

Strategic partnerships, growth for Iran's economic milestones

Economy Desk

The Iranian year 1403 (started March 20, 2024) marked a transformative period for Iran's economy, characterized by significant developments and strategic initiatives. Among the standout economic news was the unanimous approval of President Masoud Pezeshkian's entire cabinet,

including key economic ministers, by the Iranian Parliament—a historic achievement not seen in over two decades. This signaled a unified approach to addressing economic challenges. Another landmark event was the signing of a 20-year strategic partnership agreement between Iran and Russia, aimed at deepening economic, energy, and trade cooperation. This

agreement, coupled with Iran's observer status in the Eurasian Economic Union (EAEU), promised to enhance trade ties and eliminate tariffs on 87% of goods, further integrating Iran into regional markets. Additionally, Tehran hosted the 26th Ministerial Meeting of the Gas Exporting Countries Forum (GECF), reinforcing Iran's pivotal role in global

energy markets. Lastly, the Expediency Council's re-examination of FATF conventions signaled a potential breakthrough in addressing Iran's banking restrictions, aligning with Pezeshkian's vision of economic openness. These developments underscored Iran's efforts to navigate sanctions and foster growth through strategic partnerships and reforms.

Parliament okays economic ministers



President Masoud Pezeshkian speaks at the start of parliamentary sessions to review the qualifications of proposed ministers for the 14th administration on August 17, 2024. [president.ir](#)

Iran's Parliament on August 21, 2024 approved all members of Pezeshkian's cabinet, including economic ministers, the first time in over two decades a president has been able to receive vote of confidence for all of his proposed ministers. Pezeshkian submitted the list of his proposed

ministerial picks to the Parliament for a vote of confidence on August 11, twelve days after his swearing-in ceremony. Among those in Pezeshkian's 19-member cabinet are economic minister. Pezeshkian put Raisi's minister of industries, Abbas Aliabadi, in the post of energy minister. Here's a breakdown of the total number of votes for economic ministries:

Minister of Communications: Sattar Hashemi, 264 votes
Minister of Economic Affairs and Finance: Abdolnaser Hemmati, 192 votes
Minister of Cooperatives, Labor, and Social Welfare: Ahmad Meidari, 191 votes
Minister of Roads: Ms. Farzaneh Sadeq-Malvajerd, 231 votes
Minister of Industry, Mines, and Trade: Mohammad Atabak, 231 votes
Minister of Agriculture: Gholamreza Nouri-Quezeljeh, 253 votes
Minister of Oil: Mohsen Paknejad, 222 votes
Minister of Energy: Abbas Aliabadi, 255 votes

Tehran hosts meeting of world's largest gas exporters

World's largest gas exporters, who collectively hold 70% of global gas reserves, 40% of production, 47% of pipeline exports, as well as 51% of LNG exports, gathered in Tehran for the 26th Ministerial Meeting of the Gas Exporting Countries Forum (GECF) during December 6-8, 2024, with Mohsen Paknejad, Iran's oil minister, chairing the event.

The GECF comprises 12 member nations, including Iran, Russia, Qatar, Algeria, and Venezuela, alongside eight observer countries such as Angola, Azerbaijan, Iraq, and Malaysia.

Iran, a founding member, hosted the GECF's inaugural meeting in 2001. The GECF secretariat is based in Qatar. Iran has hosted several high-profile GECF events, including the 3rd Heads of State Summit in 2015. On December 6, 2024, an extraordinary executive board meeting took place, followed

by industry site visits and bilateral meetings on December 7.

The ministerial meeting on December 8 featured an open session, including speeches from the GECF president and secretary-general, followed by a closed-door session.

Iran, with the world's second-largest natural gas reserves and a strategic geographic location, plays a crucial role in the GECF and the global gas market, Paknejad said in an interview on December 8, 2024.

"The country has become one of the leading natural gas producers globally by developing projects such as the South Pars gas field. Furthermore, Iran plays a key role in global energy security through the development of gas transmission and export infrastructure," he added noting that despite unfair sanctions, Iran has been able to expand its gas resources using domestic capacities. Iran is also working to strengthen its en-



Attendees pose for a group photo after the 26th Ministerial Meeting of the Gas Exporting Countries Forum (GECF) held in Tehran on December 8, 2024. [SHANA](#)

ergy diplomacy and expand international cooperation through the development of gas swaps.

Six member countries, including Iran, Qatar, Russia, Nigeria, Libya, and Algeria, representing half of the world's gas reserves, participated at the ministerial level.

Iran gains observer status in EAEU

Iran was granted observer status in the EAEU during the Supreme Eurasian Economic Council meeting held in St Petersburg, Russia, on December 26, 2024.

The Iran-Eurasian Economic Union Free Trade Agreement promises to eliminate tariffs for 87% of traded goods.

Both parties will compile a negative list comprising items deemed sensitive by one party and exempt from tariff elimination. The remaining 13%, classified as the negative list, includes goods whose tariff reduction could adversely impact Iran's domestic industry or agriculture. Conversely, the EAEU countries will also present their list of sensitive goods, ensuring equitable regulation.

The Russian Minister of Economic Development, Maxim Reshetnikov, confirmed the announcement, which comes a full year after the agreement was signed by Putin and the previous Iranian Raisi administration.

"During the meeting, the heads of the union countries decided to grant Iran the status of an observer state of the EAEU to strengthen ties with the promising Iranian market," he said in a statement. Bakytzhan Sagintayev, Chairman of the Eurasian Economic Commission (EEC)'s board, met with Mohammad Atabak, Minister of Industry, Mines, and Trade, to mark the occasion in Moscow.

