

CBI governor rejects claims of Iran's economic collapse as 'illusion'



Central Bank of Iran Governor Abdolnaser Hemmati (L) and Economy and Finance Minister Ali Madanizadeh attend an International Monetary Fund meeting in Bangkok, Thailand, on October 14, 2026.
● IRNA

Economy Desk

Iran's economy has shown strong resilience despite the US-Israeli war and Washington's maximum-pressure campaign, Central Bank of Iran (CBI) Governor Abdolnaser Hemmati said, dismissing claims that the country's economy was on the verge of collapse. "Claims that Iran's economy is collapsing are an illusion," Hemmati said at an International Monetary Fund (IMF) meeting in Bangkok.

Iran faces a US naval blockade imposed by President Donald Trump in mid-April

to pressure Tehran into an agreement following a 40-day US-Israeli war that began in late February. The blockade aims to reduce Iran's oil exports to zero and drain state coffers.

In his latest remarks, Trump described Iran as a failed country, saying, "They have no economy. They have 300 percent inflation. They have no money." Iran, which has faced decades of Western sanctions over its nuclear activities, has also been hit by a new round of US sanctions targeting its aviation sector.

Hemmati said the central bank had

played an important role in maintaining economic stability by supplying foreign currency for essential goods and medicines and helping to curb accelerating inflation despite US sanctions and economic pressure, according to IRNA.

The central bank's priorities are to curb inflation, stabilize inflation expectations, maintain financial stability and ensure the continued operation of banking and payment systems, Hemmati said.

He added that the bank remained committed to monetary discipline, strengthening policy frameworks and

addressing macroeconomic imbalances, while noting that external shocks and financial constraints limited the scope and effectiveness of policymaking.

According to a report cited by Tasnim news agency on Tuesday, the IMF's World Economic Outlook projects Iran's economy will contract by 7.6% in 2026 before returning to growth of 3.6% in 2027. Inflation is forecast to ease to 42% in 2027 from 78.6% in 2026.

Iran's national currency has fallen to record lows in recent weeks, with the US dollar trading at more than 2.5 million rials on the open market.

Hemmati said continued instability in the region was affecting energy markets, transportation, trade and investment. He said stability required respect for sovereignty and legitimate security concerns, alongside cooperation based on mutual responsibility and shared interests.

These developments, he added, called for a clearer and more proactive response from the IMF in line with its mandate to promote international monetary cooperation and oversee the effective functioning of the international

monetary system.

Hemmati said he expected the fund, in its bilateral and multilateral surveillance activities, to examine the economic effects of war, sanctions and restrictions on international payments with the same rigor it applied to domestic policies.

That responsibility required applying consistent standards to all members and maintaining active dialogue among them on measures needed to mitigate those effects, he said.

The 2026 annual meetings of the IMF and World Bank Group are being held in Bangkok, the Thai capital, from October 12 to 18.

CBI chief meets Algerian counterpart On the sidelines of the meetings, Hemmati held talks with Bank of Algeria Governor Mohamed Lamine Lebbou to discuss monetary, banking and trade relations between the two countries.

The talks focused on expanding economic cooperation and strengthening bilateral trade.

Hemmati reaffirmed Tehran's commitment to developing and consolidating economic relations with friendly countries.

The Algerian central bank governor welcomed the meeting and expressed his country's readiness to expand economic and banking cooperation with Iran. He also stressed the need to follow up on existing agreements in the interests of both nations.

Iran, Eurasian bloc agree on trade goods list

Economy Desk

Iran and the Eurasian Economic Union (EAEU) have agreed on a list of goods for trade, as Tehran seeks to expand exports and imports with the five-member bloc and remove technical barriers facing businesses.

Iranian Industry, Mines and Trade Minister Mohammad Atabak said the infrastructure needed to exchange the selected goods was in place. He made the remarks during a meeting with Andrey Slepnev, trade minister of the Eurasian Economic Commission, in Tehran, IRIBNEWS reported on Wednesday.

Atabak said Iran was ready to broaden economic cooperation with EAEU member states. Both sides had drawn up lists of goods for trade, with Iran selecting items based on its production capacity and domestic needs, he said.

