

Iran, Iraq sign four cooperation deals, including rail link MoU

Pezeshkian says stronger ties require swift implementation of accords

Economy Desk

Senior Iranian and Iraqi officials signed four cooperation agreements and memorandums of understanding on Thursday during Iraqi Prime Minister Ali Falih al-Zaidi's official visit to Tehran, as the two countries sought to deepen bilateral ties.

The documents, signed in the presence of Iranian President Masoud Pezeshkian and al-Zaidi, included an agreement on cross-border road freight transport, a memorandum of understanding to build the Khosravi-Khannaqin-Baghdad railway, a Tehran-Baghdad sister-city agreement, and an MoU on public administration, training and human resources.

At a joint meeting of the two countries' senior delegations, Pezeshkian called for a comprehensive strategic cooperation plan between Iran and Iraq, saying broader ties depended on the swift implementation of existing agreements, expanded economic and infrastructure cooperation, and stronger security coordination, according to the Iranian presidency's website, president.ir.

"The security of Iran and Iraq is intertwined, and the shared determination of

the two countries is to turn agreements into practical achievements for both nations," Pezeshkian said.

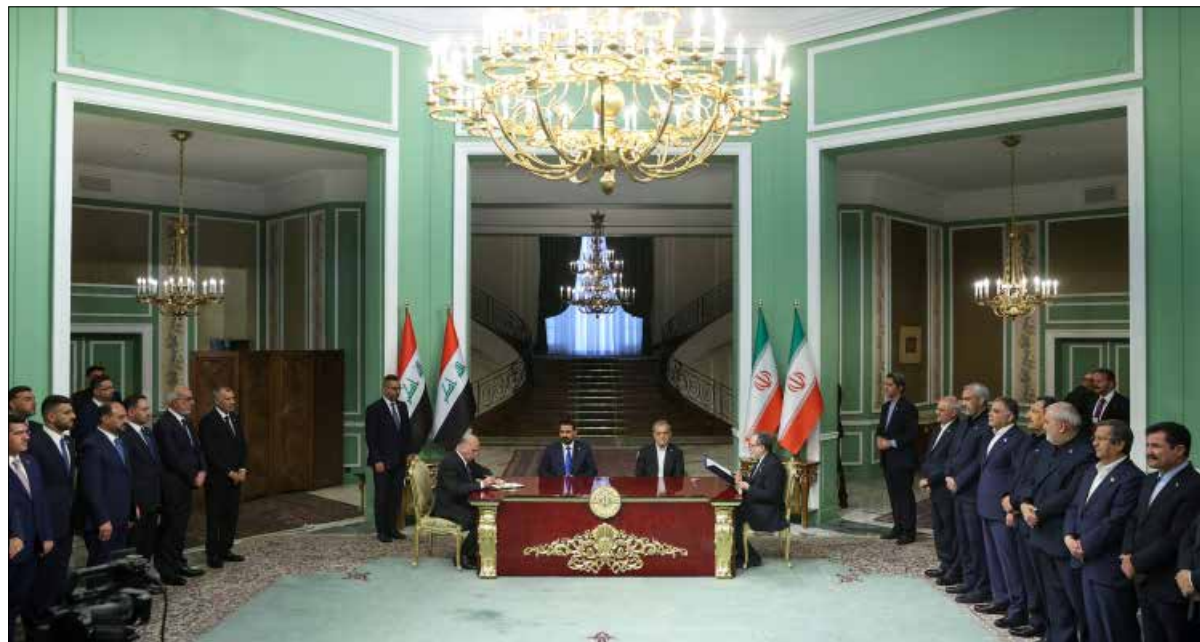
He also called for joint mechanisms between the two countries to become more active through regular meetings of bilateral commissions and faster implementation of signed agreements.

"All agreements must move into the implementation phase as quickly as possible through sustained follow-up by the responsible institutions, and the relevant ministers should accelerate the process of expanding cooperation by proposing practical solutions," he said.

Pezeshkian described the proposed comprehensive strategic cooperation plan as a roadmap for long-term bilateral relations. He said expanding rail and road transport networks was among Iran's priorities.

Iran has begun expanding transport infrastructure with its neighbors, he said, adding that his country is interested in Iraq joining this network to build a unified transit system. The initiative aims to deepen cooperation in transit, investment, regional markets, and port development, Pezeshkian added.

Al-Zaidi said Iran held a spe-



Iranian President Masoud Pezeshkian (r, c) and Iraqi Prime Minister Ali Falih al-Zaidi (l, c) oversee a ceremony in which the two neighbors sign four cooperation agreements and MoUs in Tehran, Iran on July 23, 2026. president.ir

cial place in Iraq's foreign policy and described expanding bilateral cooperation as a strategic necessity.

"Today, all of Iraq's economic ministers are accompanying this visit to discuss and reach agreements on everything that serves the common interests of our two countries," he said.

