

# Petchem, oil-derived products dominate Iran’s exports

## Iran-South Africa trade set to gain traction this year: *Joint committee*

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### INTERVIEW

The chairman of the Iran-South Africa Joint Trade Committee at the Iran Chamber of Commerce announced that bilateral trade and exchanges between the two nations are poised for growth this year.

In an interview with Iran Daily, Babak Hedayati described the deepening of bilateral interactions as a promising sign for brighter trade prospects between the two countries, emphasizing, “This year, we will witness more favorable developments in trade and an increase in bilateral exchanges.”

Hedayati noted that strong collaboration has already been established among the Joint Trade Committee, the Iran Trade Center in Johannesburg, and the Commercial Attaché of the Islamic Republic of Iran in South Africa.

“These three entities form a cohesive economic and trade triangle in South Africa, working in unison to expand commercial cooperation,” he stated.

On the volume of bilateral trade, Hedayati explained, “There is a notable discrepancy between official and unofficial trade figures, as much of the exchange occurs informally through third countries.”

“Petrochemical and oil-derived products currently dominate Iran’s exports to South Africa, followed by agricultural goods. Carpets, tailored to local color and design preferences, are another key export item,” he added.

“Iran also exports glassware, plastic products, bitumen, metal and iron equipment, rugs, and detergents to South Africa,” he continued.

“In return, South Africa primarily exports meat products, sweet corn, soybeans, and minerals to Iran.”

Regarding the Joint Trade Committee’s role, Hedayati underlined, “Our mandate is to facilitate economic activities for businesses in both nations and foster collaborative production opportunities. We aim to highlight each country’s economic, industrial, and trade strengths to catalyze joint ventures.”

Highlighting recent efforts, he said, “The committee recently arranged for

80 South African business representatives to attend the Iran Expo in early May. Through B2B meetings and face-to-face negotiations, several fruitful agreements were signed between Iranian producers and South African delegates.”

Hedayati added, “The committee has established five specialized working groups focused on food industries, agriculture and machinery, health tourism and medical services, industry and mining, knowledge-based enterprises, and petrochemicals. Their goal is to advance cooperation in these sectors.”

**Transportation a key challenge**

Hedayati termed transportation as a major hurdle, noting, “The lack of direct maritime or air logistics infrastructure to South Africa has inflated shipping costs, thereby driving up prices for goods exported there.”

“To address this,” he said, “We plan to soon form a logistics and transportation working group dedicated to re-



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solving these issues.”

He also addressed financial obstacles, stressing that, “Monetary sanctions against Iran, coupled with South Africa’s stringent banking policies, have severely hampered financial transactions

between the two countries.”

“Additionally,” he concluded, “Iranian businesses’ limited understanding of South Africa’s market dynamics and consumer preferences remains a barrier to deeper trade ties.”

## Tehran, Beijing to boost agricultural knowledge sharing



Iran’s Agriculture Minister Gholamreza Nouri (R) meets Chinese Ambassador to Tehran Cong Peiwu in Tehran on May 22, 2025.

● ILNA

### Economy Desk

Iran’s Agriculture Minister Gholamreza Nouri stated that Iran and China possess valuable expertise in various agricultural subsectors, which can be mutually shared.

During a meeting with Cong Peiwu, the Chinese ambassador to Tehran, Nouri emphasized strengthening bilateral agricultural relations, particularly in “the transfer of knowledge, experience, and technology.”

Highlighting Iran’s active participation in agricultural initiatives of the Shanghai Cooperation Organization (SCO),

Nouri expressed Iran’s readiness to ensure the successful hosting of the SCO Agricultural Ministers’ Meeting, scheduled for August of this year in Beijing, ILNA reported.

He also invited China’s agriculture minister to visit Tehran for the third session of the Joint Agricultural Cooperation Committee.

Cong, for his part, described the agricultural relations between Iran and China “at a satisfactory level,” adding that his country is currently a “primary destination for Iran’s agricultural exports.”

The ambassador affirmed China’s readiness to expand

technical and economic collaboration with Iran across agricultural sectors.

China is Iran’s largest trade partner, purchasing substantial volumes of Iranian oil despite US sanctions targeting both nations.

Bilateral trade between Iran and China totaled \$2.214 billion in the first two months of 2025, reflecting a 23% decline compared to the same period in 2024 (\$2.884 billion). China’s exports to Iran fell 28% year-on-year to \$1.474 billion (from \$2.052 billion), while its imports from Iran dropped 11% to \$740 million (from \$832 million).

