Central bank chief vows tougher action against money laundering in banks



Abdolnaser Hemmati

Economy Desk

Iran's central bank will step up supervisory and disciplinary action against banks that fail to meet their obligations to combat money laundering, Governor Abdolnaser Hemmati said, citing a significant number of violations identified across the banking network.

"Banks must not fall short in implementing regulations and fulfilling their responsibilities in this area. The Central Bank of Iran (CBI) is determined to step up its supervisory and disciplinary measures in such cases," Hemmati said at a meeting with bank chief executives, according to ISNA.

Hemmati referred to a report on money laundering violations, some of which had also disrupted the foreign exchange and gold markets.

He said the number of identified violations was considerable, with a significant proportion occurring at bank branches.

He said anti-money laundering units must operate continuously and effectively rather than function merely as administrative bodies.

Bank chief executives, he added, were responsible for violations at their branches and must ensure effective and ongoing oversight of compliance with anti-money laundering regulations.

The central bank would also continuously monitor money laundering-related activities across the banking network and take supervisory and disciplinary action against banks that failed to fulfill their legal obligations, Hemmati said.

His remarks come as Iran's engagement with the Financial Action Task Force (FATF), the global anti-money laundering watchdog, enters a new phase.

Iran's Financial Intelligence Center said FATF members had acknowledged progress on 10 items of the country's action plan at their latest meeting. However, Iran remains on the watchdog's list of high-risk jurisdictions, and the lifting of restrictions depends on further legal reforms and domestic decisions.

In a statement on the results of FATF's October meeting, the center said members had reached a consensus on progress in part of Iran's commitments following years of efforts and the submission of technical and legal documents, according IRNA.

Iran's efforts to normalize its financial relations with the international system date back more than 20 years, the center said. The action plan was designed to address shortcomings in the country's anti-money laundering and counter-terrorism financing frameworks and secure its removal from the high-risk list.

However, delays in domestic decision-making and the failure to complete all commitments prevented the full implementation of the plan, the center said.

It added that Iran had spent the past three years working to strengthen its legal and operational frameworks for combating money laundering and terrorist financing and had submitted supporting documents to FATF members.

Liquidity control and financing production

Hemmati also thanked banks for cooperating with the CBI in controlling liquidity growth and called for continued efforts to contain liquidity and maintain economic stability.

He urged bank executives to comply strictly with laws and regulations and direct banking resources toward financing production, businesses and households' genuine needs, while avoiding activities outside their legally defined responsibilities.

According to Hemmati's recent remarks, monthly liquidity growth fell to 1.3% in the sixth month of the Iranian calendar year, which ran from August 23 to September 22. This was the lowest monthly rate since the 10th month of the previous Iranian year, which ran from December 22, 2024, to January 20, 2025.

Year-on-year liquidity growth also declined to 51.6% in the sixth month from a peak of 56.4% in the third month, which ran from May 22 to June 21.

Razi institute proposes joint production, technology transfer with African countries

Economy Desk

Iran's Razi Vaccine and Serum Research Institute has proposed expanding exports, transferring technology, conducting joint research and producing biological products as key areas for strengthening cooperation with African countries, its head Hassan Morovati said.

Speaking at the first national meeting on Iran-Africa agricultural cooperation on Sunday, Morovati said the institute aimed to move beyond conventional product exports toward sustainable partnerships, technology transfer and joint production, according to IRNA.

He outlined six proposed areas of cooperation: expanding exports and maintaining a presence in target markets; transferring technology and developing domestic production; conducting joint research and developing biological products; cooperating on quality control, quality assurance and regulatory affairs; providing specialized training and building capacity; and establishing institutional and regional cooperation networks.

Joint initiatives could range from product exports and the transfer of technical know-how to participation in manufacturing and packaging, as well as joint research projects, Morovati said. Such cooperation could help strengthen the scientific and regulatory capabilities of both sides, he added.

Outlining the institute's previous engagement with African countries, Morovati cited a 2023 webinar attended by 15 Iranian ambassadors to African countries, participation in trade and economic exhibitions in Tanzania and Iran, and negotiations with officials and public and private companies in African countries.

He also pointed to a request from Kenya's foreign minister for the supply of snake antivenom as a potential area of cooperation.



ISNA

Morovati said the Razi Institute was ready to work with African countries not only through product exports but also through technology transfer, training and joint production.

He added that the institute had held training courses for veterinary experts from Mali, Mauritania and Senegal as part of efforts to expand scientific and technical cooperation with African countries.

The first national meeting on Iran-Africa agricultural cooperation opened in Tehran on Saturday, with ambassadors, economic advisers, honorary consuls and more than 200 businesspeople in attendance.

The Razi Institute, established in 1925, has produced more than 60 billion doses of vaccines since 2001, according to figures cited by its then-head, Ali Eshaqi, at a ceremony marking the institute's 100th anniversary in January 2023.

Eshaqi also said at the time that the institute had produced more than 600 million doses of polio vaccine, which he credited with helping save 100 million children.

