Steel capacity expanded as Gilan plant opens new development phase

Economy Desk

Iran inaugurated a major expansion at the Gilan Steel Complex on Wednesday, adding 1 million tons to its annual production capacity, as the government moves to bolster domestic industrial output amid ongoing disruptions to the country's metals sector.

Mohammad Jafar Qaempanah, executive deputy to the president, officially launched the third steel production furnace at the Gilan facility, which is designed to produce a range of hot-rolled and cold-rolled steel sheets. The complex now has a nominal capacity of 2.5 million tons per year, with the new development raising that figure to 3.5 million tons.

The expansion is also expected to create 150 new jobs, adding to the plant's existing workforce of 1,200 employees.

Speaking at the ceremony, Qaempanah emphasized the administration's commitment to supporting industrial growth. "Supporting investment and strengthening production capacities are key priorities for the government in achieving economic growth and creating sustainable employment opportunities," he said.

"The implementation of development projects in basic and leading industries, in addition to increasing production capacity, will pave the way for activating a chain of economic and industrial units and strengthening employment in different parts of the country, and the government supports this process," he said.

At the ceremony, Hadi Hagshenas, governor of Gilan Province, highlighted the private sector's role in the project, stating that the expansion reflects the province's industrial potential. He affirmed that provincial authorities would fully support productive investments and initiatives that contribute to output growth, job creation, and the strengthening of Gilan's economy.

According to ISNA, the development includes a preheating furnace for hot-rolled sheet production and a revamp of the hot-rolling line.

The expansion comes at a critical time for Iran's steel sector. Iran, which has long ranked among the world's leading steel producers with annual production capacity exceeding 30 million tons, dropped out of the June top-10 rankings after Vietnam increased output by 27.5% year on year to 2.6 million tons, according to Steel Radar.

Mohammad Jafar Qaempanah, executive deputy to the president, inaugurates the third steel production furnace at the Gilan Steel Complex in the Rasht Industrial Zone, Gilan Province, on August 26, 2026.
ISNA

Recent conflicts, risks to steel plants and infrastructure, as well as logistics and energy constraints, have caused major disruptions to Iran's steel industry. Iran's two largest steelmakers, Mobarakeh Steel Company and Khuzestan Steel Company, sustained damage during the US-Israeli war that began in late February. Parliamentary officials said in June that reconstruction work at Mobarakeh was progressing much faster than initially expected.

Iran's installed steelmaking capacity currently stands at about 55 million tons per year. Actual annual production had been around 32 million tons over the past two years, but with an estimated 10 million tons of capacity temporarily out of service, output is now projected to reach about 25 million tons by the end of the current Iranian year (March 21, 2027).

Pharma expansion inaugurated

In a separate development, a pharmaceutical expansion was also inaugurated at the Behvazan Pharmaceutical Company, including a new production line for injectable diabetes medications.

The plant's nominal capacity for various drugs stands at 125 million units annually, while the new injectable pen line adds 8 million units per year.

Teymour Pourheidari, head of Gilan's Industry, Mining and Trade Organization, said the company produces respiratory sprays, semi-solid products, blood sugar and weight management items, and disinfectants. He put the company's annual production capacity at 150 million units, with 520 direct jobs created.

Tehran, Berlin explore practical ways to revive economic ties

Head of the Iran Chamber of Commerce Sammad Hassanzadeh (R) meets German Ambassador Axel Dittmann in Tehran, on August 26, 2026.
IRIB

Economy Desk

Iran's Chamber of Commerce called for preserving channels between the private sectors of Iran and Germany on Wednesday, while Germany's ambassador to Tehran said he was ready to pursue practical ways to expand economic relations between the two countries.

Sammad Hassanzadeh, head of the Iran Chamber of Commerce, Industries, Mines and Agriculture, made the remarks during a meeting with German Ambassador Axel Dittmann in Tehran, highlighting trade development, technology transfer and stronger private-sector ties as key areas of focus in the chamber's international relations, according to IRIB.

Hassanzadeh expressed hope that the arrival of Germany's new ambassador would provide an opportunity to plan for stronger economic ties, pointing to Iran's economic potential and Germany's industrial capabilities.

