National power generation capacity hits 100,000 MW despite war

SATBA: Renewable energy output to reach 7,000 MW

Economy Desk

A senior official at Iran's Thermal Power Plants Holding Company (TPPH) announced on Wednesday that the country's total electricity generation capacity had reached 100,000 megawatts despite ongoing wartime pressures and threats against national energy infrastructure.

Hamid Seirafianpour, deputy for planning and management development at TPPH, said development work and electricity production programs continued uninterrupted during the Ramadan War, the 40-day aggression that was carried out by the United States and Israel on February 28.

"Despite numerous enemy threats to bomb electricity industry facilities, activities in this sector continued and the total capacity of the country's power plants reached 100,000 megawatts," Seirafianpour said in a televised interview.

He said Iran had also reduced the installation and commissioning time for a gas-fired power unit to 99 days, compared with more than four months under normal conditions.

According to Seirafianpour, the 4th gas unit at the Neka Power Plant was completed entirely using domestic engineering expertise and locally manufactured equipment, reflecting Iran's emphasis on self-sufficiency in strategic industries amid sanctions and regional tensions.

Separately, Deputy Energy Minister Mohsen Tarztalab said Iran aims to increase renewable energy capacity to 7,000 megawatts by late June or early July.

Tarztalab, who also heads Iran's Renewable Energy and Energy Efficiency Organization (SATBA), said authorities were consolidating renewable energy projects to reduce the use of fossil fuels, particularly natural gas and diesel.

Iran has faced chronic electricity shortages in recent years due to rising domestic demand, aging infrastructure and fuel supply constraints, prompting officials to accelerate investment in both thermal and renewable power generation.

TPO: Iran eyes $10b trade with Pakistan via barter, transit expansion

Economy Desk

The Islamic Republic is focusing on removing infrastructure bottlenecks, expanding border trade and activating barter mechanisms as part of a roadmap to increase bilateral trade with Pakistan to $10 billion, a senior Iranian trade official said on Wednesday.

Abdolsadeh Neisy, assistant to the head of Iran's Trade Promotion Organization (TPO) and director general for Asia and the Indian subcontinent, said deeper economic ties between Tehran and Islamabad had become a strategic necessity rather than simply a diplomatic choice.

"Deepening relations between Iran and Pakistan is no longer merely a diplomatic option, but a strategic necessity aimed at increasing economic resilience," Neisy said during a meeting with traders and business representatives at the Tehran Chamber of Commerce, according to state media.

He said Pakistan represented a strong market for Iranian goods and products and added that Pakistani ports could play an important role in the re-export of Iranian products to third countries, as well as in supplying essential goods and raw materials for Iranian manufacturers.

Neisy called for diversification of trade routes and said Pakistan should be viewed as a regional hub for securing key imports and industrial inputs.

Iran and Pakistan have long discussed boosting bilateral trade, but progress has been constrained by international sanctions on Tehran, weak banking links and logistical barriers.

To ease transport costs and logistical difficulties, Neisy proposed the creation of a joint transportation company to facilitate the transfer of containers unloaded at Karachi Port.

He also highlighted operational challenges facing economic cooperation between the two countries, including sanctions, the absence of direct banking relations and the expansion of informal trade.

As possible solutions, Neisy suggested expanding barter trade, using local currencies in transactions, focusing on non-sanctioned sectors and increasing the role of small and medium-sized enterprises in bilateral commerce.

Eurasia System launched at IRICA to facilitate int'l trade

Economy Desk

The Eurasian Economic Union (EAEU) system is ready for operation at the Islamic Republic of Iran Customs Administration (IRICA), aimed at paving suitable ways for stakeholders to use exemptions predicted in the EAEU agreement, state media reported on Wednesday.

According to Mehr News Agency, the necessary infrastructures have been prepared and ready for implementation for being used by the economic actors in line with the policies of IRICA in making customs processes "smart and electronic" with the aim of enhancing the transparency, speed, and predictability of trade procedures, especially within the framework of the implementation of Free Trade Agreement (FTA) inked between Iran and the Eurasian Economic Union.

The system, known as the "Eurasia System," has been designed and prepared for operation with the aim of facilitating the use of economic actors from discounts and exemptions predicted within the framework of the Eurasian Economic Union Agreement, as well as the systematic management of processes related to certificates of origin and goods covered by this agreement.

IRICA's authorities said the move is intended to speed up trade procedures by replacing paper-based processes with electronic documentation and verification systems, while increasing transparency and improving oversight of imports.

Iran signed a free trade agreement with the Eurasian Economic Union in late 2023 as Tehran seeks to deepen economic ties with regional partners amid Western sanctions and efforts to diversify its trade relations.

