

Qalibaf urges shift from military to economic front to ease public woes

Infrastructure reform required for China partnership



Parliament Speaker Mohammad Baqer Qalibaf chairs a meeting with the Iran Chamber of Commerce and senior economic officials in Tehran on June 17, 2026.
● ICANA

of Commerce," which was attended by representatives of business associations, members of the chamber's economic commission and senior economic officials, emphasized the importance of the gathering. Ahead of Qalibaf's upcoming visit to China, private sector participants at the meeting presented more than 30 proposals for developing economic, trade and investment ties between Iran and China. "What matters is that we officials, in whatever position we hold, come to understand that it is the people who drive the economy, culture, politics and all arenas of the country forward," Qalibaf said. "The people are the main axis of the country's progress, and the people of Iran are a valuable and irreplaceable asset." Referring to his new role in relations with China, he said, "When we look at the record of economic relations and joint cooperation with China, we see that in many areas we have not been able to achieve desirable results. So, we must

honestly ask where the problem lies and who is going to solve these problems?" Qalibaf stressed the need to reform economic and financial infrastructure to enhance relations with China. "Without doubt, on this path we need to establish a financial system and design and implement deep, precise and extensive mechanisms in logistics, transportation, technology and infrastructure, and we must be able to connect with our partners, especially China, in a shared ecosystem, from education to the market and supply chains." "Achieving this goal requires that the two countries be connected in various economic dimensions," he said. Qalibaf also addressed sanctions against Iran during past decades, saying, "I am not among those managers who say sanctions are a scrap of paper." "We experienced 12% growth in the industrial sector in the early 2000s, and we also see today's situation." "But if lifting sanctions means surrendering, we will never do such a thing – the Iranian nation and all the country's officials have shown they would give their lives but are not ones to surrender," he said. "I came here today to say that we must all take over the front line that was in

the hands of the combatants, stand firm, pull the people out from under economic pressure, and build the country with strength," Qalibaf added. The country is grappling with persistently high inflation, with the Central Bank of Iran reporting that the annual inflation rate rose to 53.9% in the 12 months ending in the second month of the current Iranian year, compared with the same period a year earlier.

China and Iran 'true' partners

Qalibaf said Iran needs "blocs" and added, "I say clearly – these blocs must definitely take shape, and in a way, they have already taken shape." "Whatever bloc takes shape, there will be two certain countries in it – without doubt, China and Iran." Qalibaf went on to say that, "I will move forward on this path with strength – in all its dimensions, in technology, in the economy, and in politics. We must pursue these matters with dignity, but without tension, and with logic." Iran's Parliament speaker added, "Certainly, China is unique for us. It is we who must make China believe – and it will believe – that we are not merely a customer or a trade counterpart, but that we truly are a full partner with China."

Economy Desk

Iran's Parliament speaker underlined on Wednesday that the country should shift its focus from the military arena to the economy, calling for the mobilization of domestic capabilities to ease pressure on the public and improve living standards. Mohammad Baqer Qalibaf, who also serves as Iran's special representative

for China affairs, made the remarks at a policy meeting with the Iran Chamber of Commerce, where he said, "Today, we must take over the front line from the young men standing by the missile launchers, stand firm, and bring prosperity to the people." Qalibaf, speaking at the "consultative meeting of the special representative for China affairs with the Iran Chamber

CBI urges stronger banking ties with Moscow, more INSTC financing

'Iran-Russia payment link phase 3 due in two months'

Economy Desk

The governor of the Central Bank of Iran (CBI) called on Wednesday for expanded banking cooperation with Russia, urging greater financing capacity for bilateral trade and a stronger role for a Russian bank in supporting a key international transport corridor. Abdolnasser Hemmati, during a visit to Russia's Mir Business Bank, called for broader banking cooperation, increased financing capacity for bilateral trade and a stronger role for the bank in supporting the International North-South Transport Corridor (INSTC). According to IRNA, Hemmati arrived in Moscow on Tuesday for talks with Russian officials aimed at expanding monetary and banking cooperation between the two countries. He said upon arrival that the third phase of a bilateral monetary and banking agreement linking Iran's SHETAB and Russia's Mir payment networks would become operational within the next two months. During his visit to Mir Business Bank on Wednesday, Hemmati said the Russian bank had made significant progress in recent years and that measures taken by the institution could help complete supply chains and provide additional services to businesses in both countries. He said development of the North-South Corridor should be pursued more vigorously. He said plans were underway



Central Bank of Iran Governor Abdolnasser Hemmati (2nd R) meets with officials of Russia's Mir Business Bank during a visit to the bank in Moscow, June 17, 2026.
● IRNA

to expand capacity in Iran's northern regions, increase maritime transportation and place greater focus on sourcing goods through Russia. "The Iranian government's policy is to expand bilateral trade, and the banking network will strongly support this path," the CBI chief said. "The volume of trade between the two countries has much greater growth potential, and strengthening financial and banking infrastructure can help achieve that goal," he added. "We expect Russian banks to expand cooperation in opening letters of credit (LCs) for Iranian parties so that medium-term financing and the import of goods needed by the country can be facilitated. At the same time, efforts will continue to expand Iranian exports to the Russian market," he added. Russia and Iran's trade turnover rose 16.2% year-on-year to \$4.8 billion in 2024, according to Russian officials, who say bilateral trade remains below

its potential. The monetary agreement between Iran and Russia became operational in January 2025, enabling the two countries to use their national currencies — the rial and the ruble — as the basis for trade settlement at agreed exchange rates in the commercial foreign exchange market. Russia's Mir card network was connected to Iran's SHETAB banking network in November 2024. The first and second phases of the SHETAB Mir payment system have already been completed. Hemmati said on Tuesday that the third phase of the Iran-Russia monetary and banking agreement, involving the integration of the SHETAB and Mir banking networks, would be implemented within a maximum of two months. Hemmati told reporters in Moscow that the necessary steps for the third phase were currently underway. With the completion of the third phase, Iranian travelers in Russia will be able to use their domestic bank cards to make purchases, he said.

