National resilience in skies

Sanctions will not ground Iran's flights

Economy Desk

Iran's aviation industry will continue operating despite new US sanctions targeting Iranian airlines, although the measures could increase operating and procurement costs, the head of Iran's Civil Aviation Organization said on Wednesday.

Speaking in response to the US decision to sanction 27 Iranian airlines, Captain Abuzar Shiroudi said the latest move was neither a new initiative nor evidence of the effectiveness of Washington's policy, IRNA reported.

It is "a repetition of a failed policy against the Iranian nation, a policy that the country's aviation industry has faced for decades and one that has been met time and again with the capabilities and resilience of Iranian specialists," he said.

The US Treasury Department on Tuesday imposed new sanctions on 27 Iranian airlines, including Iran Aseman, Iran Airtour, Kish Air, Qeshm Air, Zagros, ATA, Varesh, Sepehran and Chabahar, as well as other airlines operating in Iran.

IRNA

Shiroudi said Iran's aviation industry had for years faced restrictions on the purchase of aircraft and spare parts, as well as technical, banking, insurance, repair and maintenance services. Despite these restrictions, he said, the country's aviation sector had continued to operate.

"Sanctions may increase the cost of operations and the procurement of some needs, but they have so far failed to halt the country's flight operations, and they will not be able to do so today either," he said.

The civil aviation chief also cautioned against exaggerating the impact of the new measures, saying the imposition of sanctions did not mean aircraft would be grounded or airlines forced to shut down.

"Targeting Iranian airlines in practice means restricting people's access to air transportation services, and ordinary people, patients, families and economic actors will bear the greatest share of the cost," he said.

Shiroudi noted that Iranian airlines had continued to provide services despite years of sanctions, describing the continuation of flights under difficult conditions as evidence of the aviation industry's capabilities and resilience.

"The US can put the names of companies on its sanctions list, but it cannot sanction the knowledge of specialists, the industry's accumulated experience or the determination of Iran's aviation personnel," he said.

Shiroudi acknowledged that sanctions could make the procurement of some requirements more difficult but said they would not prevent Iran's aviation sector from continuing to operate.

No flight cancellations

Meanwhile, Ramin Kashef-Azar, chief executive of Imam Khomeini International Airport City, said none of the country's international flights had been restricted or canceled.

Speaking to the Iranian Labor News Agency (ILNA) about the impact of the new sanctions on the international flights of the affected airlines, Kashef-Azar said all flights at the international airport were currently operating and that flight activities were proceeding normally, with no cancellations so far.

"So far, we have received no letter or correspondence regarding a reduction in international flights or a lowering of flight levels, and no country has contacted us on the matter," he said.

He stressed that planning to expand the airport's flight network was continuing, adding that plans for new routes were still under way, with Tunisia and Vietnam among the destinations being considered.

Iranian oil prices rise more than 3% as tensions escalate

Economy Desk

Prices for Iranian crude oil cargoes rose by more than 3% as tensions escalated in the Middle East, with prices for most grades reaching above $95 a barrel, Tasnim reported.

All Iranian crude grades, including Light, Heavy, Forouzan and Soroush, rose by $3.18 a barrel across four key markets: Northwest Europe, the Mediterranean, Egypt's Sidi Kerir and South Africa.

In Northwest Europe, Iranian Light crude was priced at $95.97 a barrel, while Heavy and Forouzan crude stood at $94.07 and $94.32, respectively.

In the Mediterranean market, Iranian Light crude was priced at $95.32 a barrel, while Heavy crude stood at $93.17, Forouzan at $93.42 and the heavier Soroush grade at $90.17, the lowest price recorded among the destinations.

The highest price was recorded for Iranian Light crude at Sidi Kerir on Egypt's coast, where it was priced at $97.22 a barrel. Iranian Heavy and Forouzan crude in the same market were priced at $95.07 and $95.32, respectively.

In South Africa, prices were identical to those in Northwest Europe, at $95.97, $94.07 and $94.32 a barrel for Light, Heavy and Forouzan crude, respectively.

The $3.18 increase came as tensions in the Middle East escalated, with further volatility in oil prices expected if tensions persist.

