

# Iran-Africa; from mining deals to infrastructure

## PERSPECTIVE

In recent years, Iran's trade relations with the African continent have gone through major changes. In the previous Persian calendar year (started March 20, 2023), the volume of bilateral trade between Iran and African nations stood at \$955 million, marking a 21% increase. Of this, exports to Africa accounted for roughly \$850 million, while imports came to about \$105.3 million. This level of trade makes up around 1.1% of Iran's share in Africa's total foreign trade, but given the untapped potential, it still falls short of what could be achieved. The figure becomes even more striking when one considers that Africa's total annual foreign trade with its 54 countries adds up to \$1.2 trillion. So, even at its best, Iran's \$1.2 billion trade with Africa amounts to just one-thousandth of the continent's market.

### What does Iran export?

Reports indicate that Iran primarily sends out products like petrochemical products, bitumen, urea, and construction materials to African countries, though Iranian companies' export capacity goes beyond these items. According to Rouhollah Latifi, spokesperson for the Trade Development Commission of Iran's House of Industry, Mine and Trade, "Food and agricultural products, industrial and semi-industrial goods, and pharmaceuticals play a lesser role in trade between the two sides." He noted that these sectors could gain ground due to competitive prices, high quality, and the similarity in consumer preferences. "We need to get to know African markets and figure out how to bring Iranian products to the table there," he added.

### Trade development initiatives

To step up economic ties, Iran has recently rolled out several plans to boost trade with Africa. The Third Iran-Africa Economic Cooperation Summit, held from April 27–May 1, 2025, brought together over 700 traders from 38 African countries, opening the door to new opportunities for partnership. The Trade Promotion Organization (TPO) of Iran has also set its sights on increasing trade with Africa to more than \$10 bil-

lion. This target is expected to be reached by launching new shipping and air routes to Africa and allocating a \$2 billion credit line for purchasing goods.

Latifi said in this regard, "Certain needs of the African side, such as overhauling refineries, building joint refineries, developing CNG infrastructure, and converting petroleum products into derivatives, need to be identified." He pointed out that joint investments in petrochemical and even mining sectors are possible by transferring know-how to Africa.

"Africa is a paradise for mining, and these capacities must be utilized. Offshore farming is feasible thanks to abundant water and fertile soil in the African continent, while the lack of modern agricultural facilities stands out as a challenge. By following up on offshore farming and investments, Iran can produce goods in Africa and bring them back home, which would both spur development there and drive down costs for Iran. If a product is of good quality, competitively priced, and delivered consistently to meet customer demand, trade can go the distance. Of course, this calls for government backing."

He further stressed that governments must pitch in by providing infrastructure and trade subsidies, setting up transport and payment systems, and raising awareness about doing business with Africa. Once the groundwork is laid, trade with the continent could soar past \$50 billion — a goal that is within reach, provided there is consultation between domestic institutions and no one goes it alone. Given that Iran-Africa trade mostly operates on a barter basis, which goes beyond mere goods exchange and takes in complex currency and banking mechanisms, the Trade Promotion Organization is working on a system to smooth out barter transactions between Iranian and African traders.

### Roadblocks on trade path

Despite the uptick in economic relations and ambitious targets, several obstacles stand in the way of expanding trade. Chief among them are banking issues and money transfer difficulties, which slow down the pace of commerce.

Inadequate transport infrastructure and a lack of knowledge of the African

markets pose further challenges. Latifi pointed out, "Some countries, like Turkey, hand out subsidies to make their goods cheaper at destination. Once a market gets hooked on these goods, demand picks up, and shipping becomes cost-effective, as vessels no longer run empty or larger ships can carry more cargo." Currently, as the TPO made clear, Iranian shipping lines run between Iran and East and North Africa, with regular calls at Tanzanian, Kenyan, and Libyan ports. These ships set sail monthly or bi-monthly, depending on cargo and logistics. Plans are in the pipeline to establish new routes to West and South Africa and modernize the shipping fleet. However, the completion of these routes remains to be seen.

On paper, there is plenty of room to expand trade with Africa, but existing hurdles push up shipping costs and sap the motivation of Iranian and African traders to build up commercial ties. Yet, with a population of 1.4 billion and a \$400 billion market, coupled with robust economic growth, Africa stands out as a prime market for Iranian goods and services. The continent's rich natural resources, especially in mining and agriculture, open up a host of opportunities for joint ventures.

### Road ahead for Iran-Africa relations

Despite current limitations, Iran-Africa trade is on track for growth, and with obstacles out of the way, a bright outlook for increased exchanges is within sight. Should current plans be carried out effectively, both sides could ramp up trade volumes and capitalize on each other's numerous capacities.

As Zimbabwe's First Vice President Constantino Chiwenga put it, "Africa has now become a market of 1.4 billion people with a potential value of \$400 billion, which can be highly attractive for Iranian investors." He identified three strategic areas for cooperation: "the creation of online platforms for trade information exchange; developing partnerships in agriculture, tourism, and energy; and facilitation of investment for Iranian traders." The 2025 Iran-Africa Summit was highly influential on bilateral relations, with its most significant impact being the boost to economic diplomacy. The presence of high-ranking representatives and economic actors from 38 African nations sent a clear signal of serious intent to take economic ties to the next level. This was a chance for Iran to ramp up non-oil exports and make the most of Africa's potential in agriculture, mining, and energy. Furthermore, such cooperation can take the sting out of sanctions as many African countries do not have close ties with the West, thus helping Iran find new markets for its products.

The summit also set the stage for increased joint investment as Iran's technical and engineering capabilities were put on display, raising the odds of landing infrastructure projects in Africa. Beyond economics, the event laid the groundwork for stronger cultural and political ties, especially since it was held in both Tehran and Isfahan, which sent a symbolic message of Iran's closeness to African nations. In the face of competition from China, Turkey, and Russia for influence in Africa, Iran is trying to carve out its niche as a reliable partner in the Global South.

All in all, this summit not only cemented economic relations but also bolstered Iran's geopolitical standing on the African continent.



Iranian President Masoud Pezeshkian (front) greets top-ranking African delegates during the Third Iran-Africa Economic Cooperation Summit, held in Tehran, Iran, on April 27, 2025  
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African delegates form a queue during the Third Iran-Africa Economic Cooperation Summit, held in Tehran, Iran, on April 27, 2025.  
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The article first appeared in Persian on Mehr news agency.