He stressed that the timing of the negotiations was important, describing trade expansion and the mutual supply of goods as strategically significant under current conditions. Direct meetings between officials, he added, could bring the sides closer together and help iron



out technical problems that affect traders on both sides.

Slepnev said the EAEU was committed to sustained and comprehensive economic and commercial cooperation with Iran. He also reaffirmed the bloc's support for advancing joint trade agreements and its determination to maintain and strengthen ties with Tehran.

The talks come as Iran seeks to build on a free trade agreement with the EAEU that took effect on May 15, 2025. The deal aims to make cross-border trade easier and reduce customs duties, with tariffs eliminated on about 87% of covered product categories.

Trade between Iran and EAEU member states rose by 22% in the first year of the agreement, while Iranian imports from the bloc increased

by 33%, according to an Iranian Trade Promotion Organization official in June 2026.

The EAEU, which began operating in 2015, comprises Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan. It seeks to ease customs barriers and create a common market for goods, services, capital and labor, while coordinating some economic rules and investment among its members.

For Iran, the bloc offers a market for agricultural and food products, metals and industrial goods, as well as a route to strengthen commercial links with Russia and other member states. However, the EAEU remains one of Iran's trading partners, and its importance should be assessed alongside the country's other major trade relationships.

Iran Air launches first Zahedan-Quetta flight route

Economy Desk

Iran Air will launch its first route between Zahedan in southeastern Iran and Quetta in southwestern Pakistan, bringing its number of active routes to Pakistan to three, the airline said.

The new service will operate once a week on Wednesdays according to Mehr News Agency.

The inaugural flight, numbered 826, departed Zahedan Airport at 10:10 a.m. on Wednesday, while return flight 827 was



● ISNA

scheduled to leave Quetta for Zahedan at 2:25 p.m. the same day, the airline said.

Last week, Iran's national flag carrier resumed flights

to Karachi from Tehran and Mashhad, with one weekly flight from each city under a new schedule following a suspension.

The resumption of flights

to Karachi from Tehran and Mashhad added the route to Iran Air's international flight schedule, the airline's deputy for commercial affairs and branch operations, Mahmoud Ansari, said last week.

Iran's aviation industry has been hit by a new wave of US sanctions since mid-September under a campaign dubbed "Operation Economic Outcast," aimed at severing the country's remaining financial and commercial links with the global economy.

Tehran weighs transmitting wind power to Afghan cities

Economy Desk

Iran is considering plans to transmit electricity from wind farms in its eastern provinces to major Afghan cities and has signed an agreement with Afghanistan to expand cooperation in power plant construction, modernization and engineering services.

Iran's Ministry of Energy said a proposal to transmit electricity generated by wind farms in southern South Khorasan and northern Sistan-Baluchestan provinces to Kabul, Herat and Kandahar was under review, Mehr news agency reported.

The proposal involves developing high-voltage direct current (HVDC) transmission infrastructure and comes amid plans by the two countries to expand electricity exchanges to as much as 2,000 megawatts. Investment by the Afghan side through barter arrangements is also being considered, according to the ministry.

Separately, Iran's Thermal Power Plants Holding Company and Afghanistan's



● IRNA

National Development Company signed a memorandum of understanding on Tuesday to expand technical and engineering cooperation and draw on Iran's power generation capabilities to develop Afghanistan's electricity infrastructure. The agreement covers the design and construction of thermal power plants, the modernization of existing facilities, capacity expansion, efficiency improvements, equipment and spare parts supply, and engineering services. It also provides for cooperation in plant

operations, maintenance and repairs, workforce training and technology transfer.

The agreed areas of cooperation include gas-fired, combined-cycle, diesel, coal-fired, geothermal and steam power plants. Feasibility studies, technical consulting, installation and commissioning, equipment upgrades and measures to reduce environmental pollution are also covered by the agreement.

The developments come as Iran pursues a national 765-kilovolt transmission network project aimed at increasing electricity transmission capacity, reducing losses and improving the stability of the national grid.

At a meeting to review implementation requirements for the project, the Ministry of Energy outlined plans for about 20,000 megavolt-amperes of substation capacity and 6,200 circuit-kilometers of transmission lines. The ministry has called on domestic contractors and equipment manufacturers to participate in the project.