

Pezeshkian urges stricter energy controls in postwar strains



Iranian President Masoud Pezeshkian chairs a meeting on strengthening the resilience of Iran's fuel supply network in Tehran on May 17, 2026.
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Economy Desk

Iranian President Masoud Pezeshkian called for swift measures to curb energy con-

sumption, saying the country must make consumption management a national priority to strengthen resilience and navigate wartime conditions and

mounting foreign pressure. "If we want to strengthen the country's resilience and safely get through wartime conditions and external pressure, we must

put consumption management and control on the national agenda from today," Pezeshkian said during a meeting on strengthening the resilience of Iran's fuel supply network, according to [president.ir](#).

Pezeshkian also pointed to government efforts to maintain economic stability and safeguard livelihoods under current conditions.

"The government has deployed all available capacities and resources to manage the situation and support people's livelihoods," he said, adding that authorities were monitoring the supply of essential goods and services through economic diplomacy, regular coordination with neighboring countries, and ongoing meetings with trade groups, producers,

distributors and other economic sectors.

The meeting, focused on fuel consumption management and improving the resilience of the country's fuel supply network under wartime conditions, was attended by the oil minister, the head of the Planning and Budget Organization (PBO), the Central Bank governor, the head of the Energy Optimization and Strategic Management Organization and other officials.

Officials reviewed gasoline consumption trends, strategic fuel reserves, energy supply and distribution, possible energy-sector scenarios and measures aimed at improving the stability of the fuel supply network under current conditions. Iran is facing growing external economic and maritime pressure, including US restrictions targeting its shipping and oil trade through a naval blockade imposed since mid-April. The move, part of what Washington has described as "Operation Economic Fury," is aimed at

pressuring Tehran into a peace agreement following a 40-day aggression that began in late February.

Pezeshkian later outlined the government's non-price measures to reduce gasoline consumption.

"The government has put forward a package of executive and cultural measures to control fuel consumption, including revising fuel quotas, reducing allocations for high-consumption and high-income groups, tightening oversight of the distribution chain and combating fuel smuggling, expanding incentives for public transportation use, reducing unnecessary private car travel, and promoting changes in consumption patterns through cultural and media campaigns," he said.

"Under current conditions, gasoline supply and imports are facing constraints, but if the public cooperates in managing consumption, the situation can be handled without serious disruption."

Steel industry eyes holding 10th global rank despite war losses

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Iran's steel sector is expected to maintain its position as the world's 10th-largest producer despite losing about 30% of capacity in recent US-Israeli attacks, Vahid Yaqoubi, secretary of the country's Steel Association, said in a report on the industry's postwar outlook. Yaqoubi, speaking in remarks reported by Tasnim news agency, said Iran has held the 10th position in global steel production in recent years, maintaining that rank in both output and exports, though damages from the recent conflict have created challenges for the sector.

"Estimates indicate that about 30% of the country's steel capacity has been lost during these attacks and some major steel units have been damaged," Yaqoubi said. "However, reconstruction efforts have begun and given Iran's roughly 10m-ton gap with Vietnam, the 11th-largest producer globally, maintaining the

country's global position remains possible."

GDP share to hold despite output drop

The steel industry accounted for about 5.5% of Iran's gross domestic product (GDP) before the war, and that share is expected to be maintained despite a projected production decline this year, he said.

Yaqoubi also highlighted the sector's role in employment.

"The steel industry has created about 2 million direct and indirect jobs, accounting for nearly 8% of the country's employment," he said. "Only in the two complexes of Mobarakeh Steel and Khuzestan Steel, which sustained the heaviest damage, about 40,000 people are employed."

The two complexes — Mobarakeh Steel Company (MSC) in central Isfahan Province and Khuzestan Steel Company in southwestern Khuzestan Province — were struck multiple times during the US-Israeli conflict that be-

gan on February 28. He emphasized the need to support damaged facilities. "These companies have not conducted layoffs so far, but continuing operations and preserving employment requires serious support, as a decline in revenues over the long term could reduce these enterprises' resilience," Yaqoubi said.

Forex share seen falling just 2 points

The steel industry previously generated about 11% of Iran's foreign currency revenues, equivalent to approximately \$8 billion, but that share is expected to fall by two percentage points this year to around 9%, he said. On the domestic market, he said assessments by the steel association showed shortages of steel products would not be as widespread as some estimates had suggested.

"We expect a shortage of around one million tons of steel products and about 200,000 tons of hot-rolled coil by mid-September,



which can be offset through market management and imports," he said.

Yaqoubi suggested steel-consuming industries rely on imports during the first six months of the Iranian year, which began on March 21, to allow enough time for reconstruction work to be completed. He also said a surplus had emerged in the sponge iron sector.

"With damage to some facilities, around 15 million tons of sponge iron capacity has been lost, but there is still a surplus of about 12 million

tons in this segment, which requires a review of export policies and easier mineral exports," he said.

