Gov't approves East-West transit corridor plan linking Afghanistan railway project

Economy Desk

Iran approved the general framework of an East-West transport corridor anchored by the Herat–Mazar-e Sharif railway project on Saturday, aiming to increase its share of the international transit market, strengthen its geo-economic position and expand regional economic cooperation and investment.

The framework was approved at a meeting chaired by First Vice President Mohammad Reza Aref, according to IRNA. It also seeks to deepen economic ties with Afghanistan and other countries along the route, while creating new financing mechanisms for strategic infrastructure projects.

Aref described the development of transport corridors as one of the government's strategic priorities.

"Increasing the capacity of transport corridors and expanding dry ports and northern ports alongside the Persian Gulf ports will strengthen Iran's role in regional transit," he said.

He added that the government had taken effective steps over the past two years and regarded the expansion of transit corridors as one of its main priorities.

The meeting also approved measures to facilitate customs procedures and the through-transport of goods, as well as regulations covering the clearance of returned empty containers and temporary imports.

It further approved plans to use alternatives to southern ports for supplying essential goods and handling transit through Iran's shared borders with neighboring countries. The meeting also approved the design of a smart platform to monitor public transport fleets, linked to the country's integrated single-window border crossing system.

Iran's state railway chief last week told ILNA that Iranian companies had begun construction of an 800-kilometer railway linking Herat and Mazar-e Sharif in Afghanistan.

Jabbar Ali Zakari, who serves as deputy minister of roads and urban development, said the project aims to expand regional rail connectivity and complete a transport corridor linking Iran, Afghanistan and China.

He said the project is being financed by the Afghan government and will be carried out under a "railway-for-minerals" arrangement, under which Iran will build the railway in return for participating in the development of and investment in Afghanistan's mining sector.

Iran's southern ports remain under a US naval blockade imposed by President Donald Trump in mid-April, aimed at pressuring Tehran into an agreement after a 40-day US-Israeli war that began in late February. After a pause of several weeks, strikes on Iran's infrastructure resumed in mid-July, and the naval blockade was also reinstated. Iran is seeking to diversify its logistics corridors to counter growing restrictions on its trade routes.

First Vice President Mohammad Reza Aref (C) chairs a meeting to review a general framework of an East-West transport corridor on August 1, 2026.
fvpresident.ir

Iran, South Korea to roll out prefabricated construction cooperation

IRNA

Economy Desk

Iran and South Korea are set to implement a cooperation agreement on industrialized construction, including the use of prefabricated building methods, to improve the strength and earthquake resistance of buildings in Iran, an official with Iran's Chamber of Cooperatives said on Saturday.

" South Korean officials are due to visit Iran in the coming days to begin implementing a bilateral agreement on industrialized construction," Mojtaba Mahallati, deputy head of Iran's Chamber of Cooperatives, was quoted as saying by Fars news agency.

Iran's Ministry of Roads and Urban Development had previously signed a memorandum of understanding with Seoul to transfer South Korean knowledge and technology to Iran and build structures using industrial methods and updated construction technologies, according to Fars.

The agreement, however, has not yet become operational.

The Chamber of Cooperatives has invited South Korean ambassadors and officials to the 26th International Construction Exhibition, scheduled to be held in Tehran from Aug. 18 to 21, where the implementation of the agreement is expected to be launched in their presence.

Representatives from China, South Korea, Turkey, Iraq, Afghanistan, Pakistan, Oman and Russia will participate in the exhibition, which will showcase the latest construction technologies and expertise from participating countries.

The event will also provide a platform for promoting exports of Iranian construction products to markets including Iraq, Afghanistan, Pakistan and Oman.

Iran has repeatedly faced challenges related to building safety during natural disasters, particularly earthquakes. The country is located in one of the world's most seismically active zones, and weak enforcement of construction standards, quality control issues for building materials and non-compliance with engineering regulations have been cited as factors reducing the resilience of some buildings against earthquakes and other natural hazards.