Oil prices topped $100 a barrel on Wednesday for the first time in six weeks as an escalation in fighting by US and Iranian forces deepened concerns over supplies from the region and raised fears of inflationary pressures and higher energy costs for consumers and businesses, Reuters reported.

Brent, the global oil benchmark, has risen by a quarter since early last month as hopes fade for a permanent resolution to the six-month-old US-Iran conflict.

Tehran sees $20b trade target with Iraq as achievable

Economy Desk

Iran and Iraq can increase their annual trade to $20 billion from unofficial estimates of $14-15 billion, the head of the Iran-Iraq Joint Chamber of Commerce said on Wednesday, calling the target "practical and achievable," as reported by ISNA.

Yahya Al-Es'Haq, speaking at a meeting with business figures in the western province of Kermanshah, described trade with Iraq as more than an economic matter, linking it directly to regional security and development.

"If we seek development and security in the region, we must focus on developing trade," he was quoted as saying.

Hassan Danaeifar, head of Iran's economic development headquarters for Iraq and a former ambassador to Baghdad, noted that non-oil exports to Iraq have averaged 22% of Iran's total over the past two decades. He described the Iraqi market as "vital" for Iranian production and said the emergence of new competitors such as the United Arab Emirates and China should be seen as an opportunity to improve the quality and diversity of Iranian exports. He stressed the need for serious planning to regain lost ground.

Abdul Amir Rabihawi, director general of the West Asia office at Iran's Trade Development Organization, said new export procedures are being designed and a special committee has been formed to address currency-related hurdles for exporters. He identified Kermanshah province as Iran's top exporter to Iraq.

Both officials emphasized the need to balance trade with Iraq. Al-Es'Haq pointed to the current imbalance – billions of dollars in exports versus millions in imports – and called for greater focus on importing essential goods, raw materials and industrial parts from Iraq. He urged chambers of commerce to play a more active role in this effort to help pave the way toward the $20 billion goal.

India & Iran: BRICS ...

Following Iran's formal accession to BRICS, what new capacities does India believe Iran's participation brings to the group? Which areas does New Delhi consider priorities for practical cooperation between Iran and other BRICS members, particularly in fields such as energy, transit corridors, trade and the use of national currencies? What have been India's plans to turn BRICS into a results-oriented mechanism and close the gap between the group's political declarations and its practical projects?

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Iran is an important member of the expanded BRICS family, and its participation further strengthens the representation of emerging and developing economies within the grouping. India looks forward to continued positive contribution from Iran.

India continues to see significant potential for practical cooperation among BRICS members in areas such as energy, agriculture, transport and logistics, trade, entrepreneurship, science and technology, and resilient supply chains. These areas correspond closely with the priorities of India's chairship.

As I have already mentioned, a lot of tangible outcomes in terms of initiatives and specific activities have been formulated during our current BRICS chairship.

Reforming the international financial and economic architecture and reducing dependence on the US dollar have been among the central issues on the BRICS agenda. However, BRICS members hold differing views on the pace and means of moving towards alternative financial mechanisms. Should we expect tangible progress in expanding national-currency payments, strengthening the role of the New Development Bank and creating financial mechanisms independent of Western-led structures under India's chairmanship?

India's approach to BRICS financial and economic cooperation is centred on strengthening practical cooperation and facilitating greater economic engagement among Member States. India is also in favour of promoting the use of local currencies for trade among BRICS members. For instance, for trade with Iran, we have a Rupee-Rial mechanism to boost bilateral trade and commerce.

India's chairship has placed continued emphasis on strengthening economic cooperation within BRICS, including through engagement among Finance Ministers and Central Bank Governors. India believes that BRICS should remain focused on concrete, mutually beneficial and sustainable outcomes. The objective is to strengthen cooperation in ways that respond to the economic and developmental priorities of Member States, while respecting their respective national circumstances and priorities.

From Bishkek to New Delhi

Iran's growing role in East

Economy Desk

ANALYSIS

The economic and geopolitical developments of the past week have highlighted Iran's growing links with the East and its position in the emerging economic order.