Iranian oil tanker carrying 2m barrels reaches China after 3-1/2-month voyage



WANA

Economy Desk

A shipment of about 2 million barrels of Iranian oil reached Chinese ports early Sunday after a voyage lasting roughly three and a half months, according to a tanker-tracking firm.

Satellite images confirmed that a tanker linked to Iran had berthed at Chinese ports, TankerTrackers said in a post on X.

The vessel is a very large crude carrier (VLCC), a type of tanker typically capable of carrying around 2 million barrels of oil. According to TankerTrackers, it left Iran about three and a half months ago.

The release of the satellite images has once again drawn attention to the continuation of Iranian oil exports despite trade restrictions and sanctions.

VLCCs are among the main vessels used to transport large volumes of crude over long distances, including on routes between the Middle East and Asian markets. Their capacity allows large quantities of oil to be shipped in a single voyage.

Iran exported more than $16 billion worth of oil in the first six months of the Iranian calendar year, which began on March 21, according to figures cited by Fars news agency.

China is one of the main destinations for Iranian oil exports. The arrival of the latest shipment comes amid sanctions-related restrictions and difficulties in transportation and financial transactions.

Iran has remained on a war footing since a US-Israeli coalition launched attacks in late February, triggering a 40-day conflict that included strikes on civilian areas and infrastructure. The country, which has been under Western sanctions for decades over its nuclear program, was also facing a maritime blockade from the south, targeting its trade and oil exports.

ECONOMIC LENS

Inflation risks, economic stability: Lessons from past policy failures



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ANALYSIS
EXCLUSIVE

Iran's economy has been grappling for years with persistent inflation, declining purchasing power and instability in the foreign exchange market. Under such circumstances, concerns about the possibility of a severe inflationary crisis are no longer merely media speculation or exaggerated warnings. They warrant closer economic scrutiny and a reassessment of the country's policy direction. The fundamental question is whether the continuation of current trends could bring Iran closer to the kind of inflationary crises experienced by some other countries.

The experience of countries that have faced severe inflationary crises, like Venezuela, shows that hyperinflation rarely results from a single factor. Instead, it typically emerges from a combination of structural weaknesses and policy failures. Heavy dependence on volatile oil revenues to finance public spending, a weakening productive base, persistent fiscal deficits, excessive monetary financing of government expenditure, institutional instability and declining public confidence in the national currency were among the main factors behind the country's prolonged economic deterioration. When monetary policy becomes a means of financing government deficits and fiscal discipline gives way to money creation, inflation can evolve from an economic challenge into a broader crisis affecting household livelihoods and social stability.

Iran's economy also faces several challenges, including fiscal deficits, imbalances within the banking system, monetary expansion, foreign exchange constraints, uncertainty surrounding the investment climate and substantial dependence of public revenues on oil-related resources. Together, these factors have placed sustained pressure on macroeconomic stability. In such an environment, depreciation of the national currency does more than push up prices. It also fuels inflationary expectations, shortens businesses' planning horizons and encourages households to protect their savings through foreign currencies and gold.

However, comparisons between Iran and countries such as Venezuela must take into account differences in their productive structures, industrial capacities, economic composition, institutional conditions and geopolitical circumstances. Predicting that Iran will inevitably follow the path of countries that have experienced similar economic policy failures would therefore be analytically unjustified. The more important task is to identify the economic mechanisms that can deepen instability and increase the risk of serious monetary crises.

One of the most damaging consequences of persistent inflation is the gradual erosion of household purchasing power and productive capacity. When incomes fail to keep pace with rising prices, the middle-class contracts, poverty expands and inequality in access to economic opportunities intensifies. At the same time, producers who cannot reliably anticipate future costs become less willing to make long-term investments. This can lead to lower productivity, weaker domestic production and greater dependence on imports, potentially creating additional inflationary pressures and reinforcing existing economic imbalances.

Addressing these challenges requires fundamental policy decisions that go beyond temporary price-control measures. Reforming the budget structure, reducing the dependence of recurrent government spending on volatile revenues, containing fiscal deficits, strengthening the independence and credibility of monetary policy, addressing banking sector imbalances, improving the business environment, promoting competitive domestic production and enhancing public financial transparency should all be central priorities.

Furthermore, reducing political and economic uncertainty and providing a credible, predictable outlook for investment are essential to achieving sustainable macroeconomic stability.

Ultimately, a severe inflationary crisis is not an inevitable outcome for Iran. Nevertheless, the experience of other countries offers important lessons about the consequences of unsustainable economic policies. Economies generally exhibit multiple warning signs before entering periods of hyperinflation. The central issue, therefore, is not simply to compare countries, but to understand how a lack of fiscal discipline, monetary stability and public confidence can impose costs on society far greater than those associated with necessary economic reforms. For Iran's economic policymakers, pursuing difficult but essential reforms remains a more sustainable course than allowing persistent inflationary pressures to deepen.