

# Oil-linked GDP grows 3.1% in nine months: *SCI*

## Economy Desk

According to the latest quarterly national accounts released by the Statistical Center of Iran (SCI), the country's gross domestic product (GDP) grew by 3.1% year-over-year in the first nine months of the Iranian calendar year 1403 (March 20 - December 20, 2024), including oil. Excluding oil, GDP grew by 2.2% during the same period.

The report stated that Iran's GDP, including oil, reached 75.291 quadrillion rials in the first nine months of 1403, compared to 73.027 quadrillion rials in the same period the previous year. Excluding oil, GDP stood at 57.330 quadrillion rials, up from 56.106 quadrillion rials in the same period last year, Shana reported.

The data also revealed sectoral growth rates during the nine-month period. The agriculture sector grew by 3.3%, while the industry and mining sector expanded by 3.6%. Within the industry and mining sector, crude oil and natural gas extraction saw the highest growth at 6.1%, followed by natural gas distribution at 5.7%, water and electricity supply at 2.5%, and other mining activities at 0.9%.

The industrial sector grew by 1.4%, while construction showed no growth. The services sector grew by 2.3% compared to the same period in 1402.

The SCI calculates quarterly GDP based on 18 main sectors, comprising 50 activities classified under the ISIC, Rev.4 framework.

ISIC Rev. 4 is a standard classification of

economic activities arranged so that entities can be classified according to the activity they carry out. The categories of ISIC at the most detailed level (classes) are delineated according to what is, in most countries, the customary combination of activities described in statistical units and considers the relative importance of the activities included in these classes.

While ISIC Rev.4 continues to use criteria such as input, output and use of the products produced, more emphasis has been given to the character of the production process in defining and delineating ISIC classes.

The groups and divisions, the successively broader levels of classification, combine the activities of producing units according to: similarities in the character of the goods and services produced, the uses to which the goods and services are put, and the inputs, process and technology of production.

Wide use has been made of ISIC, both nationally and internationally, in classifying data according to the kind of economic activity in the fields of production, employment, gross domestic product and other statistical areas. ISIC is a basic tool for studying economic phenomena, fostering international comparability of data, providing guidance for the development of national classifications and for promoting the development of sound national statistical systems.

In providing more up-to-date detail, this revision of the classification provides a closer representation of cur-



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rent economic reality. In addition, the Revision 4 of ISIC has improved comparability with other regional activity classifications in use around the world. The agriculture sector includes farming, horticulture, livestock, forestry, and fishing. The industry and mining

sector covers crude oil and natural gas extraction, other mining activities, manufacturing, water and electricity supply, natural gas distribution, and construction.

The services sector includes wholesale and retail trade, hospitality, transpor-

tation, warehousing, postal services, information and communication, financial and insurance activities, real estate, business services, veterinary services, public administration, urban services, education, health, social work, and other public and personal services.

## Economy minister's impeachment bid sparks mixed reactions

### Economy Desk

The impeachment of Economy Minister Nasser Hemmati is set to be discussed in Iran's Parliament today, despite some lawmakers who initially signed the impeachment motion withdrawing their support. Others argue that impeaching the economy minister is not appropriate under current circumstances.

The impeachment motion, which was submitted with 91 signatures on February 19, is scheduled for review during today's parliamentary session. However, the process has sparked debate among lawmakers and government officials. President Masoud Pezeshkian addressed the issue on Saturday, stating that the impeachment is part of ongoing political disputes that should be avoided. He emphasized that resolving the country's economic challenges requires time and expert input. "The current situation cannot be fixed easily within six months or a year," Pezeshkian said.

"Experts need to gather and find solutions. Solving even a simple problem takes time, and if we make the right decisions and implement them correctly, it will still require time. Six months is not enough to evaluate a minister, especially the economy minister,"

The president also defended Hemmati, noting that



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many decisions on economic matters were made in coordination with other government leaders.

He criticized the tendency to blame the economy minister for the country's economic woes, which he attributed to severe international sanctions.

"Instead of informing the public that these pressures and problems are due to sanctions and external actions, we blame the economy minister," he said.

