

Iran, Azerbaijan ink multifaceted MoU during joint economic commission

Economy Desk

Iran and Azerbaijan signed a memorandum of understanding at the 17th Joint Commission for Economic Cooperation in Baku, outlining collaboration across 10 sectors including transport, energy, electricity, water and agriculture, ISNA reported on Tuesday. Iran's Minister of Roads and Urban Development, Farzaneh Sadegh Malvajerd, and Azerbaijan's Deputy Prime Minister Shahin Mustafayev display the signed memorandum of understanding after the 17th Joint Commission for Economic Cooperation in Baku on February 23, 2026.



Minister of Roads and Urban Development Farzaneh Sadegh Malvajerd (l) and Azerbaijan's Deputy Prime Minister Shahin Mustafayev display the signed memorandum of understanding after the 17th Joint Commission for Economic Cooperation in Baku on February 23, 2026. mrud.ir

"The trade volume between Iran and Azerbaijan has reached about \$650 million over the past two years, and the trend of exchanges has been upward in recent years," the Iranian minister said.

Malvajerd identified transport and transit as among the most important axes of cooperation, adding, "Last year, about 120,000 Iranian trucks traveled within Azerbaijan's territory, and more than 50,000 Azerbaijani trucks entered Iranian soil, which indicates the extensive volume of transit activities between the two countries."

"To achieve the target of 15 million tons of transit by 2030 in the western branch of the North-South Corridor, the movement of vehicles from both countries must increase more than three-fold, which requires enhancing procedural and infrastructural capacities at shared borders," she said.

In the energy sector, the two sides approved cooperation in oil blocks one and two and the formation of a joint working group

to follow up and implement related memorandums. In electricity, agreements were reached on connecting the power grids of Iran, Azerbaijan and Russia, as well as on electricity exports from Azerbaijan to Iran.



On water resources, the two parties discussed and reached necessary agreements on cooperation related to the Khodaafarin and Qiz Qalasi dams and power plants, as well as matters concerning the Marazad-Ordubad power plants.

Beyond these sectors, understandings were also reached in sports and youth affairs, cultural and social sectors, tourism,

agriculture, customs, industry, investment and other economic fields, culminating in the signing of the cooperation document, which could pave the way for expanding economic relations and strengthening strategic cooperation between Iran and Azerbaijan.

On Tuesday, during a meeting with Azerbaijan's Energy Minister Parviz Shahbazov, Malvajerd emphasized accelerating the financial settlement of joint projects and expanding cooperation in electricity, grid interconnection and development of shared oil fields.

The Iranian minister cited elec-

tricity purchases as another area of cooperation, saying the issue was welcomed by the Azerbaijani side during a meeting of the two countries' presidents. Iran's Ministry of Energy has formally requested, via an official letter, the purchase of 200 to 300 megawatts of electricity from Azerbaijan during peak consumption seasons and is awaiting a response from the Azerbaijani side. She also listed the interconnection of electricity grids among Iran, Azerbaijan and Russia as another key topic, stressing, "This plan must be finalized and implemented with the cooperation of the three countries."

RAI rail freight tops 5m tons, setting record amid sanctions



Economy Desk

Iran's international rail freight transport crossed the 5-million-ton threshold on Tuesday, marking a new milestone in the country's rail transport history, Shariyar Naqizadeh, director general of Foreign Trade at the Railways of the Islamic Republic of Iran (RAI), told IRNA.

While total international rail freight also reached 5 million tons last year, this year's milestone was achieved on February 24, representing 7% growth compared to the same period last year, Naqizadeh added.

He emphasized the significance of this achievement, noting it was attained under the most severe sanctions and political pressures, which have undoubtedly affected international rail transport.

"This year, and through efforts made, by signing bilateral and multilateral memorandums of understanding with neighboring countries as well as with countries along these corridor routes, and through extensive rail diplomacy, we managed to extract this performance from international agreements," he said. Naqizadeh referred to several key agreements underpinning this growth, including a six-party memorandum along the China-Europe rail route with countries along the corridor; a three-party agreement on the North-South Corridor with Russia and Turkmenistan (on the eastern branch) and with Azerbaijan (on the western branch); and a three-party memorandum among Iran, Pakistan and Turkey.

Minister: Power capacity to surpass 100,000 MW, largest in West Asia



Economy Desk

Iran's electricity generation capacity will soon exceed 100,000 megawatts, becoming the largest power grid in West Asia, Energy Minister Abbas Aliabadi said on Tuesday as he inaugurated 48 power-related projects in Isfahan Province. Aliabadi attributed the management of electricity supply-demand shortage to a simultaneous increase in production and

public cooperation in reducing consumption, adding that this approach would continue with planning for the upcoming summer, IRNA reported.

