

Pezeshkian outlines gov't plan to replace fossil fuels via renewables

Iran's target set for becoming regional energy hub

Economy Desk

President Masoud Pezeshkian announced Sunday that his government's plan is to replace fossil fuels with electricity wherever feasible and economically viable, particularly through the expansion of solar power plants. Speaking at a meeting with the Minister of Industry, Mine, and Trade and other ministry officials, Pezeshkian stressed the need to shift oil and gas usage to sectors with higher added value while prioritizing renewable energy sources. Pezeshkian highlighted Iran's abundant solar resources as a key advantage for developing solar energy infrastructure. He called for expert input on the feasibility and best practices for implementing this transition, emphasizing the importance of economic, social, and environmental evaluations. "Currently, natural gas is cost-effective for various sectors, including transportation, residential, and industrial use, but this is largely due to subsidized prices. If gas were priced at global market rates, its economic viability would be questionable," he said. "We must carefully assess all aspects of this plan, including the efficiency of burning gas for electricity versus other uses." The president noted that oil and gas are finite resources, while solar energy is sustainable and inexhaustible. He also pointed out that electricity is a cleaner energy source with lower transmission costs, higher efficiency, and safer distribution compared to fossil fuels. Pezeshkian reiterated his per-

sonal commitment to meeting with investors and industrial stakeholders to address bureaucratic inefficiencies and expedite economic reforms. "Our reliance on oil and gas has made our economy vulnerable to sanctions. By removing obstacles for investors and fostering regional economic cooperation, we can reduce this dependency and achieve significant economic growth," he said. He also called for modernizing industries and upgrading transportation systems to reduce pollution, emphasizing the importance of expanding rail transport as a secure, cost-effective, and environmentally friendly option. Additionally, he urged the replacement of home heating systems with more efficient and low-consumption alternatives. The president stressed the need for a comprehensive roadmap, developed with input from experts and stakeholders, to guide such initiatives. "We must avoid delays in transformative projects and ensure that our plans are actionable and aligned with national, regional, and global goals," he said. Pezeshkian also addressed the revival of the Ministry of Commerce, questioning whether structural changes alone could solve existing challenges. "If we clearly define the responsibilities and authority of the Ministry of Commerce, the current structure can effectively carry out its duties," he said. He highlighted the potential of certain industrial and production units to become regional and global hubs with proper support, urging ministries to delegate authority to provincial

officials to leverage local capacities for economic growth. In closing, Pezeshkian praised the newly enacted free trade agreement between Iran and the Eurasian Economic Union, describing it as a significant opportunity for expanding trade, economic, and industrial cooperation with member countries. Earlier in the meeting, Mohammad Atabak, the Minister of Industry, Mine, and Trade and his deputies provided updates on the ministry's achievements, including the activation of 381 idle mines, the resolution of 1,500 out of 1,700 stalled mining cases, and progress on completing and enhancing the value chain of mining and industries. They also noted the near-finalization of the national industrial strategy document, coordinated with the private sector and organizations such as the Chamber of Commerce, and highlighted efforts to boost car production capacity beyond 1 million units annually and address industrial electricity needs.

Becoming regional energy hub

Meanwhile, In the first meeting of the Regional Energy Trade Steering Committee on Sunday, Vice President Mohammadreza Aref emphasized the country's goal to become a regional energy exchange hub. He stated that achieving the objective is a top priority for the government as a key part of its strategic agenda. The meeting, held at the Vice President's office with members of the Regional Energy Trade Steering Committee in attendance, began with a compre-



President Masoud Pezeshkian (C) is being briefed by Industry Minister Mohammad Atabak (L) at a meeting with senior officials of the Ministry of Industry, Mine, and Trade in Tehran on March 16, 2025.

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hensive report from Oil Minister Mohsen Paknejad. The report outlined efforts in gas swap agreements with neighboring countries, their impact on addressing natural gas shortages in northern Iran, and the development of strategic collaborations with neighbors to strengthen Iran's position in the regional energy market. The oil minister highlighted the significance of such initiatives, particularly in addressing energy imbalances and enhancing Iran's influence in the regional energy sector. Aref also said according to the Seventh Five-Year Development Plan, Iran must become a regional energy exchange hub. He stressed that achieving this goal, which is a key strategy of the Pezeshkian administration,

requires concerted efforts. The inaugural meeting of the Regional Energy Trade Steering Committee was held to advance this objective. The vice president noted that implementing the plan could help resolve energy imbalances and reduce losses in the industry caused by energy shortages. He expressed gratitude that the first meeting of the committee was convened under this administration and emphasized the need for regular meetings and expert decision-making in this field. A secretariat for the committee will be established at the Oil Ministry to ensure organized and effective operations. Under Article 44 of the Seventh Five-Year Development Plan, the Regional Energy Trade Steering

Committee was formed within six months of the law's enactment. The committee aims to transform Iran into a regional energy hub, targeting annual gas exports and imports of 40 billion cubic meters and 20 billion cubic meters, respectively. It also seeks to facilitate the swap of oil products and crude oil from Commonwealth of Independent States (CIS) countries at a rate of 200,000 barrels per day and electricity exchanges of at least 20 billion kilowatt-hours annually. The committee is chaired by the president (or the vice president in the president's absence) which includes the ministers of foreign affairs, oil, and energy, as well as a member of the parliamentary Energy Committee as an observer.