As India prepares to host the BRICS summit in New Delhi on Sept. 12-13, following the Shanghai Cooperation Organization (SCO) summit in Bishkek attended by senior Iranian officials, Iran's position in the emerging economic order in the East has become increasingly difficult to overlook. These two events were not merely diplomatic showcases, but pointed to a practical roadmap for Iran to overcome economic isolation and enter the emerging global economic order.

BRICS: new economic opportunities for Iran

India, which holds the rotating BRICS presidency, has announced that more than 350 specialized meetings have been held in 25 cities across the country ahead of the leaders' summit in New Delhi. The scale of the preparatory work reflects the members' efforts to further develop BRICS as an economic partnership with practical rules and mechanisms.

According to official figures, the 11 BRICS members account for more than 40% of the world's population and about 40.7% of global GDP on a purchasing-power-parity basis in 2025. The group also accounts for about a quarter of global trade flows.

For Iran, active participation in the bloc means access to large markets without relying on the dollar or the Western financial system. The expansion of trade in national currencies, the establishment of the New Development Bank and the creation of credit lines among members have created a framework through which Tehran can expand its non-oil exports, particularly petrochemicals, steel, agricultural products and knowledge-based goods, to newer members such as Saudi Arabia, the United Arab Emirates, Egypt and Indonesia.

Practical steps to harmonize customs standards and facilitate the transit of goods among members are expected to be finalized at the New Delhi summit. Given Iran's position along major transit corridors, its share of this transit could reach double digits.

Iran's economy and finance minister, before beginning his trip to Russia and then India to attend the summit, said the purpose of the visits was to use foreign relations to strengthen the domestic economy, expand trade and production, attract financing and investment, and create new opportunities for Iran's economy.

"Iran can play a very important role along this route by connecting the Russian economy and the countries to the north of the region with markets in the south, particularly India," he said.

"BRICS is now one of the most important economic groupings of emerging countries, and Iran's presence in this group provides new opportunities to expand the country's economic and financial cooperation," he said.

No to "law of the jungle"

A significant development, meanwhile, took place in Bishkek.

At the SCO summit, the positions expressed by senior leaders of the member states on regional developments were closely watched.

Chinese President Xi Jinping, speaking at both the main SCO meeting and the "SCO Plus" meeting, called for an "equal and orderly" multipolar world and said the international community should reject "double standards, exceptionalism, foreign interference, bullying and the law of the jungle" and advance the rule of law in international relations.

On the sidelines of the summit, the Indian prime minister and Iran's president held a meeting and stressed the expansion of trade ties.

India's ambassador to Kyrgyzstan also said that using the North-South corridor through Iran would create a "major leap in regional trade."

The comments came as the US seeks to create insecurity in the Persian Gulf and the Strait of Hormuz. An analysis by Japan's Nikkei, however, said the White House's threatening approach had made a lasting end to the conflicts more difficult and would not alter the geopolitical reality.

Iran's role as a Eurasian gateway

The Central Asia Times analytical outlet has described the ports of Bandar Abbas and Chabahar as the only safe and cost-effective route for landlocked Central Asian countries to reach open waters. At a time when war and sanctions have increased the risks or costs associated with many alternative routes, including the Black Sea and the Suez Canal, the Iranian route has emerged as the most logical option because of its relative security and lower cost.

The completion of the Rasht-Astara railway and the expansion of Chabahar port in cooperation with India could significantly strengthen Iran's role in regional transit. The expansion of transit could provide an additional source of foreign exchange for Iran and help reduce its reliance on oil revenues over the coming decade.

Looking ahead

The convergence of the East presents the best opportunity for Iran's economy. BRICS provides an institutional and financial platform, while the SCO provides security and transit support.

Developments in recent weeks have shown that the US cannot neutralize Iran's position in the emerging economic order through pressure and threats. The next step is for Iran's economic team to turn these diplomatic opportunities into signed contracts, active credit lines and transit projects under way.

The future the West had envisioned for Iran was one of isolation. What has taken shape through BRICS and the SCO, however, is a future of integration, connectivity and prosperity.

IRNA contributed to this article.