

President urges expansion of transport links to deepen Iran-Azerbaijan ties



Iranian President Masoud Pezeshkian (r) meets Azerbaijani Deputy Prime Minister Shahin Mustafayev in Tehran on September 29, 2026. [president.ir](#)

Economy Desk
Iranian President Masoud Pezeshkian on Tuesday called for the expansion of land, air and rail links between Iran and

Azerbaijan, saying stronger connectivity would help deepen ties between the two neighboring countries. Pezeshkian made the remarks during a meeting in Tehran

with Azerbaijani Deputy Prime Minister Shahin Mustafayev, as the two sides discussed ways to expand bilateral relations, IRNA reported. "Land, air and rail routes be-

tween the two countries should be developed further, because the more these routes are connected and strengthened, the more opportunities there will be to increase and consolidate ties between the two nations," Pezeshkian said. Pezeshkian said Azerbaijan held a special place in Iran's neighborhood policy and that the two countries' scientific, cultural, economic, political and security relations were interconnected. "Our relations in the scientific, cultural, economic, political and security fields are intertwined, and we should further deepen and strengthen these ties through joint efforts and commitment," he said. He also said borders should not become an obstacle to expanding bilateral relations and called

for greater use of the two countries' shared border and geographical position to strengthen interaction and cooperation. Pezeshkian welcomed understandings reached during Mustafayev's visit and his meetings with Iran's ministers of roads and urban development and energy, calling for their swift implementation. "We hope that the understandings reached will enter the implementation stage as soon as possible through serious commitment and follow-up by both sides," he said. "We should, through cooperation and a shared determination, move toward achieving the two countries' agreed goals and serving the mutual interests of the two nations," Pezeshkian added. Mustafayev, for his part, stressed Azerbaijan's determination to further develop relations with Iran and called for the follow-up and implementation of agreements and understandings between the two countries. He also highlighted the shared

determination of Tehran and Baku to expand transport and connectivity cooperation, stressing the importance of strengthening transport and corridor links and making use of existing capacities. Separately, after his meeting with Mustafayev on Tuesday, Iranian Oil Minister Mohsen Paknejad said that the two sides had reviewed existing potential for expanding energy cooperation and would follow up on agreed areas through joint working groups. "The focus of the meeting was mainly on energy cooperation between the two countries," Paknejad said after his third meeting with Mustafayev. He said the two sides had held detailed discussions on energy trade and other areas of cooperation, taking into account the significant potential in Azerbaijan. Paknejad said it had been agreed that the issues would be pursued through working groups designated by both sides to achieve results.

First fully domestically developed 2-MW wind turbine connected to national grid

Economy Desk
Iran has connected its first fully domestically developed 2-megawatt wind turbine to the national electricity grid, Energy Minister Abbas Aliabadi said on Wednesday, describing the project as the result of 300,000 person-hours of specialized engineering work. The turbine was connected to the national grid on Tuesday after the successful completion of mechanical installation and the resolution of technical challenges, Aliabadi said, according to IRNA. He said the project was not based on reverse engineering, adding that the turbine's technical know-how had been developed entirely by Iranian researchers and that it had been developed for production based on the country's climatic conditions. "Currently, supplementary measures are under way to stabilize its performance, and it is expected that in the coming days, the turbine will strengthen the country's electricity generation mix at its full rated capacity," Aliabadi said. The minister said the project, which began at the Power Research Institute in 2010, was strategic because the turbine had been designed from the ground up using domestic



capabilities. Aliabadi said more than 450 specialists had worked on the project at different stages, putting in 300,000 person-hours to develop manufacturing documents and technical know-how. He said the project was multidisciplinary and that the technical know-how had been developed based on Iran's climate and weather conditions rather than through reverse engineering. Iran is experiencing energy shortages, and the government has set a target of installing 30,000 MW of renewable energy capacity within the next two years to help reduce daily power shortages and improve the long-term stability of electricity supplies. Hamidreza Azimi, deputy head of the Renewable En-