Iran expands shipping lines to West, Southwest Africa: TPO



Economy Desk

The head of the Africa Department at the Trade Promotion Organization of Iran announced that, based on a resolution by the Africa Task Force chaired by Vice President Mohammadreza Aref, shipping lines between Iran and the western and southern regions of Africa are set to be expanded. Mohammadreza Safari stated on Sunday that shipping lines between Iran and East and North Africa are already operational, with Iranian vessels regularly traveling to ports in Tanzania, Kenya, and Libya. These ships depart for North and East Africa every month or two, depending on cargo load

and logistical coordination. He added that the Africa Task Force has decided to establish a mechanism for developing shipping lines between Iran and West and Southern Africa, with the modernization of the shipping fleet also on the agenda. Safari noted that African countries have been categorized into three priority groups for trade with Iran. Countries where Iran has embassies, trade centers, and commercial attachés are given top priority. Accordingly, Kenya, South Africa, Algeria, and Nigeria are prioritized for trade with Iran. He emphasized that Iran-Africa trade largely operates on a barter

system, which not only involves the exchange of goods but also complex currency and banking mechanisms. Safari highlighted that minerals, agricultural products, and precious stones such as diamonds and gold are prioritized for imports from Africa to Iran. For exports from Iran to Africa, petrochemical products, equipment, and machinery are prioritized. However, he noted that African nations prefer investment in local production over importing machinery and equipment. Currently, bitumen and urea are the top exports from Iran to Africa. Safari revealed Iran's special plan to export petrochemicals to Africa at the Iran-Africa Summit in 2025. He also mentioned a comprehensive program for overseas farming in Africa as part of Iran's trade strategy, which is particularly important due to currency restrictions on importing raw materials. He explained that Iran could source raw materials from Africa by having private Iranian companies engage in overseas farm-

ing on the continent. To achieve this, the Ministry of Agriculture must issue import permits and set quotas for these items. Safari added that Iranian traders who use their own currency and the barter mechanism to conduct overseas farming in Africa and import raw materials to Iran will receive special incentives next year. Operational mechanisms for the initiative will require coordination with the Ministry of Agriculture. Regarding Iranian overseas mining in Africa, Safari acknowledged the challenge of Iran's preference for purchasing products from Africa rather than investing in the continent's mines. He stated that if the issue of currency outflow during investments in Africa can be resolved, overseas mining in Africa would be a priority. He concluded that Iran's priorities for mineral extraction in Africa have already been determined, and plans are in place for which mines to target. Additionally, there is potential for transferring Iranian technology and machinery to Africa.

Railway CEO affirms expansion of cargo rail transit via Iran

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The CEO of the Islamic Republic of Iran Railways emphasized the development of rail transit for cargo through the country's railway network. According to IRNA, Jabbar-Ali Zakeri, during a visit to the Aparin Dry Port accompanied by a high-ranking delegation from the United Arab Emirates' Customs and Ports Authority, stressed the importance of expanding rail transit for cargo via Iran's railway network. During the visit, the potential capacities of the Aparin Logistics Center, a key rail hub and crossroads in the country and region where major east-west and north-south rail corridors intersect, were outlined. Agreements were reached to enhance cooperation in the area. The railway CEO welcomed the high-level Emirati delegation and expressed Iran's readiness to expand cooper-



ation within the framework of national laws. He called for increased collaboration to maximize the utilization of Iran's rail corridor capacities. **Grain, cotton transport** Sultan Ahmed bin Sulayem, head of Dubai's State Ports Customs, highlighted Iran's rail transport capabilities during the meeting. He stated that the purpose of the visit was to conduct an on-site assessment of the logistical capacities of the dry port and explore further investment opportunities. Referring to the \$1

trillion trade potential among CIS member countries, he emphasized that due to the lack of sea access for many of these nations, Iran's rail route is well-suited for transporting various goods, including cotton and grain. Senior customs officials also emphasized their readiness to cooperate and sign memorandums of understanding to provide customs services in this regard. The customs office of the Aparin Dry Port officially began operations on March 10, and is now prepared to offer services in imports, exports, and transit.