"In the power sector, consumption decreased by about 3% compared to last year; this is while a developing country typically expects 6% to 7% consumption growth. This reduction in consumption is a commendable achievement," he told reporters on the sidelines

of the ceremony marking the launch and operationalization of electricity industry projects in the central province.

"For the upcoming summer, our plan is to add new power plants and strengthen transmission and distribution infrastructure," the minister said, noting that extensive measures are underway to expand smart systems and improve the distribution network.

8,000 MW added to grid

"This year, we added about 8,000 megawatts of combined solar and thermal power plants to the grid, which is a notable record," he said.

Turning to water resources, the minister said an average reduction of about 25 liters in per capita consumption had been recorded, reflecting the impact of public cooperation in optimal use.

"Over the past five years, the country has faced continuous drought. Although this year shows about a 26% improvement compared to last year, we

remain below long-term normal levels," he said.

Aliabadi said 57 cities across Iran are under water stress, adding that Tehran Province is not in a favorable situation and Isfahan also requires greater public cooperation.

To manage water demand, the Ministry of Energy is distributing water-saving equipment that can reduce consumption by up to 30%, particularly for high-consumption subscribers, the minister said.

He also said cloud seeding operations have been carried out using more than 50 sorties of aircraft and drones employing scientific methods, under the supervision of an academic scientific committee.

Aliabadi emphasized the importance of developing distributed generation power plants. "The country's electricity imports are less than 500 megawatts, and by developing distributed generation plants — which create a more stable and resilient grid from both environmental and passive de-

fense perspectives — we must further strengthen conditions for maintaining power grid stability," he said.

The 48 projects inaugurated on Tuesday in Isfahan Province include network development, improvements to distribution and sub-transmission substation capacity, subscriber smartification, and upgrades to electricity networks and facilities. The projects aim to ensure a stable electricity supply and increase energy efficiency across the province.

"The projects inaugurated today will play an important role in grid stability," Aliabadi said.

"These plans have been implemented with the aim of improving the quality and reliability of the power system, addressing problems in weak networks, and providing stable electricity for industries and various areas of the province. Operationalizing these projects will be an important step toward upgrading energy infrastructure and improving services to subscribers in Isfahan Province."

Iran seeks rail extension to Iraq to create east-west corridor: VP

Economy Desk

Iran is seeking to reach an agreement with Iraq to extend a key domestic railway line from the western province of Kermanshah into Iraqi territory, aiming to transform the route into a major international transport corridor, a senior official said on Tuesday. "The Kermanshah to Islamabad-e Gharb railway project has made progress and we are following up on a memorandum of understanding with Iraq to extend this project," Mohammad Jafar Qaempanah, Iran's Vice President for Executive Affairs, told reporters after inspecting the construction site, according to ISNA. Qaempanah emphasized that the project's success depends on extending the line to the Khosravi border crossing and Iraq simultaneously completing its portion of the route.

He explained that under the proposed agreement, the route would be implemented on the Iraqi side from Baghdad to Khanaqin, and from Khanaqin to the Khosravi border. "The extension of this route with Iraq's cooperation will form an east-west corridor, which could be very significant for transporting goods from northwestern Iran and Turkmenistan to Iraq. We are seeking to realize this," Qaempanah added. On funding, he noted that financial resources for the project have been secured and approved for the next one to two years.

US support for ...

The high sensitivity of the reactions suggests that the statements have been read as a "plausible future scenario," rather than as a media sideshow. In fact, the main concern is that what is being raised rhetorically today may be consolidated as a reality on the ground tomorrow.

What impact could such positions have on the normaliza-

tion process between some Arab countries and Israel? Could they slow down or even halt such diplomatic trends?

The normalization process is highly dependent on the perceptual environment of public opinion. Such remarks increase the political cost of normalization for Arab governments and constrain their maneuvering space. Even countries that have security and economic interests in co-

operation with Israel may find themselves compelled to slow the process or place it on hold. Normalization advances when Israel is seen as a controllable and predictable actor, not as one that, backed by the United States, normalizes expansionist horizons.

At a time when regional crises from Gaza to the Red Sea continue, what impact will such

rhetoric have on tension levels and the likelihood of new alliances emerging in the region?

Against the backdrop of active crises from Gaza to the Red Sea, these remarks effectively contribute to rising tensions. They reinforce the narrative of actors opposed to the United States and Israel and create space for new, even if temporary and tactical, forms of convergence.

Under such conditions, the likelihood of alliances based on "detering a common threat" increases. These alliances may not be formal, but they can complicate the regional balance and raise its costs in practice. From a realist perspective, such rhetoric does not reduce tensions; rather, it fuels an accumulation of mistrust and adds to the acceleration of hard-power competition in the region.