

Iran-Kyrgyzstan chamber urges faster services exports to avoid market loss

By Sadeq Dehqan
Staff writer

INTERVIEW

Kazem Shirdel, head of the Iran-Kyrgyzstan Joint Chamber of Commerce, said in remarks to Iran Daily that the Islamic Republic needs to swiftly activate its technical and engineering services in Kyrgyzstan to avoid losing market share to rivals such as China and Turkey. Shirdel said Kyrgyzstan's construction and industrial sectors are expanding and require technical and engineering services, creating an opportunity for Iranian companies. Providing such services would also secure the supply of raw materials, specialists and after-sales services from Iran and help establish the production of Iranian goods in Kyrgyzstan, he said. However, he warned that delays in exporting engineering services could see the Kyrgyz market ceded to China, Turkey and other competitors, noting that Chinese machinery suppliers typically source their raw materials from China as well. "Activating technical and engineering services is therefore a vital opportunity," Shirdel said. He added that Iran has the potential to export construction materials, food products, detergents and medical goods to Kyrgyzstan. One of the main priorities, he said, is the export of technical and engineering services, a process that has already begun, with expectations that Iranian engineering associations will become active in the country and deliver tangible results.

Shirdel said expanding trade cooperation with Kyrgyzstan would open significant opportunities for exporting Iranian goods to other members of the Eurasian Economic Union and Central Asia under preferential tariffs. With both countries members of the Eurasian Economic Union, Iran can benefit from zero and 5% tariffs on agreed goods, he said. A full free trade agreement between Iran and the Eurasian Economic Union, in force since May 15, 2025, allows most goods traded between Iran and EAEU members to enter with zero tariffs. Despite its small population, Kyrgyzstan has a favorable economic position and is a member of the World Trade Organization, the Shanghai Cooperation Organization and BRICS, Shirdel said. The status allows Iranian goods to be exported onward from Kyrgyzstan to neighboring countries such as Tajikistan and Uzbekistan, with goods cleared in Kyrgyzstan at zero tariff before re-export. Direct Iranian exports to Tajikistan face a 25% tariff, he said, while exports routed through Kyrgyzstan avoid this levy, facilitating access to Eurasian markets under preferential tariffs and free trade arrangements. Before the implementation of free tariffs, trade volumes with Kyrgyzstan were limited because the country represented a relatively small market for Iran, Shirdel said. However, a recent visit by an Iranian trade delegation to Kyrgyzstan is expected to yield positive results that will



become apparent next year. The trade and economic delegation, which visited Kyrgyzstan three weeks ago, included around 48 participants from Iran, among them the governor of Khorasan Razavi Province. Twelve members were government officials and the remainder from the private sector. Shirdel said the visit led to steps to facilitate bilateral trade and was followed by positive developments in commercial exchanges. He said such visits to Central Asia should continue and called for other border provinces, including East and West

Azerbaijan, to take part in trade cooperation with Armenia and Azerbaijan to ease Iran's commercial presence in those countries. Shirdel described zero tariffs as both an opportunity and a threat. While zero tariffs could drive a surge in exports, he said the measure would depend on Iranian companies modernizing their machinery and production processes to remain competitive. He added that sanctions and banking constraints have created challenges for Iran's trade. Foreign exchange commitments of 15-16% increase final costs, while banking sanctions add an

extra 1-1.5% to money transfer costs. By contrast, competitors such as Russia and Kazakhstan do not face such constraints, underscoring the need for solutions to ease such pressures, he said.

Iran's competitive advantages

Shirdel said Iran's competitive advantages — including cheap energy, affordable labor, low transport costs and short distances — help reduce the final cost of Iranian goods and can smooth entry into regional markets. However, failure to modernize machinery raises production costs and could turn

Iran into an importer even under zero-tariff regimes, as the government cannot restrict imports due to binding Eurasian commitments. Iran's exports to Kyrgyzstan totaled about 28,000 tons worth \$47 million in the first six months of the current year, which began on March 21, marking a 7.5% rise in value from the same period a year earlier, he said. Khorasan Razavi accounted for around 75% of export volume and 81% of export value in that period. Total Iranian exports to Kyrgyzstan last year amounted to about 409,000 tons valued at roughly \$243 million, Shirdel said.

Steel intermediates rise 5.4% in eight months as finished output slips: ISPA



Economy Desk

Iran's steel sector saw gains in upstream and intermediate segments in the first eight months of the current fiscal year — spanning March 21 to November 20 — even as finished product output suffered a decline, according to data from the Iranian Steel Producers Association (ISPA). Intermediate steel output climbed 5.4% year-on-year, even as total finished steel production fell 1.1%. The increase in intermediate output was underpinned by an 8.1% rise in sponge iron production and an 8.2% expansion in iron ore concentrate output. Pelletized iron ore production remained nearly un-

changed during the period, IRNA reported. Analysts noted that milder fall temperatures in the year compared with last year helped sustain production momentum by preventing the reimposition of gas curbs on steelmakers over the past two months. The sharpest decline among finished products was recorded in steel beams, with output falling 27.4%, mainly due to operational changes in production lines at Esfahan Steel Company. Flat steel products also saw reduced output, with industry sources citing weak domestic demand, unresolved export obstacles and continued imports as key constraints.

Iran, Armenia discuss boosting power imports, completing transmission line

Economy Desk

Iran and Armenia held talks on increasing electricity imports on a sustained basis during next summer, at the fifth meeting of the Joint Committee on the Operation of Power Networks of the Islamic Republic of Iran and the Republic of Armenia, held in recent days in Yerevan, IRNA reported on Saturday. Officials from the two countries' power grid operators reviewed the record of ongoing cooperation in electricity exchanges and gas-for-power swaps, as well as joint operation of transmission lines and the development and modernization of telecommunications and metering infrastructure, stressing the need to maintain and deepen bilateral cooperation. The meeting also addressed plans to raise electricity imports on a stable basis in the summer of next year, update operational protocols and strengthen technical coordination, particularly under emergency conditions. Participants reviewed programs for supplying the gas required by power plants in return for generating and



delivering electricity to Iran in the coming year, with a focus on the summer peak demand period. The two sides agreed to utilize the maximum available operational capacity to supply electricity exports to Iran from gas exported to Armenia, in order to reinforce the stability of energy exchanges between the two countries next year. Obstacles to completing the third electricity transmission line between Iran and Armenia were also outlined, with both sides emphasizing the need to accelerate follow-up actions to finalize the project. The meeting underscored the strategic importance of

energy exchanges between the two neighbors and the need to enhance operational coordination in managing their power networks, aiming to improve technical alignment and joint planning to increase and optimize the use of existing capacities. Iran and Armenia maintain extensive cooperation in electricity exchanges and gas-for-power swaps. Electrical interconnection between the two countries has been in place since 1997 through two 230-kilovolt transmission lines, while a third 400-kilovolt line in Noravan, western Armenia, is currently under construction.

The Iran-Armenia gas pipeline is also a 140-kilometer pipeline that enables Iran to export natural gas to Armenia. The pipeline's Iranian section is 100 kilometers long, stretching from Tabriz to the Armenian border, playing a significant role in energy ties between the two countries. On November 21, 2024, the Armenian government approved an energy project to construct a new 400 kV power transmission line to Iran. The project is also intended to support the development of the North-South Energy Corridor, which aims to connect the power grids of Iran, Armenia, Georgia, and Russia.