Beyond knowledge economy; why resources still rule

By Ehsan Mohebbi Nazar
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OPINION EXCLUSIVE

For much of the past generation, globalization encouraged the belief that the world was moving beyond the geopolitics of raw materials. Data would replace oil, software would eclipse steel, and knowledge would become the ultimate currency of power. For decades, a comforting narrative has dominated global discourse: invest in education, nurture innovation, and build world-class institutions — and prosperity will follow. Singapore, South Korea, and Germany seemed to prove the point: nations with scarce natural resources could outcompete resource-rich rivals through sheer intellectual capital. Yet the reality now unfolding points in a different direction.

The century is witnessing not the end of resource competition, but its reinvention — quieter, more complex, and arguably more consequential than before. Scientific knowledge is more accessible than at any point in history, but this inversion — democratized knowledge alongside concentrated resources — may be quietly rewriting the rules of geopolitical power.

The late 20th century was an anomaly. The postwar generation in advanced economies produced an unprecedented consumption shock. A vast middle class bought homes, cars, appliances, and electronics at scale. That demand powered industrial growth across East Asia, turned export-led development into a winning strategy, and helped anchor the US dollar at the centre of the global system. It was not merely military or financial engineering that sustained that order; it was mass consumption.

That demographic engine is now fading. Populations across advanced economies are aging rapidly. Older societies consume differently: less housing turnover, fewer durable goods, more services and healthcare. This is not a collapse of demand, but a structural shift away from the material-intensive consumption that once drove global trade. Meanwhile, many younger societies remain far from the income levels required to replicate that earlier consumption boom. The result is a world in which aggregate demand grows more slowly and unevenly.

In such a world, leverage shifts toward those who control essential inputs. The energy transition illustrates this paradox. Renewable technologies are often portrayed as liberating humanity from resource constraints, yet solar panels, electric vehicles, grid-scale batteries, and modern power networks require lithium, cobalt, nickel, copper, and rare earth elements — materials whose extraction is geographically concentrated in ways that no amount of open-access research can change. According to the IEA, demand for these critical minerals could increase four- to six-fold by mid-century. The knowledge to build a battery may be global; the cobalt inside it is not.

This asymmetry exposes a blind spot in the knowledge-economy thesis. Technology does not exist in abstraction. It requires raw materials, supply chains, and physical infrastructure. A country that leads in artificial intelligence yet depends entirely on externally controlled mineral inputs has built its power on a foundation others can disrupt. The semiconductor tensions of recent years have already demonstrated that control over materials and manufacturing equipment can matter more than publishing more research papers.

This reality has triggered a new form of strategic competition. Major powers are no longer focused solely on oil fields; they are seeking influence across entire supply chains — from extraction and processing to refining and advanced manufacturing. Long-term mineral offtake agreements, strategic stockpiles, export controls, and investment screening are becoming routine tools of economic policy. Resource diplomacy now sits alongside traditional security alliances.

Multinational corporations are equally active. Automakers are investing directly in mining projects to secure battery inputs. Technology firms are signing long-term power purchase agreements to lock in energy for data infrastructure. Commodity traders are expanding into logistics, storage, and refining. Vertical integration — once dismissed as inefficient in a just-in-time global economy — is returning as a hedge against scarcity and geopolitical risk.

Geography matters again. Critical minerals are unevenly distributed, and processing capacity is even more concentrated, creating chokepoints that can be leveraged economically and politically. Control over a refinery, a shipping lane, or a specialized processing technology can confer influence far beyond the nominal value of the underlying material. In a world of fragile supply chains, resilience becomes power.

History offers a caution against determinism. The so-called "resource curse" shows that possessing minerals is not the same as converting them into durable power. Institutions, governance, and the ability to move up the value chain are decisive. The most instructive model today is not simply resource ownership but control over transformation—turning raw inputs into strategic advantage through processing capacity and industrial ecosystems.

This is not a return to twentieth-century resource nationalism. The difference today is that resources matter within complex technological systems. The most powerful actors will not be those with resources alone, nor those with technology alone, but those that command the intersection of both.

Innovation will still matter. It will determine how efficiently resources are used, whether substitutes emerge, and how recycling reduces primary demand. But innovation operates within material limits. A battery breakthrough still requires metals; a semiconductor revolution still requires fabrication plants and energy.

The defining feature of the coming decades will be the convergence of technology and geology. Power will flow not only from ideas, but from mines, grids, ports, and processing facilities. In an era often described as digital and dematerialized, the foundations of influence remain profoundly physical. The race for resources is not a relic of the past; it is the structure of the future.