

Trade with Turkey rises 23% in seven months



Economy Desk

Trade between Iran and Turkey reached \$3.793 billion in the first seven months of 2026, up 23% from \$3.087 billion in the same period last year, with most of the increase driven by a sharp rise in Turkey's imports from Iran. Turkey's imports from Iran jumped 42% year on year to \$1.954 billion from \$1.377 billion, while Turkish exports to Iran rose by a

more modest 7% to \$1.839 billion, according to IRIB. The increase in bilateral trade comes as the United States resumed its maritime blockade of Iranian ports in July 2026. Against this backdrop, the 23-percent growth in trade with Turkey suggests that land routes have helped offset part of the pressure on Iran's maritime trade. Turkey is Iran's only western neighbor with a shared land border, with road and

rail links between the two countries remaining operational. Monthly data shows that bilateral trade gained further momentum in June and July. In June, trade between the two countries surged 73% to \$691 million, coinciding with the height of the US maritime blockade. Experts say land-based trade, given its limited infrastructure capacity, cannot fully replace Iran's

maritime trade. However, it can help ease some of the pressure by providing an alternative channel for cross-border commerce. The recent growth also points to the Iranian economy's adjustment to changing trade conditions. Experts say sustaining this trend will require investment in border infrastructure, streamlined customs procedures and greater diversification of the country's export basket.

Gas deliveries to industries surge despite output drop

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Gas deliveries to industries and small businesses increased by 1 billion cubic meters in the first six months of the current Persian year (started on March 21) compared with the same period last year, despite a decline in production at the South Pars gas field, the head of the National Iranian Gas Company (NIGC) said. Saeed Tavakkoli told Shana that no restrictions had been imposed on major industries, particularly steel and petrochemical produc-

ers, although some facilities were damaged during the 40-day war. He said ensuring a stable gas supply had become more challenging following recent incidents at the South Pars gas field, but the gas network had managed to maintain supplies to key sectors despite lower overall gas deliveries. Comparing the first six months of this year with the same period last year, Tavakkoli said the volume of gas supplied to the national network was about 14% lower. Nevertheless,

the share of gas in power plants' fuel mix remained broadly unchanged. Gas accounted for 85% of power plants' fuel requirements during the first half of this year, compared with 86% during the same period last year, he said, describing the figures as evidence of the gas network's resilience under difficult conditions. Tavakkoli said the figures showed that the gas industry had prioritized supplying power plants to help prevent electricity imbalances while also using its



full capacity to maintain gas supplies to productive and industrial sectors. The approach, he added, was aimed at keeping the country's production and economic activity running despite challenging conditions.

Iranian airlines set to resume flights to Najaf

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Iranian airlines have been asked to submit requests to resume flights to Iraq's Najaf International Airport via email, following coordination with the Iraqi Prime Minister's Office and the Ministry of Transport and Aviation. Under the arrangements, the necessary instructions will be issued to Najaf airport authorities to facilitate the resumption of flights. Flights between Iran and Najaf had been suspended amid US sanctions targeting Iran's aviation industry. Najaf International Airport had previously announced that inbound and outbound flights to Iran would be suspended from September 25 until further notice. Both sides had since been working to restore



air links between the two countries. According to Tasnim, the Iraqi Prime Minister's Office said in a statement on Thursday that, following efforts by the prime minister, an agreement had been reached for Iranian airlines to operate 40 round-trip flights to Najaf International Airport each day.

The Iraqi prime minister said aviation was more than simply transporting passengers between two airports, describing it as a bridge connecting peoples. "Among the passengers are patients waiting to reach their places of treatment, pilgrims seeking to visit the holy shrines, and families eager to meet their loved ones without difficulty," he said, adding that the sector was also vital to tourism, the economy and social ties. The statement added that Iraq's foreign relations are based on the interests of its people and its commitment to establishing balanced and positive relations with different nations. It said the approach seeks to harness such ties to improve people's lives and strengthen lasting connections between nations.

