

Direct shipping line prerequisite to Iran-Pakistan trade boost: *Senior merchant*

INTERVIEW EXCLUSIVE

A direct shipping line with Pakistan is needed to unlock untapped trade potential between Tehran and Islamabad, a senior Iranian businesswoman said on Saturday, as President Masoud Pezeshkian arrived in the neighboring country for an official visit. Fahimeh Damroudi, the secretary general of the Iran-Pakistan Joint Chamber of Commerce, told Iran Daily that the lack of maritime connectivity was holding back bilateral trade. "One of the main obstacles to developing trade with Pakistan is the absence of a shipping line and direct maritime transport for the Pakistani market, which must be established by both sides," Damroudi said. Iran's president, who has made the formation of stronger ties with Pakistan a foreign policy priority of his government, said the two countries aim to increase their annual trade volume to \$10 billion, nearly triple the current level. Damroudi believes the goal is realistic, if longstanding barriers are dismantled and free trade comes into force. "The two sides have announced that they want to establish free trade. If Iran-Pakistan free trade is established and tariffs on products are lifted, this figure could be achieved," she said. Damroudi noted that talks had been ongoing for years between the two sides to hammer out the technicalities of a free trade agreement. At present, Tehran and Islamabad operate under a preferential trade agreement (PTA), she said, but the PTA

would become redundant once a full free trade deal was implemented. According to her estimates, trade could reach the \$10 billion mark within five years if key infrastructure and policy measures fall into place. "They include streamlined customs procedures, improvements in transportation, and easing visa issuance from Pakistan for Iranians." The senior Iranian businesswoman said Pakistan ranked as Iran's fourth-largest trade partner among neighboring states last year. However, she pointed out that Islamabad would become Iran's second-largest trade partner if trade hit \$10 billion annually. Pakistan's main exports to Iran include rice, oilseeds, live livestock, beef, lamb, and tropical fruits such as mangoes. In return, Iran's exports largely consist of dates and dried fruits.

Iran maintains significant trade surplus

Meanwhile, official data show Iran maintains a substantial trade surplus with Pakistan, with its exports valued at 3.5 times greater than Pakistan's exports to Iran, according to the Trade Promotion Organization of Iran (TPO). Presenting a report on bilateral trade during an interview with IRNA, Hamid Reza Karbalaee Esmaeili, deputy for the Indian Subcontinent at the TPO, stated, "Tehran-Islamabad trade has an upward trend, increasing by 13.6% in the Iranian year 1403 (began on March 20, 2023) compared to the previous year (1402)." He estimated the volume of trade between the two countries in the year



A view of Chabahar Port in southeast of Iran.
● IRNA

1404 at \$3.129 billion, adding, "Of this amount, Iran's exports were approximately \$2.423 billion, while imports from Pakistan were recorded at \$706 million." The TPO deputy for the Indian Subcontinent noted, "In the first three months of the current [Iranian] year (1404), the total volume of Iran's trade [with Pakistan], including exports, was \$594 million. This figure was about

\$704 million in the same period last year, indicating a decline in trade." "In the first quarter of this year, Iran's exports to Pakistan accounted for \$420 million, showing a 20% decrease compared to the first three months of the previous year. Imports stood at \$174 million, reflecting a 4% decrease. This decline is due to regional circumstances," he explained. The TPO official also stressed the im-

portance of border markets for trade between Iran and Pakistan, stating, "If these border markets are established and activated, it will lead to a boom in trade." He expressed, "To develop trade relations with neighboring countries, Iran must strengthen its infrastructure. Currently, we are weak in maritime transportation, and the exchange of goods via sea is almost negligible."

Tehran, Baghdad discuss resolution of gas export, payment issues

Economy Desk

Iranian Oil Minister Mohsen Paknejad stressed on Saturday the resolution of issues regarding gas exports to Iraq and his country's financial claims in his meeting with Iraq's electricity minister. During the meeting with Ziad Ali Fadel and his accompanying delegation, Paknejad stated, "We will soon witness the resolution of both issues: the volume of gas exports to Iraq and the receipt of our gas claims," SHANA reported. On the sidelines of the meeting, Paknejad, referring to the contract between the two countries for gas delivery to Iraqi power plants from the two border points of Shalamchah and Naftshahr, commented on the volume of gas exports, saying, "Discussions were held regarding the quantity of exported gas, and fortunately, we were able to reach a conclusion." He added, "Moreover, concerning the financial claims we had for the exported gas, we achieved positive and good results." The Iraqi Ministry of Electricity in early July announced that approximately 3,800 megawatts of the country's electricity generation capacity had been lost due to a "significant reduction in the volume of gas imported from Iran." Saad Farihi, the director general of fuel management at the Iraqi ministry said, "The volume of



gas received from Iran in recent hours has decreased to approximately 25 million cubic meters per day; while according to bilateral agreements, the committed amount for daily imports was 55 million cubic meters." Iran is the leading supplier of natural gas to Iraq, accounting for as much as 45 percent of the country's daily electricity consumption of 14,000 megawatts. Currently, approximately 80 percent of Iraq's electricity generation depends on natural gas, making the country heavily dependent on Iranian imports to sustain its power grid. In July 2022, Iraq signed a five-year contract with Iran to import 400 megawatts of electricity. In March 2024, another agreement was reached to increase Iranian gas imports to 50 million cubic meters per day, valued at around \$6 billion annually. The Iranian oil minister also ex-

pressed hope that the resolution of both issues – namely, the volume of gas exports to Iraq and the receipt of financial claims – would be witnessed soon. Over the years, US sanctions have significantly hampered Iraq's ability to settle energy debts with the Islamic Republic. US has consistently pressured Iraq to minimize its economic and diplomatic ties with Iran. On March 8, the US administration said it revoked a US sanctions waiver allowing the Iraqi government to import electricity from Iran. Weeks later, Iraq was granted a short-term sanctions waiver by the US administration in order to meet its energy needs by importing Iranian electricity. Officials in both countries have already warned that Iraq would face major electricity supply issues if it stops importing electricity from Iran because of US sanctions.

Iran showcases ICT capabilities in high-level Venezuela meeting



Economy Desk

Presenting Iran's technological export capabilities, with a focus on strengthening technology ties between Iran and Venezuela, took place during a joint meeting on Saturday of the deputy communications ministers of both countries, attended by representatives from eight Iranian companies active in the information and communication technology (ICT) sector. Deputy for Technology and Innovation at Iran's Ministry of Communications and Information Technology presented the capabilities of Iranian companies during a meeting with his

Venezuelan counterpart in Caracas within the framework of the strategic "Technology Diplomacy" policy, IRNA reported. Representatives from eight Iranian companies active in such areas as cloud services, social networks, video platforms, digital advertising, and communication infrastructure also attended this meeting online. The session focused on strengthening technology ties between Iran and Venezuela, exploring cooperation opportunities between Iranian companies and Venezuelan operators, and paving the way for the effective presence of Iran's digital services in Latin American

markets. Expanding target export markets for Iran's digital and communication services is one of the main pillars of the strategic "Technology Diplomacy" program of the Ministry of Communications. Based on the emphasis of ICT Minister Sattar Hashemi, the ministry, while developing domestic communication infrastructure, is paying more serious attention to the export of goods and services in the field of communications and information technology, as part of which interaction with countries such as Venezuela is considered a significant step.