

CBI vows no shortages, tighter liquidity control as inflation surges

Economy Desk

Iran's Central Bank (CBI) governor Abdolnasser Hemmati said the government has taken necessary measures to ensure the supply of essential goods and medicines, stressing that no shortages are expected, state media reported on Sunday.

According to IRNA, Hemmati told a meeting with members of Parliament's Article 90 Committee, a constitutional oversight body that reviews complaints against state institutions, that authorities had mobilized all available resources to maintain stable access to basic commodities and pharmaceuticals.

He also underscored stricter oversight of the banking system, saying the Central Bank of Iran would not allow banks to engage in overdraft practices under any circumstances.

"Controlling liquidity growth is a necessity today," he said, adding that the CBI is working daily to

curb liquidity expansion in line with its primary mandate of containing inflation.

Data from the Statistical Center of Iran (SCI) showed inflationary pressures intensifying. The country's consumer price index (CPI) rose sharply in the first month of the Iranian year starting March 21, with annual inflation reaching 53.7%.

The CPI for Iranian households stood at 569.3, marking a 5.0% increase from the previous month and a 73.5% rise compared with the same month a year earlier, the data showed.

Hemmati also said foreign currency allocation is being carried out under a structured plan aligned with the country's priorities, emphasizing targeted management of Iran's foreign exchange needs.

Meanwhile, Iran's national currency has fallen to record lows amid mounting economic pressure. The rial weakened beyond 1.85 million per US dollar on the

open market on Sunday, compared with about 1.54 million earlier in the week and around 811,000 a year ago.

The sharp depreciation highlights growing strain on the economy, already grappling with high inflation and Western sanctions. The country remains under wartime conditions following a recent conflict. Tehran and the United States agreed to a temporary ceasefire on April 8 through Pakistani mediation, though tensions persist.

Washington imposed a naval blockade on April 13 targeting vessels entering or leaving Iranian waters, later extending the measure to all Iranian-flagged ships on the high seas. Under new measures announced by Tehran, only pre-authorized commercial vessels are permitted to transit the Strait of Hormuz, while ships linked to the United States, Israel and other "hostile states" are barred from passage.



Iran shifts trade to alternative ports as UAE's Jebel Ali stalls

Economy Desk

Iran is redirecting cargo and logistics operations to ports in Pakistan, India and Oman after activities at the United Arab Emirates' Jebel Ali port stopped amid wartime conditions, the head of Iran's Shipping Association said on Sunday.

Masoud Polmeh, secretary-general of the Iranian Shipping Association, told state news agency IRNA that no commercial activity is currently being conducted through Jebel Ali, which has historically served as a key hub for Iran's trade exchanges. Instead, ports including Sohar and Salalah in Oman, Karachi in Pakistan, and Nhava Sheva and Mumbai in India are now handling cargo movements previously routed through the UAE facility.

"Claiming that only Jebel Ali served as the origin for cargo and logistics exchanges with Iran in past years is incorrect," Polmeh said. "Throughout previous years until today, various ports have undertaken this role, one



of which was Jebel Ali." He added that Jebel Ali traditionally held priority due to its corridor and arterial connections with neighboring countries, but Iran has maintained logistics links with the alternative ports in Oman, Pakistan and India.

Polmeh emphasized that shipping operations, including vessel arrivals, departures, docking, and cargo loading and unloading, are proceeding normally at Iran's southern ports. "All port operations continue through cooperation between the private sector and the government, and no activity has been halted," he said.

Iran has in recent years conducted a significant portion of its imports and

transit trade through UAE ports, particularly Jebel Ali. However, following the US-Israeli war against Iran and recent developments in trade flows, regional ports in Pakistan, India and Oman have emerged as alternatives. According to IRNA, the shift is also driven by efforts to improve trade relations and reduce transport costs, with Pakistan's ports seen as having the potential to become a key hub for facilitating Iran's international trade due to their geographic position and infrastructure.

Addressing concerns over a naval blockade imposed by the US since April 13 on vessels entering or leaving Iran's southern coastal waters, Polmeh

told ILNA that while the term "blockade" may create a perception of complete encirclement, such a scenario does not fully reflect realities on the ground.

"The main chokepoint of any blockade is under Iran's control, and if a blockade were to take shape, it would effectively be in the hands of Iran's Armed Forces," he said.

He added that all Iranian ports remain fully operational, with no halt in ship movements or cargo handling, and that activities continue with the cooperation of both the private sector and the government.