ECONOMIC LENS

Iran in fragmented global economy

When geopolitics displaces economic advantage



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OPINION
EXCLUSIVE

For decades, globalization rested on a simple proposition: goods would move toward where they could be produced most efficiently, capital would seek higher returns, and countries would trade even when their political interests diverged. That logic is now under pressure. Trade is no longer simply about price. Energy is no longer merely a commodity. Technology is no longer just a source of productivity. Ports, payment systems, supply chains and currencies have increasingly become instruments of geopolitical power. The global economy is therefore entering a period in which economic efficiency and geopolitical security do not necessarily point in the same direction. Governments are increasingly willing to pay more for secure supply chains, reliable energy and access to strategic technologies. The result is not the end of globalization, but a more fragmented and politically conditioned form of it. Where does Iran fit into this emerging order?

The answer is complicated. Iran possesses energy resources, a strategically important geographical position, a large domestic market and significant human capital. Yet possessing resources is not the same as converting them into economic power. A resource becomes an economic advantage only when it can be transformed into investment, technology, trade and sustainable income. Iran's geography illustrates the problem. The country sits between the Persian Gulf, Central Asia, the Caucasus, Turkey and the Indian Ocean. On a map, this looks like an extraordinary commercial advantage. But geography does not build railways. It does not modernize ports. It does not reduce customs delays. And it does not transfer money across borders. Infrastructure, institutions, finance and predictable rules do. This distinction is becoming more important as globalization becomes increasingly selective. Countries are still trading, but they are becoming more careful about whom they trade with, which sectors they expose to foreign dependence, and which technologies they consider strategically sensitive. For Iran, this creates both risks and opportunities. The risk is that exclusion from formal networks of finance, technology and trade raises transaction costs. When companies need additional intermediaries to receive payments, obtain insurance, transport goods or access technology, economic value is lost before a product reaches its final destination. But fragmentation also creates openings. China needs energy and markets. India needs connectivity and secure supplies. Central Asian economies need access to global markets. Persian Gulf economies are building new logistics, manufacturing and investment networks. Iran is geographically positioned near all of these developments. The question is whether it can turn geography into economic value. This is where international political economy becomes crucial. National power is no longer determined only by military strength or GDP. A country's ability to participate in networks of capital, technology, energy, trade and value creation is itself a form of power. For Iran, this means thinking beyond the export of raw materials.

Selling oil generates revenue. Building value chains generates economic influence. Exporting crude is a transaction. Exporting petrochemicals, industrial equipment, engineering services, technology and manufactured goods creates a network of economic relationships. The difference is fundamental. Commodity exporters remain highly exposed to global price cycles. Countries embedded in value chains capture value at several stages of production and become harder to exclude from international commerce. Iran's strategy should therefore not be reduced to sanctions evasion. Sanctions evasion, even when successful, is essentially tactical. The strategic objective should be to reduce the economic cost of isolation. That requires investment in transit corridors, long-term commercial agreements, regional trade, modern customs procedures, reliable payment mechanisms and a regulatory environment capable of attracting both domestic and foreign capital. Above all, it requires predictability. Capital does not necessarily move toward the cheapest economy. It moves toward economies where risk can be understood, priced and managed. An investor can tolerate a high cost if it is predictable. What is much harder to tolerate is an environment in which the rules themselves are uncertain. This is why Iran's strategic choice should not be framed simply as a choice between "East" and "West". Successful economies rarely operate according to such a binary logic. China trades with the United States despite profound strategic rivalry. European economies maintain commercial relations with countries with which they have serious political disagreements. India simultaneously develops economic relationships with competing powers. International economics is not a system of friendship. It is a system of interests, incentives and risk management. Iran needs the same logic if it wants to move from being primarily a resource exporter toward becoming a more integrated economic actor. The world is fragmenting, but globalization is not disappearing. It is becoming more expensive, more political and more selective. That change creates a strategic choice for Iran. It can remain primarily an exporter of energy and raw materials, competing largely on the basis of resources. Or it can attempt to become a node in wider networks of trade, investment, logistics, technology and production. The difference between these two models is not simply economic. It is geopolitical. A country that sells commodities can earn income. A country that builds networks acquires influence. Perhaps, then, the central question for Iran is not how much oil it can sell, or where the dollar trades next month. It is whether Iran can transform its geographical position, energy resources and human capital into durable economic connectivity. The future of Iran's place in the global economy will depend less on its ability to stand outside the changing international system than on its ability to find productive ways to connect to it. In a fragmented world, resources matter. But connections matter more.