Oman's re-exports to Iran more than double during Strait of Hormuz tensions

Economy Desk

Oman's re-exports to Iran more than doubled during the peak of military tensions in the Strait of Hormuz, reaching $134 million in the March-May period, official Omani data showed.

According to Oman's National Centre for Statistics and Information, re-exports to Iran rose 127% from $59 million in the same period a year earlier, Tasnim reported.

For the first five months of 2026, Oman's re-exports to Iran increased 59% year on year to $450 million, making Iran the second-largest destination for Omani re-exports and accounting for 17% of the country's total re-export trade.

IRNA

Total trade between Iran and Oman reached $572 million in the January-May period, down 2% from a year earlier, according to the data.

Iran's exports to Oman fell 61% year on year to $117 million, while imports of Omani-made goods totaled $5 million, up from about $3 million a year earlier.

Tensions in the Strait of Hormuz have affected regional trade routes and shipping activity. The strategic waterway, through which a significant share of global oil shipments passes, has faced heightened security concerns following a US-Israeli coalition's attack on Iran that began in late February.

Egypt seeks to ...

Relations between Iran and Egypt have experienced many ups and downs over the past decades and, despite recent improvements, have yet to reach the level of full diplomatic ties. Could the latest crisis derail the fragile progress made in bilateral relations?

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Yes, because Egypt still views its relationship with Iran primarily through a security lens rather than a political one. Therefore, if the conflict continues and Egypt becomes more deeply involved, it is quite possible that even the limited progress achieved during President [Abdel Fattah] el-Sisi's tenure could be reversed.

Given Egypt's historical standing in the Arab world, if Cairo refrains from entering the conflict, how might that influence the positions of other Arab states toward the Iran-US confrontation? Could Egypt set an example for other regional actors?

I would not say it would serve as a model, but it would certainly be influential. Arab countries pay close attention to Egypt's historical political status and military weight. At the same time, however, every country ultimately pursues its own interests and priorities.

Egypt's position will therefore matter to other Arab states, but each country is likely to assess the conflict through the prism of its own national interests, challenges and security concerns.

Egypt has joined the 14-member maritime coalition led by Saudi Arabia to safeguard the Bab al-Mandab Strait, the Red Sea and the Gulf of Aden. To what extent could this membership influence Cairo's position toward tensions between Iran and the United States? Can Egypt still maintain its balanced foreign policy?

In my view, Egypt's diplomatic establishment is capable of maintaining balanced relations with all countries, including Iran.

The Egyptians are deeply concerned about instability in the Red Sea and the Bab al-Mandab Strait because it carries immediate economic and security consequences for the country. At the same time, Cairo's primary objective is to address the problem at its source—that is, by resolving the conflict in the Persian Gulf.

TPO plans new roadmap to boost non-oil exports, shift toward higher-value goods

Economy Desk

Iran is preparing a new roadmap to boost non-oil exports and shift away from shipments of raw and semi-processed materials toward higher-value finished goods, the head of the country's Trade Promotion Organization said.

The plan was outlined at a joint meeting between the head of the Trade Promotion Organization and representatives of Iran's Chamber of Guilds, which focused on increasing the role of businesses in international supply chains and addressing administrative, foreign exchange and regulatory barriers facing exporters, Tasnim reported.

The official said one of the country's main foreign trade challenges was the low average value of exported goods compared with imported products.

The average value of each ton of Iran's exported goods currently stands at about $300, while the figure for imported goods is around $2,000 per ton, he said, adding that the gap reflected the continued reliance on traditional exports of raw materials.

He stressed the need to improve Iran's position in global value chains, saying a large share of non-oil exports was concentrated in upstream industries such as steel, iron ore, pellets and billets.

These products, due to their nature as raw materials, require less complex marketing and sales strategies, he said.

In contrast, production and distribution businesses deal with finished and consumer-ready products, including furniture, clothing, footwear, leather goods and handicrafts, where the export value per ton starts at more than $1,000 and reaches several thousand dollars in sectors such as clothing and footwear.

The official said moving toward higher-value finished products was a key priority for improving the country's foreign exchange indicators.