With Iran's inclusion, the number of observer countries in the EAEU has expanded to three. This joins Uzbekistan and Cuba,

which previously received this status.

The EAEU, comprising Russia, Kazakhstan, Belarus, Armenia, and Kyrgyzstan, seeks to foster economic collaboration and development among its members and observers.

The initial steps toward this landmark agreement were taken in 2017 when a draft agreement on preferential export tariffs was signed in Yerevan. Subsequently, in 2018, a temporary agreement was signed, reducing tariffs for a range of goods over three years.

With an 82% increase in Iran's exports of preferential items in the first year, negotiations were initiated in 2020 to elevate the temporary agreement to a comprehensive free-trade deal.

Expediency Council begins revisiting FATF case

Iran's Expediency Council began on January 12, 2024 re-examining the anti-money laundering and terrorism financing conventions adopted by the global financial crime watchdog FATF, with a lawmaker saying that "positive signals" have been received from the council's meeting.

The spokesman of Iran's Expediency Council Mohsen Dehnavi said that various clauses of the Palermo and the Combating the Financing of Terrorism (CFT) conventions will be reviewed during the meetings.

Abbas Golrou, a member of the Parliament's National Security and Foreign Policy Committee said on January 12 that, "We have heard positive signals from the Expediency Council" meeting.

He expressed hope that cooperation among the country's political institutions would lead to a right decision to overcome the country's complicated situation.

FATF restrictions imposed on Iran's banking system will be removed once the country enacts the Palermo and the Combating the Financing of Terrorism (CFT) conventions. The Iranian Parliament has approved the Palermo and the CFT, but Iran's Guardian Council, which is responsible for vetting parliament legislation, has refused to ratify them, citing the need for some amendments. Iran has ratified other conventions and regulations adopted by the FATF.

The renewed push to examine Iran's full accession to the FATF comes amid efforts by

Pezeshkian and his administration to open up to the world and to improve an economy affected by global inflation and foreign sanctions.

In his presidential election campaign in mid-summer, Pezeshkian criticized the lack of action on FATF issues.

Deputy Finance Minister Hadi Khani said in January that FATF is not allowed to collect economic information from member states or pressure them in this regard, but it evaluates documents it has obtained from "certain entities" in their relevant countries to determine whether they have properly implemented the standards defined by the international organization about fighting money laundering and terrorism financing.

Iran, Russia ink strategic partnership agreement

Iranian President Masoud Pezeshkian (L) shakes hands with Russian counterpart Vladimir Putin as exchanging signed strategic cooperation documents in Moscow, Russia on January 15, 2025. [president.ir](#)



Iranian and Russian presidents signed a long-awaited strategic partnership agreement on January 17 to further expand cooperation between the two nations.

The 20-year agreement covers economic, transportation, energy, health, tourism and agricultural areas, in addition to Tehran-Moscow cooperation to deal with common challenges, reduce the consequences of natural disasters, combat organized crimes, fight terrorism, and make joint investments.

After the signing ceremony, Pezeshkian at a joint press conference with his Russian counterpart Vladimir Putin called the agreement a "new chapter" in relations between the two countries, especially in the economic area.

Pezeshkian said that the agreement, which is based on the interests of the two nations, can shape the path of cooperation between the two countries.

The Iranian president said both Tehran and Moscow are determined to remove obstacles to customs tariffs, banking, investment guarantees, facilitation of meetings among traders and visa issues.

He added that the increase in level of relations using the capacities of the Eurasian Economic Union, improving the level of cooperation on issues such as combating terrorism and organized violence have been emphasized in the agreement.

"It is truly a breakthrough document," Putin said after the signing ceremony, adding that the two countries were "united... in taking our relationship to a new level." He said that the agreement offers variety to the economic cooperation between Tehran and Moscow.

He also said Russia and Iran are discussing the supply of Russian gas. Putin said that if the project is implemented, gas supplies to Iran could eventually reach 55 billion cubic meters per year, but it would need to start with small volumes of up to 2 billion bcm.

The Russian leader added that his country and Iran were resolutely opposed to external pressure from abroad.

"Our countries firmly uphold the principles of the rule of international law, the principles of sovereignty, non-interference in internal

affairs... and resolutely oppose dictates from the outside," Putin said. Ahead of the signing ceremony, both leaders held a meeting during which Pezeshkian said Iran considers its strategic cooperation with Russia as pivotal, sensitive and strategic and has tried to remove all the hurdles facing expansion of relations between the two countries.

He also said that Tehran and Moscow signed new agreements on the construction of a new power plant in Iran.

Pezeshkian, on his first Kremlin visit since winning the presidency last July, said that Iran believes that regional issues should be resolved by the countries in the region.

"There is no need for others from the other side of the world to come here and disrupt the region and implement their own policies," the Iranian president emphasized.

He said that the development of Tehran-Moscow relations will thwart their plans.

Russian president said the new treaty will add "momentum" to their ties.

"This will give us the opportunity to give additional momentum to almost all areas of cooperation," Putin told Pezeshkian, who replied that the document would become a "solid foundation" for relations.

"We will discuss all areas of our cooperation and sign a comprehensive strategic partnership agreement," Putin said. "We have been working on it for a long time and I am very pleased that this work has been completed," he said, adding it should further boost trade and economic ties.

Putin said that the increase in trade between the two countries is acceptable, noting that, "In the first 10 months of 2024, we witnessed a growth of more than 15% in bilateral trade."

Iran and Russia are both subject to illegal Western sanctions. They have over the past years deepened their cooperation in various sectors.

In 2001, Tehran and Moscow signed a long-term cooperation deal, officially known as the Treaty of the Foundation of Mutual Relations and the Principles of Cooperation. It was initially set for 10 years but was extended up until 2026.