Mohammad-Taqi Naqdali, a lawmaker supporting the impeachment, argued that the motion is not politically motivated and has been signed by 114 lawmakers from various political backgrounds and regions. He criticized Hemmati's handling of the economy, stating, "The economy minister came to Parliament claiming he could manage the economic situation, and now he must answer for the current state of affairs."

The lawmaker also referenced a recent closed-door parliamentary ses-

sion, where no solutions to the economic crisis were reached.

He stressed that impeachment is Parliament's legal right and that lawmakers have a duty to hold ministers accountable. "Even if the minister regains a vote of confidence, lawmakers have fulfilled their responsibility. The economic and livelihood issues of the people cannot be ignored," the MP said.

Meanwhile, Mehrdad Baouj-Lahouti, the first deputy chairman of Parliament's Plan and Budget Committee, expressed opposition to the impeachment, stating that the economic and budget committees view the move as counterproductive.

The lawmaker argued that Hemmati, who has significant experience, should be given more time to address the country's economic challenges. "Removing Hemmati would lead to a three-month period with an acting minister, which would worsen the economic environment," he said.

Akbar Ranjbarzadeh, a lawmaker from Asadabad, also opposed the impeachment, stating that six months is too short a time to evaluate the performance of the government or its ministers.

He called for a one-year evaluation period to assess their capabilities and performance. "Changing the economy minister is not the solution to the current problems," Ranjbarzadeh said. "The issues in the currency and gold markets stem from various factors."

Economic expert Bahman Arman echoed these sentiments, warning that replacing the economy minister at this time would deal an irreparable blow to the government.

"If Parliament's goal is to help the government, it should not hinder a minister who is working to solve economic problems," Arman said.

On February 19, during an unannounced visit to the Ministry of Economic Affairs and Finance, Pezeshkian reiterated that all monetary, banking, and currency policies were decided in coordination with government economic teams, parliamentary economic committees, and experts.

"It is unfair to blame one person [the economy minister] for all the problems," Pezeshkian said. "We must work together and move forward with strength, believing that we can overcome these challenges."

## Roads minister prioritizes completion of transit corridors

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The minister of roads and urban development emphasized that completing transit corridors is a top priority for the ministry to optimize transit operations, and neighboring countries are relying on Iran's efforts in the field despite existing limitations and sanctions.

Speaking at a meeting with provincial governors in Tehran on Saturday, Farzaneh Sadeq-Malvajerd stated that while the completion of transit corridors should have been achieved sooner, it is still not too late to act. She highlighted that countries like China continue to view Iran as a more efficient, cost-effective, and shorter route for cargo transit. This has also encouraged Turkey to increase cooperation with Iran.

Sadeq-Malvajerd stressed that developing border terminals is among the ministry's key priorities. Over the past five months, she noted, significant efforts have been made to enhance relations with neighboring countries through joint commissions, virtual meetings, and invitations for them to visit Iran to discuss



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border issues, terminals, and regional connectivity.

Addressing challenges faced by Iranian drivers at the Turkish border, Sadeq-Malvajerd acknowledged the critical role of provincial governors in resolving such issues.

She specifically praised the efforts of West Azarbaijan Governor General Reza Rahmani, whose support enabled Iran to enter negotiations with Turkish officials from a position of strength.

Sadeq-Malvajerd underscored that despite current challenges, including energy shortages, limitations, and the potential for intensified sanctions, transportation and transit remain vital solutions. She called for the necessary infrastructure to be established within the country.

The minister emphasized that the development of transit routes connecting to borders and railways will drive

economic growth and wealth creation. She urged governors to advocate for this vision across the government, parliament, and judiciary.

Sadeq-Malvajerd also directed her colleagues at the Ministry of Roads and Urban Development to compile a list of road construction projects requiring less than 20 kilometers to be completed. She revealed that some projects have been under construction for five to 25 years, and completing them would require over 500 trillion rials in funding nationwide.

She also called on governors to prioritize projects comprehensively and not limit asset development to the Ministry of Roads and Urban Development. Instead, she encouraged them to identify and prioritize properties and assets belonging to other organizations, leveraging their oversight and paternal approach to drive productivity.