Yaqoubi added that imports of some steel products should be managed to prevent shortages of raw materials for downstream industries, particularly in products such as cold-rolled and galvanized sheets.

He expressed hope that improving conditions and faster reconstruction efforts would allow the steel industry to return to normal operations quickly and restore production and exports.

Minster proposes UN funding for war-damaged housing, infrastructure

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Iran's Minister of Roads and Urban Development Farzaneh Sadeq Malvajerd proposed that the UN-founded World Urban Forum (WUF) establish a support fund for countries affected by crises, aimed at helping rebuild housing units and infrastructure damaged in war-affected states.

According to ISNA, during the recent war between the United States and Israel against Iran, about 150,000 housing units were destroyed, leaving residents homeless.

The minister said that infrastructure, including several bridges as well as road and rail networks considered key pillars of safe and resilient urban living, was also severely damaged in the attacks.

A government spokesperson said the 40-day US-Israeli war caused an estimated \$270 billion in damage to Iran. A parliamentary economic committee estimated that \$28.5 billion of that figure related to non-civilian sectors.

In Tehran, 44,750 housing units were damaged, while 99,878 residential and non-residential units in other cities were also affected, as reported by ISNA.

So far, repairs to 37,000 lightly damaged housing units have been completed. The government is providing temporary housing assistance to those whose homes were destroyed, offering between about \$1,667 to \$3,889 (300 million and 700 million tomans) in smaller cities and about \$11,111 (2 billion tomans) in Tehran. However, funding for the reconstruction of completely destroyed homes has not yet been approved.

In a message to the 13th World Urban Forum (WUF-13) in Baku, Azerbaijan, Sadeq Malvajerd emphasized the need for international support to rebuild damaged cities and strengthen implementation of the New Urban Agenda.

Her remarks were read on Sunday at the ministerial session of WUF-13 by Gholamreza Kazemian, deputy minister for urban planning and architecture at the Ministry of Roads and Urban Development.

"While we speak about safe and resilient cities, in some parts of the world children are still facing the sound of missiles and bombardment, and many homes have been destroyed as a result of war," Sadeq Malvajerd said in the message.

"The Islamic Republic of Iran, with thousands of years of urban history, has been exposed to war twice over the past year, raising serious questions about the feasibility of planning for sustainable urban development under such conditions," she added.

Iran was subjected to a 12-day Israeli attack in June and later a 40-day joint US-Israeli offensive at the end of February.

Exports to neighbors continue amid shipping disruptions: Chamber

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Exports to neighboring countries including Iraq, Afghanistan, Turkey, Russia and Central Asia are continuing intensely, though goods previously routed through the UAE remain stalled, a senior Iranian trade official said. Hamid Hosseini, a member of the Iran Chamber of Commerce, told ISNA that while trade with immediate neighbors was proceeding, goods previously shipped to Jebel Ali under UAE documentation continued to face unresolved challenges.

"We are negotiating with Iraq and Pakistan to transfer our imported goods through these routes and carry out our exports, but we are still facing problems," Hosseini said.

He said most importers who had unloaded containers in Pakistan and India due to the closure of the Strait of Hormuz were now working to resolve their logistical issues, adding that few were currently seeking to import new goods. Since May 13 and after a 40-day illegal war of aggression, the US has imposed a so-called naval blockade on Iranian ports on the Strait of Hormuz, through which a fifth of global oil supply passes, disrupting shipping routes and energy trade.

Hosseini noted that shipments of essential goods, medicine and other basic needs had not been disrupted, with food and other products continuing to enter the country and likely exiting as well. Touching on crude oil and refined products, he said, "US forces were present at

the entrance to the Indian Ocean, and based on satellite tracking and vessel monitoring, ships with a history of oil tanker operations or cooperation with Iran were being allowed to depart but not to enter Iranian waters."

Hosseini emphasized that even if vessels could reach Iranian ports to load cargo, they could currently only be used as floating storage. "Just as many countries in the region were forced to cut their oil production, reports indicate that our production has decreased by about 11%, and we may have to reduce it further in the future if storage tanks fill up and ships fail to arrive," he said.

Washington continues to intensify sanctions and blockade enforcement targeting Iran's oil sector, with US officials re-

peatedly stating that measures aimed at shipping networks, intermediaries and tankers are designed to curb Tehran's crude exports and restrict revenue flows.

However, TankerTrackers has said Iran still has access to numerous oil tankers capable of loading and transporting its crude shipments, suggesting Tehran retains logistical flexibility despite years of Western sanctions on its energy and shipping industries.

The oil-tracking service said that Iran still has available oil storage capacity at its main export hub on Kharg Island and retains a sizeable fleet of tankers capable of transporting crude, amid renewed US claims that sanctions pressure is constraining Tehran's oil exports.