He said Iran-Germany relations, particularly in the industrial sector, had a significant history but had weakened in recent years. In previous periods, he said, Iranian companies had maintained a strong presence at specialized trade fairs in Germany and bilateral interactions had developed.

Hassanzadeh also pointed to the two countries' history of educational cooperation, saying a technical school established in Tabriz with German cooperation remained active and had produced many Iranian engineers.

The head of the Iran Chamber of Commerce said the chamber was working to expand foreign economic relations through trade development and technology transfer and sought to increase Iran's international economic ties by using the capacity of joint chambers of commerce.

"Even under the most difficult circumstances, we should not destroy the bridges of communication, and we need to make coordinated plans to strengthen ties between the private sectors of Iran and Germany," he said.

According to Eurostat data, total trade between Iran and the 27-member EU fell 26% year-on-year to €952 million in January-June 2026, from €1.287 billion in the same period of 2025. Germany remained Iran's largest trading partner among EU members, accounting for 32% of total Iran-EU trade.

Bilateral trade between Iran and Germany dropped 36% to €304 million in the first half of 2026, with German exports to Iran plunging 41% to €212 million and German imports from Iran declining 18% to €92 million.

Germany ready for practical solutions

Ambassador Dittmann, speaking at the meeting, referred to expert-level discussions in Germany on various industries, including pharmaceuticals and automotive, and noted that reliable capacity exists in many sectors of Iran's domestic market.

Dittmann also highlighted the importance of travel and exchanges between Iranian and German citizens for developing relations, describing Iran as a country with vast resources and a large market, which makes it significant for Germany.

"We must reach appropriate solutions through dialogue and create the conditions for expanding relations. We are ready to find practical solutions to develop economic relations between Iran and Germany," Dittmann said.

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Iran Air to resume direct flights to Kuala Lumpur after more than decade

Economy Desk

IRNA

Iran's flag carrier, Iran Air, announced plans to launch direct passenger flights to Kuala Lumpur starting November 1, marking the airline's return to Southeast Asia after more than a decade of absence from the route.

Captain Taher Abdolhay, CEO of Iran Air, said on Wednesday that the airline has been shifting its focus toward East Asia over the past ten years and has now finalized preparations for entry into the Malaysian market.

"Barring any unforeseen circumstances, we have planned to operate the first flight to East Asia, including Kuala Lumpur, Malaysia, after more than a decade starting on November 1," Abdolhay said.

He noted that Iran Air has conducted cargo flights to China and Macau over the past two weeks, adding that passenger services would soon follow.

"Passenger flights will begin shortly, and we will also try to resume services to other previous destinations such as Beijing and Bangkok," he said.

Iran, Gazprom discuss strategic gas cooperation

Economy Desk

Iran's Ambassador to Russia Kazem Jalali and National Iranian Gas Company (NIGC) CEO Saeed Tavakoli met Gazprom CEO Alexey Miller to discuss implementation of a strategic memorandum of understanding on natural gas cooperation, as Tehran and Moscow move to advance a 30-year gas supply agreement signed last year.

"The parties discussed potential cooperation in the gas sector," TASS reported.

Jalali met Miller at Gazprom's headquarters in St. Petersburg during a visit to attend international industry and energy events, the official IRNA news agency reported.

The meeting followed multiple rounds of technical talks between representatives of the two countries' gas industries aimed at putting the strategic cooperation framework into practice, with the two sides reporting positive results.

The National Iranian Gas Company and Gazprom signed a 30-year deal last June to transfer Russian gas to Iran. Under the agreement, Iran will receive up to 55 billion cubic meters of gas a year through a new pipeline that Moscow plans to build across the Caspian Sea.

Iranian officials have said the Russian supply would help address domestic gas shortages, strengthen Iran's gas export capacity on a sustainable basis and turn the country into a regional gas hub.

Iran holds the world's second-largest natural gas reserves after Russia, with around 34 trillion cubic meters.

Iranian Oil Minister Mohsen Paknejad said in July, after meeting Russian Energy Minister Sergei Tsivilev in Tehran, that negotiations on a gas trade agreement between Iran and Russia had advanced, with the two sides reaching agreement on the main provisions of the final contract.