CBI chief unveils postwar roadmap as economy contracts

Economy Desk

The governor of the Central Bank of Iran (CBI) on Sunday outlined a roadmap to navigate the country's economic woes, revealing that gross domestic product contracted by 0.7% in the last fiscal year that ended on March 21, 2026, as the nation is trying to offset the effects of war and sanctions.

Speaking via video message at the opening ceremony of the 33rd Annual Monetary and Foreign Exchange Policies Conference, Abdolnasser Hemmati said the country needed to present a "realistic picture" of its economic situation.

"GDP growth at the end of last year (March 21, 2026) was minus 0.7%. Excluding the oil sector, GDP fell by 1.1%, meaning national output declined by about 1%," IRNA quoted him as saying.

Jaafar Mehdizadeh, the central bank's director general for economic policies, told the same conference that, in addition to negative economic growth at the end of the last fiscal year, liquidity growth had soar to 53.3%.

Mehdizadeh said government revenues had also been severely affected this year, making urgent decisions to curb inflation necessary.

Hemmati said Iran's economy was facing multiple challenges stemming from both domestic significant complications and political issues imposed from abroad.

"The combination of issues such as war and cruel sanctions has posed serious challenges to the country's economy. Most importantly, people's livelihoods have been severely affected because various sectors of the economy have been impacted by sanctions."

The top banker said that alongside protecting livelihoods, improving public welfare also remained important, expressing hope that, while managing the current crisis, authorities would also focus on making development the country's central priority.

He added that a positive process had begun with the current developments, ongoing negotiations and a recently signed agreement.

Hemmati was referring to high-level Iran-US talks that began in Switzerland on Sunday, four days after Iranian President Masoud Pezeshkian and US President Donald Trump signed a memorandum of understanding to extends the US-Iran ceasefire for 60 days and establishes a framework for future negotiations on Tehran's nuclear program and other key issues.

The talks are aimed at bringing about a permanent end to the US-Israeli war of aggression against Iran launched in late February.


MEHR

Production support remains top priority

Presenting an assessment of key macroeconomic indicators and the impact of recent tensions on the country, Hemmati said the latest data underscored the need for a "very serious effort."

"The inflation rate at the end of the second month of the current fiscal year climbed to 53%, while liquidity growth stood at 52%, leaving the two rates at almost the same level."

Hemmati said national output was also expected to decline further by the end of the current fiscal year ending on March 21, 2027, as production and economic activity had been disrupted after manufacturing facilities were damaged or taken offline because of the war.

As a result, he said, economic growth could fall below the current level by the end of the year.

The official said the CBI had already begun implementing its monetary policies without waiting for conditions to improve.

"We hope these measures will gradually reduce liquidity growth and bring inflation under control."

Hemmati also expressed hope that an agreement with the United States would be reached in the coming days, saying the resumption of oil exports and the circulation of Iran's financial resources would improve economic conditions.

Iran's oil industry to offer biggest opportunities for global investment in post-deal era: *Paknejad*

Economy Desk


Mohsen Paknejad
SHANA

Iran's oil industry would offer the "biggest scene of investment opportunities for the global economy" following a potential agreement with the United States, Oil Minister Mohsen Paknejad said on Sunday, as negotiators from both sides kicked off a new round of talks.

In an article published in the state-owned "Iran" newspaper, Paknejad said that if Western parties benefiting from the agreement remained committed to its spirit, Iran's oil industry would be the testing ground for it.

"Hundreds of reviewed investment opportunities and formats of investment contracts, as well as technical and operational partnership agreements, are ready," Paknejad wrote.

"We are prepared to review cooperation proposals in the shortest possible time and bring them to the executive contract stage," he added.

"Hundreds of capable and entrepreneurial domestic enterprises have been identified within Iran as Iranian partners for foreign investing companies, and the Oil Ministry is ready to quickly organize working groups for investors and developers."

Paknejad said Iran would enter a "new era" if an agreement is reached with the United States, but also cautioned that "vigilance against enemies" remained necessary.

He noted that in the "post-agreement era," the oil industry would continue to be the "drive force" behind Iran's economy".

Oil remains Iran's main source of foreign exchange earnings and an important source of government revenue. According to OPEC estimates, Iran earned $46.7 billion from exports of crude oil and petroleum products last year. If sanctions are lifted and oil prices remain relatively high, that figure could increase substantially, although a rapid recovery is not expected.

A first round of negotiations over the war, launched by a US-Israeli coalition against Iran in late February, began Sunday, with Iranian negotiators arriving in the Swiss host city hours ahead of US Vice President JD Vance.

The talks follow a memorandum of understanding signed separately by President Donald Trump and his Iranian counterpart Masoud Pezeshkian, which extends the US-Iran ceasefire for 60 days and establishes a framework for future negotiations on Tehran's nuclear program and other key issues.

Iran has been subject to US sanctions over its nuclear program for years. Under one provision of the MoU, the United States is to grant Iran a sanctions waiver during the 60-day negotiation period to allow it to export its oil and petroleum products. The agreement also obliges Iran to allow commercial vessels to transit the Strait of Hormuz without paying tolls for 60 days.