Minister highlights Iran's economic deterrence to counter sanctions

Economy Desk

Iran has reached a level of economic and industrial capability where sanctions can no longer affect its economy as they once did, said the minister of industry, mine and trade. Mohammad Atabak, speaking at a ministry meeting also attended by Vice President for Strategic and Parliamentary Affairs Mohsen Esmaeili, described Iran's current position as strong and influential. He said that national unity, coordinated leadership, and broad public participation have enabled the country to withstand external pressure while maintaining economic and industrial activity, Press TV reported. "The country has reached a stage of deterrence and capability where sanctions can no longer affect economic activity in the same way they did in the past," Atabak stated. He also credited the public and security forces for helping preserve stability and national strength

during challenging periods. The minister announced the establishment of a central headquarters for production, trade, and market regulation during the US-Israeli aggression. Despite restrictions and operational difficulties during the aggression, manufacturers continued production and maintained supply chains for essential goods, he noted. A sharp rise in demand was managed through centralized coordination, cooperation with the private sector, additional production shifts, the removal of unnecessary procedures, and the direct distribution of raw materials, Atabak explained. As a result, he said, essential goods remained available throughout the war and were not removed from store shelves or markets. Atabak noted that the industrial sector sustained the heaviest losses during the war, with more than 3,300 industrial units coming under attack. However, reconstruction

efforts began immediately, and some facilities, including Mobarakeh Steel's number 8 furnace, have already resumed operations, he added. He expressed hope that additional proposals submitted by the ministry would be approved swiftly to help sustain production and strengthen the national economy. As the industrial sector demonstrates resilience, with reconstruction underway for over 3,300 damaged production units, the diplomatic front is simultaneously pressing forward to consolidate the country's position. The latest US-Israeli aggression against Iran began on February 28 and continued until April 7, prompting Iranian retaliatory operations. Following a ceasefire on April 8, ensuing negotiations mediated by Pakistan eventually resulted in the MOU, with further intensive talks expected over the next 60 days to reach a comprehensive agreement.

Shared interests key ...

One way to prevent such an outcome is for Iran and the United States to move toward reducing their differences, defining shared interests, and normalizing relations so that these factors can serve as safeguards for the agreement. Unfortunately, that did not happen with the JCPOA, and the absence of such foundations ultimately contributed to its demise.

Iran's deputy foreign minister has said that if Israel violates its commitments, a mechanism outlined in the memorandum of understanding will be activated, though no details have been disclosed. What scenarios or models can be envisaged for such a mechanism? Could it be purely political and diplomatic, or might it also involve security and field-related dimensions?

Israel was not directly present in the Iran-US negotiations, although it was informed of certain aspects of the agreement. Based on reports published in Western and Israeli media, the entire text was not coordinated with Israel. Moreover, Israeli Prime Minister Benjamin Netanyahu and other ministers were reportedly caught off guard by both the announcement of the agreement and certain provisions, including the inclusion of Lebanon. Some ministers have criticized both the agreement and the US administration, explicitly declaring that they do not consider themselves bound by its provisions. Israeli officials continue to insist on maintaining freedom of action in Lebanon. This raises a highly important question: how can the United States prevent Israeli attacks in Lebanon? Will it rely solely on personal pressure and threats from Pres-

ident Trump toward Netanyahu, as has been witnessed on multiple occasions, including during discussions over a Gaza ceasefire? Or will Washington step up its pressure, potentially extending it to public threats as well? Given the complexity of US-Israeli relations, it is difficult to predict the mechanism. It is certainly political in nature, but its exact form is not easily foreseeable. It could involve a US commitment to compel Israel to withdraw under specific conditions, including Hezbollah's commitment to maintaining a ceasefire. Nevertheless, the Israeli occupation of parts of Lebanon and continued Israeli attacks there appear to remain among the issues most likely to threaten the agreement.

What information is available regarding the financing mechanism, governance

structure, and allocation of resources for the reported \$300 billion investment fund to be established with the participation of Arab countries in the region? What objectives is the fund expected to pursue, and what benefits would it offer participating parties? Almost none has been published. What is known so far is that the United States is not expected to contribute financially to the fund. Persian Gulf Arab countries will most likely provide the bulk of its resources. It is also reasonable to assume that a portion of Iran's frozen or blocked assets abroad could be allocated to the fund. The fund appears to be designed as an alternative to discussions surrounding war reparations and Iran's post-war reconstruction, thereby addressing Iranian concerns through a different framework. Persian Gulf Arab states are also likely to

welcome the initiative, as they have been seeking stronger economic ties with Iran and the creation of shared economic interests with Tehran in order to establish broader areas of cooperation. Iranian officials, for their part, would hope that the fund not only attracts substantial investment but also enables Persian Gulf Arab countries to use their influence in Washington to help facilitate the lifting of US sanctions on Iran. Without sanctions relief, the fund would have little practical ability to operate. In this sense, the fund and its proposed \$300 billion capital base could serve as a form of guarantee for sanctions relief. Should sanctions be reimposed or intensified, the Arab countries financing the fund would also suffer losses, or their investments could effectively be held hostage alongside Iran's restricted assets.