ergy and Energy Efficiency Organization (SATBA), said on Monday that the country's renewable power generation capacity had surpassed 6,000 MW, with more than 5,400 MW coming from solar power plants. Azimi said the country's solar power capacity had increased more than sevenfold over the past two years. According to the Energy Ministry, the country's installed power generation capacity has risen from 93,388 MW at the beginning of the government to 102,000 MW, an 8% increase. The Energy Ministry announced in August that it had added 2,028 MW of new power generation capacity since March 21, achieving 75% of its target for the current Persian calendar year, which began on March 21.

CBI to sell \$2b in cash to ease pressure on foreign exchange market

Economy Desk
Iran's central bank plans to sell up to \$2 billion in foreign currency banknotes to help manage the foreign exchange market, IRNA reported, as the rial has come under renewed pressure and inflation remains elevated. The sale began on Wednesday, with \$1 billion to be offered in the first stage through selected bank branches and bank-affiliated exchange offices across the country, according to the central bank. The bank has also doubled the dollar purchase limit. "All citizens over the age of 18 can meet their foreign currency needs up to a limit of \$10,000 by presenting their national ID card," it said. The move comes after the foreign exchange market rose sharply in recent days. The US dollar crossed 2,500,000 rials on Tuesday and was trading at 2,550,700 rials on Wednesday. Meanwhile, the latest consumer price index report from the Statistical Center of Iran showed annual inflation at 73.6% in the sixth month of the Iranian calendar year. Annual price growth for food, beverages and tobacco reached 108.8%, while monthly and point-to-point inflation stood at 4.2% and 89.9%, respectively. The report came several days



after Central Bank Governor Abdolnaser Hemmati said the pace of inflation had slowed after 15 months. The Statistical Center subsequently reported point-to-point inflation at 89.8%, up 0.8 percentage point from the previous month, ISNA reported. Hemmati had put point-to-point inflation at 83.8%, saying the measure had declined by 0.6 percentage point from the previous month. The central bank and the Statistical Center independently publish inflation figures each month. Since late February, when a US-Israeli coalition launched a 40-day war, Iran has been operating under wartime conditions as well as a maritime blockade from the south. Iran, already under decades

of Western sanctions over its nuclear programs, has faced a new wave of US sanctions, with Treasury Secretary Scott Bessent saying that Iranian airlines would be shut down from Sept. 23 through secondary sanctions on foreign aviation service providers. Hemmati said monthly inflation of around 4% remained high, but the central bank's measures to control money supply growth had significantly slowed the acceleration in inflation seen in the early months of the year despite pressures from war, sanctions, a blockade and the inflation expectations resulting from them. "The central bank's efforts are focused on reducing it further," he said this week.

Iran, Russia agree to facilitate timber imports, expand forestry cooperation

Economy Desk
Iran and Russia have agreed to facilitate timber imports from Russia and expand cooperation on forestry and sustainable forest management, Iran's deputy agriculture minister said on

Wednesday. Reza Aflatouni made the remarks during a meeting with a Russian delegation on the sidelines of the 28th session of the Food and Agriculture Organization's Committee on Forestry (COFO28), where the two sides

discussed ways to expand cooperation in forestry and sustainable forest management, IRNA reported. The talks covered forest development and rehabilitation, integrated management of forest fires, and early warning sys-

tems for fire risks. The two sides also discussed facilitating timber imports from Russia and ways to expand bilateral cooperation in the sector. Meanwhile, the Russian delegation welcomed a draft mem-

orandum of understanding on cooperation prepared by Iran. Under the agreement reached at the meeting, the two sides will proceed with signing the memorandum as soon as possible after Iran sends the final version of the draft to Russia.

The meeting also emphasized using the two countries' joint capacities to expand specialized cooperation in forest protection, rehabilitation, development and sustainable management, as well as combating forest fires.