Maritime trade to resume as UAE to let in Iranian vessels, official says

Economy Desk

Maritime trade between Iran and the United Arab Emirates is set to resume after the Arab nation announced its readiness to let in Iranian vessels, an official said on Sunday as the first Chinese cargo ship docked in the Chabahar Free Zone following the lifting of a US blockade on Iranian ports.

Head of Bushehr's Chamber of Commerce Khorshid Gazderazi said the UAE's decision followed the end of conflicts in the region.

"It is expected that with the resumption of operations at UAE ports, maritime trade in Bushehr Province will gradually return to normal," Gazdarazi said in remarks carried by ILNA.

Iran has in recent years conducted a significant portion of its imports through the UAE's Jebel Ali port, which has historically served as a key commercial hub for the country. However, following recent disruptions in trade, regional ports in Pakistan, India, Oman, and Iraq emerged as alternatives, with Iranian cargo and logistics operations redirected there, though at higher cost. Iran's southern ports were under a 66-day naval blockade imposed by the United States on April 13.

"Given the UAE's position as a regional economic hub and its significant share in foreign trade with Iran, especially Bushehr Province, in exports and imports, the imposed restrictions posed serious challenges for merchants and economic actors in the province," Gazderazi said.

The local chamber chief said that about 90% of maritime trade activity in southern Iran, including Bushehr Province, had come to a halt or faced severe slowdown during the US-Israeli war on Iran.

"During this period, numerous consultations were held to establish alternative trade routes, including pursuing a transshipment route through Iraq's Umm Qasr port and Oman."

The resumption of maritime commercial activity would not only boost trade exchanges but also allow about 2,000 vessels and 14,000 sailors to return to work, he added.


IRNA

First Chinese vessel docks at Chabahar

In a separate development, the first Chinese commercial vessel carrying cargo for businesspeople in the Chabahar Free Zone docked on Friday after the end of the naval restrictions, according to the head of the zone's organization.

Mohammad Saeid Arbabi said the ship, carrying 409 containers, docked at Chabahar's Shahid Kalantari port.

"This marks a turning point in the restoration of the country's economic strength and the revival of international trade routes," Arbabi said, according to Mehr News Agency.

The cargo included spare parts for light and heavy vehicles, household appliances including air conditioners, refrigerators and washing machines, sanitary equipment, drilling equipment and machinery, chemicals for the textile industry, steel pipes and fittings, solar panels, safety footwear, plywood, paper and fabric, he said.

Arbabi added that Chabahar could become Iran's most important trade gateway to countries along the Indian Ocean, particularly in East Africa, East and Southeast Asia, the Persian Gulf states, Central Asia and international markets in the post-war period.

"The port's unique logistics and transit capacities provide a rare opportunity for the country's economic growth," he pointed out.

The official also said talks have begun with international maritime transport companies and logistics operators, with the goal of transforming Chabahar into a maritime trade hub and distribution center on the strategic Makoran coast along the northern Indian Ocean.

He said efforts to attract domestic and foreign investment and develop smart logistics and port infrastructure would be pursued seriously.

Minister says industrial recovery underway


Iran's Industry, Mining and Trade Minister Mohammad Atabak r tours the Mobarakeh Steel plant in Isfahan Province on June 9, following repairs to Furnace No. 8 which resumed production after damage sustained during the recent conflict.
TASNIM

Economy Desk

Iran's Industry, Mining and Trade Minister Mohammad Atabak said on Sunday that reconstruction of industrial units damaged during recent US-Israeli war was progressing rapidly, with output on an upward trajectory.

Speaking in a virtual parliamentary session, Atabak said that despite wartime damage to some facilities, restoration efforts were proceeding at pace, ISNA reported.

"Production is now on an upward path, but it is important to note that producer inflation has always been lower than consumer inflation – yet for the first time, producer inflation is now higher than consumer inflation," Atabak said.

According to assessments cited by the minister, 3,003 industrial units sustained the most severe damage during the 40-day US-Israeli war that began in late February, and have been prioritized for reconstruction based on expert evaluations.

"Isfahan Province, due to its industrial nature, was hit harder than other provinces, and Mobarakeh Steel was among the facilities that suffered damage, which caused public concern," Atabak said.

"We offered steel on the exchange several times, which helped bring prices down," he said.

He said that the ministry is planning to rebuild Mobarakeh Steel in line "with the latest global technology."

He added that several damaged steel units have already been restored and returned to production.

Furnace No. 8 at Mobarakeh Steel, which was damaged during an Israeli attack in April, resumed production on June 9 after repairs.

On the petrochemical sector, Atabak said part of production capacity was lost due to strikes, but more than half of affected units have since returned to operation, and exports from the sector have been banned.

Air strikes over several days hit facilities in Mahshahr, in the southwestern province of Khuzestan, and in Assaluyeh, in the southern province of Bushehr, damaging installations at multiple companies in April. The Tabriz and Marvdasht petrochemical plants were also hit. The National Iranian Petrochemical Company (NIPC) has not yet issued an estimate of the damage, but the export ban points to a sector hit hard by the attacks.