The two countries have deepened bilateral ties in recent years, notably through the 25-year Comprehensive Strategic Partnership Agreement signed in 2021, which solidified cooperation across trade, energy, and infrastructure.

## ‘More than double’: Iran moves to accelerate gas infrastructure development

### Economy Desk

The acting head of Iran’s Gas Engineering and Development Company announced progress in strategic gas storage, transmission, measurement, and optimization projects, stating, “With the commissioning of gas storage development projects in Sarajeh and Shourijeh, the country’s gas storage capacity will more than double.”

In an interview with SHANA, Behnam Mirzaei emphasized that the company, as the executor of major projects for the National Iranian Gas Company, is laying the groundwork for gas industry development, saying, “The company’s mandate includes the design, implementation, and commissioning of high-pressure transmission pipelines, pressure boosting stations, storage projects, measurement systems, and refinery expansion initiatives.”

Mirzaei highlighted the Sarajeh Gas Storage Project in Qom (central Iran) — with a current annual capacity of 1 billion cubic meters — as one of the key ongoing storage projects set to become operational this year.

“Storage projects involve injecting gas into reservoirs during eight months of warm seasons and utilizing the stored gas in the network during four months of cold seasons, preventing gas supply shortages,” he added.

**Doubling Shourijeh gas storage capacity**

Mirzaei noted that another critical project is the Shourijeh Gas Storage Development in Sarakhs region, designed to address supply imbalances in northern and northeastern Iran with an annual capacity of 2.025 billion cubic meters.

Iran opened Shourijeh as the largest gas storage



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facility in the Middle East in the northeastern province of Khorasan Razavi in 2014.

“The Shourijeh D development project, currently 55% physically completed, encompasses upstream, downstream, and general sectors,” he stated.

The project involves drilling 28 storage wells and installing three high-capacity compressors, marking the first domestically produced compressors in Iran capable of increasing pressure from 50 bar to 345 bar.

“Upon completion, Shourijeh’s gas storage capacity will rise to 4.5 billion cubic meters per year,” Mirzaei added.

The official also cited the underground natural gas storage project in the Nasrabad salt domes in Kashan as another key initiative of the company, stating, “Given the region’s geographical position in central Iran and its proximity to transmission pipelines, this project will play a significant role in mitigating gas supply-demand imbalances.”

He discussed the company’s measures to accelerate the implementation of priority projects, stating, “Transformations are underway in both software and hardware domains.”

## Eurasian Union says roadmap for free trade with Iran finalized

### Economy Desk

The trade minister of the Eurasian Economic Union (EAEU) said a roadmap had been drafted to operationalize the Free Trade Agreement (FTA) between the bloc’s five member states and Iran, referencing the implementation of the FTA effective May 15, 2025.

During a meeting in Moscow with Samad Hassanzadeh, the head of the Iran Chamber of Commerce, Industries, Mines, and Agriculture (ICCIMA), and his accompanying delegation, Andrei Slepnev added, “This roadmap encompasses measures to enhance direct

cooperation between businesses of the EAEU and Iran, as well as thematic seminars to clarify the specifics of trade regulations between the two parties,” as reported by IRNA.

The EAEU Trade Minister emphasized that the FTA “establishes unique conditions for commercial actors to access each other’s markets, creates effective mechanisms and platforms for fostering collaboration, swiftly resolving trade and economic cooperation challenges, and strengthens mutual understanding of regulatory frameworks and implementation procedures in our respective countries.”

During the meeting, held at the headquarters of the Eurasian Economic Commission in Moscow, Slepnev viewed the new phase of cooperation with Iran as a partnership, adding, “It is crucial for our entrepreneurs to perceive one another not as competitors but as partners, enabling them to synergize their capabilities and technologies within a unified 250-million-person market.”

In another part of his remarks, the EAEU trade minister invited Iranian traders and business leaders to participate in the Eurasian Economic Forum, scheduled for June 26–27 in Minsk, Be-

larus.

According to the report, the two sides discussed strengthening trade engagement between EAEU and Iranian business communities under the framework of the FTA.

Hassanzadeh addressed existing challenges in trade with the EAEU, highlighting “weak transportation and logistics infrastructure,” stating, “Outdated and insufficient rail and road networks in Iran and parts of Eurasia hinder the acceleration of exports and imports.”

On the trade imbalance, the head of the ICCIMA noted, “Despite Iran’s \$1.5 bil-



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lion in exports, imports from Eurasia amounted to \$1.7 billion, reflecting a negative trade balance.”