRICS group of emerging economies are promising.

Speaking with IRNA, Cong Peiwu called for enhanced bilateral cooperation between Iran and China in the economic and multilateral domains.

He described BRICS as a favorable platform for strengthening economic cooperation between the countries of the Global South. "In addition to constructive interaction between the member states, the activities of this group lead to the expansion of cooperation with other countries as well," the envoy said.

He added that these interactions are not limited to trade exchanges, but rather, cross-border e-commerce and cooperation in various fields of the digital economy, Artificial Intelligence, innovation, and technology are also among other activities carried out within the BRICS bloc.

Iran officially joined BRICS as a full member in January 2024, months after it was invited to join the expanding bloc along with Argentina, Egypt, Ethiopia, the UAE, and Saudi Arabia. BRICS initially consisted of Brazil, Russia, India, China, and South Africa. It is considered to be a counterpart to the G7 bloc of the world's largest economies.

In his remarks, Cong also underscored the need to support the development and expansion of the open global economy.

He slammed the unilateral actions and economic threats of certain countries against Iran and China as "illogical."

"All countries should support the open and win-win [global] economy, and in this regard, we firmly oppose the unilateral actions and economic threats of certain countries," he added.