He also expressed Baghdad's interest in expanding cooper-

ation with Iran in the fields of the economy, science, higher education, healthcare and other areas of mutual interest.

According to IRNA, transportation experts view the memorandum on the Khosravi-Khannaqin railway not merely as an agreement to build a new rail line, but as a step toward completing one of West Asia's key transport

corridors by linking Iran's railway network to Iraq, opening new prospects for trade, international freight transport and passenger travel between the two countries.

The agreement comes as construction of the Kerman-shah-Khosravi railway in Iran continues at an accelerated pace, while talks on launching the Iraqi section in

Diyala Province have entered a new phase, raising hopes for one of the two countries' longest-standing joint infrastructure projects.

The project was first proposed in the 1970s to connect Iran's railway network with Khannaqin and Baghdad, but was never implemented because conditions were not suitable for simultaneous construction on both sides of

the border. Following Iran's 1979 Islamic Revolution, the eight-year Iran-Iraq war, damage to infrastructure and years of instability in Iraq delayed the project for an extended period. Although it returned to the agenda after bilateral relations improved, the lack of conditions for parallel implementation on both sides of the border continued to prevent its execution.

In a separate meeting on Thursday, Pezeshkian and al-Zaidi said accelerating the full implementation of bilateral agreements would be an important step toward strengthening relations and advancing mutual interests. The two sides also stressed the need to activate joint capacities in political, economic, trade, transit, energy and regional cooperation.

As the two countries seek to expand economic cooperation, Economy Minister Ali Madanizadeh said on Thursday Iran exported about \$12 billion worth of goods to Iraq, while imports from Iraq totaled less than \$1 billion.

"Most of our trade is concentrated in energy exports, namely natural gas and electricity, and we are seeking to make the trade balance somewhat more even," he said.

Initial phase of Iran's first geothermal power plant comes online



Economy Desk

Iran has connected the first 5 megawatts (MW) of its Meshgin Shahr geothermal power plant in Ardabil Province to the national electricity grid, Energy Minister Abbas Aliabadi said on Thursday, marking the first phase of the country's first geothermal power project.

The pilot project, built with an investment of 10 million euros, has been developed over a geothermal reservoir with an estimated generation capacity of about 250 MW, Aliabadi said, according to IRNA.

"The implementation of this project has enabled the country to acquire the expertise needed to explore, de-

sign, construct and operate geothermal resources," he said.

Aliabadi said several wells, each about 3,000 meters deep, had been drilled to explore and develop the geothermal resource, with a combined generation capacity of 30 MW.

"Five megawatts of that capacity have been brought online in the first phase," he said.

He said the project was intended to expand the use of geothermal energy as a clean and sustainable power source while supporting economic development in the region by attracting tourism. "In the next stages of the project, we will seek to expand the capacity of the

Meshgin Shahr power plant and its existing wells, then develop the entire explored reservoir in the region and build geothermal power plants in other parts of the country," Aliabadi said.

He said the project's objectives included expanding the use of geothermal renewable energy for electricity generation, acquiring technology and expertise in geothermal resource development, localizing technical knowledge for the sustainable operation of geothermal reservoirs, and reducing dependence on fossil fuels.

The geothermal power plant is under construction about 25 kilometers (16 miles) south of the city of Meshgin Shahr.

1,200 idle mines revived as investment push picks up

Economy Desk

Industry Ministry spokesperson Ezzatollah Zarei said 1,200 idle mines has been reactivated and measures introduced to accelerate investment in the mining sector as the country pursues a 13.5% growth target under the Seventh Development Plan (SDP). Zarei told IRNA that the government had delegated some decision-making powers to provincial authorities, shortened administrative procedures and introduced investment packages to encourage greater private sector participation in mining.

Under Iran's development plan, the mining sector is expected to achieve 13.5% growth by the end of the plan period, Zarei said, adding that the government had launched a series of

measures, including reactivating idle mines, developing infrastructure and facilitating investment procedures to meet that goal.

As part of such efforts, 1,200 idle mines have resumed operations, he said. The government has also transferred some authority over mining zones, idle mines and mining license transfers to provincial governments to speed up decision-making. Zarei said the ministry had also prepared 95 investment packages for mining projects to be offered to investors across the country.

"Some mines may not be economically attractive on their own, so we are seeking to encourage investment in them by offering the necessary support and incentives," he said.

On foreign investment, Zarei

said overseas investors were active in parts of Iran's mining sector, although investment levels did not match the country's resource potential.

He said Chinese investors had participated in projects involving building stone, gypsum and copper, while investors from Central Asian countries, including Kazakhstan, were also involved in some mining activities.

According to Zarei, the limited level of foreign investment in Iran's mining sector reflects the country's broader economic and international conditions.

The country is the 15th-largest mineral-rich country globally, and Iranian officials call mining the backbone of industrial development and say it should replace oil as the primary revenue generator.