Polmeh also pointed to Iran's strong rail links with China and extensive ties with Russia, describing both as strategic partners with land connections that cannot be blocked.

He said that even in the event of a complete closure of southern maritime routes, Iran would not be fully cut off from trade, though such measures could increase pressure and congestion on alternative routes.

Pezeshkian urged to restore stable Internet amid billion-dollar outages

Economy Desk

An Iranian industry body has called on President Masoud Pezeshkian to restore stable and high-quality Internet access, warning that disruptions are inflicting heavy losses on businesses and the broader economy, state media reported on Sunday.

According to IRNA, Abdolvahab Sahlabadi, head of the board at Iran's House of Industry, Mine and Trade, said in a letter that Internet access is a vital infrastructure for economic activity and urged authorities to accelerate normalization, improve quality and ensure stability of connectivity.

"Key decisions about the Internet should be made in consultation with economic associations, and the government must establish mechanisms to compensate for damages caused by disruptions," he said in the letter.

He added that any decline in Internet quality or access disrupts business operations, stressing that national regulations require consultation with economic groups and guarantee stable access, which is essential for digital economy development and e-government services.

The letter also highlighted the negative impact of restrictions, including lower productivity, higher costs, cybersecurity challenges and difficulties accessing cloud services and management systems such as ERP, CRM and SCM. Abbas Ashtiani, head of the blockchain commission at Iran's ICT Guild Organization, has estimated that the digital blackout imposes at least \$30 million to \$35 million in daily direct, indirect and opportunity costs on the country. A KhabarOnline report concluded that Iran's economy lost approximately 300,000 billion tomans (about \$1.62 billion) during two months of Internet shutdown.

Over the past year, Iran's Internet has been disrupted for more than 100 days, including a



record 63 consecutive days of outage during the recent conflict, according to available data. Internet access across the country was largely shut down from the early hours of the February 28 US-Israeli attack, with connectivity dropping to around 2% of pre-war levels, monitors said. Since an April 8 ceasefire, authorities have gradually expanded limited access to selected users and entities, but most of the country's population of more than 90 million remains offline.

Deputy Communications Minister Ehsan Chitsaz said on Sunday that differentiated access to the Internet, referred to as "Internet Pro," leads to unequal distribution of opportunity, power and even perception of reality.

He said digital supply chains in many industries are inherently cross-border and depend on international systems and protocols for order registration, coordination with foreign suppliers, shipment tracking, document exchange and logistics management.

Without international Internet access, these chains are disrupted, reducing businesses' visibility over supply and distribution, which in crisis conditions could lead to shortages of goods or disruptions in essential services.

Chitsaz told ILNA that from a digital economy perspective, the ministry's core principle is to ensure stable, high-quality and non-discriminatory Internet access for all citizens and businesses under normal conditions.

Tire industry prioritizes production, jobs despite mounting challenges

Economy Desk

Iran's tire manufacturers are prioritizing the continuation of production and preservation of employment despite facing significant economic and logistical challenges, the spokesperson for the country's Tire Industry Trade Association said on Sunday.

Mostafa Tanha told state media that industry stakeholders remain committed to maintaining strategic production levels, particularly in the tire sector, which plays a vital role in the nation's logistics infrastructure.

"Although we are grappling with challenges such as securing raw materials from domestic petrochemical companies, obtaining foreign currency credits, international transportation, and the impact of the national currency's devaluation on production costs, our main priority is overcoming these obstacles and sustaining production," Tanha said.

He added that pricing mechanisms and navigating complex payment arrangements currently rank as secondary priorities, with all efforts focused on keeping production lines operational and preventing factory closures.

Tanha noted that the tire industry, which manufactures various types including passenger, truck and radial tires, plays a critical role in maintaining the country's transportation stability, and any disruption to the sector would have widespread repercussions.

"Supporting domestic producers and facilitating the supply of raw materials is essential for navigating this challenging period," he said.

Tanha referenced as difficult conditions stemming from a "US-Zionist imposed war," emphasizing that in this sensitive period, preserving and continuing the

production cycle carries high importance.

The country remains under wartime conditions after a recent conflict, following a US-Iran ceasefire on April 8 brokered by Pakistan, though tensions remain high.

"We have deployed all our efforts to preserve employment and prevent workforce reductions," he said.

According to Tanha, despite economic pressures and sanctions, the rubber industry has adopted a strategic approach centered on maintaining production by relying on domestic capabilities to overcome the current phase.



He stressed that cooperation between the private sector and government remains crucial for ensuring uninterrupted operations across Iran's tire manufacturing facilities.