Pezeshkian says regional cooperation can strengthen Iran's transit role

Economy Desk

Iran can strengthen its position as a regional transit hub by expanding cooperation with neighboring countries and completing key rail corridors, President Masoud Pezeshkian said, highlighting a proposed east-west route through Afghanistan linked to China's rail network.

In a message to the 19th International Railway Transportation Conference on Tuesday, Pezeshkian said the development of an east-west corridor through Afghanistan and its connection to China's rail network would open new prospects for regional cooperation, ISNA reported.

He described the conference as an opportunity to exchange expertise, discuss challenges and develop solutions for expanding Iran's railway transportation network.

Rail transport is an important infrastructure component that can connect production centers to domestic and international markets, reduce transportation costs and improve the safety and reliability of freight and passenger services, Pezeshkian said. These improvements could support production, expand trade and boost the competitiveness of the economy.

"Therefore, railway development should be regarded as an investment in the country's economic future and public welfare," he said.

Pezeshkian also stressed the need to increase rail's share of freight and passenger transportation as Iran seeks to address energy shortages, citing the sector's higher energy efficiency and potential to reduce fuel consumption, pollution and economic and social costs.

Achieving that potential requires electrifying railway lines, modernizing rolling stock, removing network bottlenecks and encouraging private-sector investment, he said.

He added that completing rail corridors, connecting ports and production centers to the network and expanding cooperation with neighboring countries could strengthen Iran's regional transit position, increase trade and generate more sustainable foreign currency revenues.

As part of that effort, Pezeshkian pointed to plans for an east-west corridor through Afghanistan, including the development of the Herat-Mazar-e-Sharif route and its connection to rail networks in East Asia. Completing the corridor inside Iran through construction of the Khavaran-Cheshmeh Soraya route could expand trade, develop the region's industrial and mining potential and strengthen Iran's role in international trade networks, he said.

Pezeshkian also called for the use of new technologies in fleet maintenance to improve safety, reduce travel times and enhance service quality. He urged scientists, engineers and knowledge-based companies to develop practical solutions for the sector's needs and called on government agencies to facilitate their implementation.

He said attracting private investment would also require greater investor confidence, transparent regulations and stable commitments.

The conference was attended by Transport and Urban Development Minister Farzaneh Sadeq, who also emphasized infrastructure development, fleet modernization and increasing rail's share of freight and passenger transportation.

Agreements were exchanged at the event on supplying fully battery-powered locomotives, retrofitting existing locomotives with hybrid technology and building solar power plants along railway corridors.

Iran transported around 44 million tons of freight by rail in the Iranian year ended March 2026, while rail transit accounted for about 2.4 million tons in the year ended March 2025, according to figures reported by railway officials. Despite the growth in rail freight, rail transport still accounts for less than 10% of Iran's land transportation, pointing to significant scope for expanding the network's role in domestic and international freight movement.

Deputy Transport and Urban Development Minister Jabarali Zakeri said the railway company planned to sign three technology-related agreements on the sidelines of the conference, with private-sector companies and investors involved in the projects. He expressed hope that the agreements would produce tangible results for Iran's rail transport industry in the near future.

Zakeri also stressed the need to expand freight capacity along east-west international routes, saying projections showed that freight traffic along the corridor would exceed 530 million tons by 2030. He said Iran needed to plan ahead to capitalize on that potential and increase the regional rail network's share of the traffic.



Iranian President Masoud Pezeshkian's image is displayed on a screen as his message is read out at the 19th International Railway Transportation Conference in Tehran, on November 10, 2026.
ISNA

Iran prepares next year's budget for 'zero oil' scenario: *PBO*

Economy Desk

Iran is drafting its national budget for the year beginning March 21, 2027, under several scenarios, including one in which oil revenues fall to zero, as the government prepares for the economic impact of US sanctions and wartime blockades, a senior official said.

Mohammad Qasemi, deputy for program and budget coordination at the Plan and Budget Organization (PBO), said the government was preparing for severe financial conditions resulting from the US-Israeli war and attacks on critical infrastructure, Press TV reported.

Despite damage to parts of the country's energy and transport infrastructure, including attacks on the South Pars gas fields, Qasemi said Iran's domestic production capacity would help sustain economic stability even if oil revenues disappeared.

"The government must prepare itself for conditions where oil revenues reach zero," he said, adding that the PBO had developed several scenarios to safeguard the country's finances.

He said contingency planning began in the spring of 2025 in anticipation of renewed US pressure and tighter sanctions. The plans were activated when the US and Israel launched their military campaign against Iran in late February, taking into account potential damage to national infrastructure.

To offset possible revenue losses, the government is considering alternative sources of funding, including oil deposit certificates, targeted taxation and customs revenues.

Qasemi said the government would avoid placing excessive tax burdens on private businesses directly affected by the war, particularly in the petrochemical, steel and tourism sectors.

Fiscal discipline

The government has ruled out direct borrowing from the central bank or using treasury bills to finance the general budget, Qasemi said, in a bid to prevent growth in the monetary base and liquidity.

Public spending has been divided into three categories: essential expenses, including government salaries and pensions; secondary priorities; and conditional spending.

"We have planned to pay salaries and wages until the end of the year (March 21, 2027) and have no intention of defaulting on our debt obligations," he said, adding that funding would continue to be allocated to vital infrastructure projects as resources allowed.

The government is also reviewing its subsidy and support systems to protect vulnerable groups from the effects of inflation and wartime economic pressures.

Qasemi said the government and parliament had disagreed over the size of next year's budget. The government initially proposed limiting nominal budget growth to 2% to reflect wartime conditions, but Parliament rejected the proposal and approved an increase of 30%.

The PBO is also seeking tighter financial oversight of state-owned companies, requiring them to demonstrate the economic necessity of new projects before receiving government funding or loans.

The drafting of a "zero oil" budget represents the ultimate triumph of Iran's Resistance Economy.

For years, Washington has attempted to strangle Tehran by targeting its oil exports and financial networks.

The recent US-Israeli war of aggression, which temporarily damaged parts of Iran's energy and transit infrastructure, was intended to force a political capitulation.

Instead, Iran's technocrats have used the situation to accelerate structural reforms, eliminate energy smuggling, and prove that the nation's vast domestic industrial and agricultural base can sustain the country through the most severe external shocks.

Iraq reopens border crossing with Iran as another faces temporary closure

Economy Desk

Iraq has reopened a key border crossing with Iran after nearly three weeks of closure, while another crossing is set to shut temporarily on Friday, Tasnim news agency reported.

The Al-Sheib crossing, known as Chazabeh on the Iranian side, resumed operations on Tuesday, allowing passenger traffic and goods shipments to restart, Omar al-Waeli, head of Iraq's Border Ports Authority, said.

The crossing had been closed since October 21. Iraqi government spokesman Haider al-Aboudi said at the time that it lacked the necessary technical facilities, technology and infrastructure. Subsequent reports cited security measures and the installation of inspection equipment to strengthen controls and combat smuggling.

Meanwhile, the Mandali crossing, known as Sumar on the Iranian side, will close temporarily from 8 a.m. on Friday, November 13, for maintenance and technical work ahead of the rainy season, al-Waeli said. No date has been announced for its reopening.

The developments come as Iraq faces US pressure to curb trade with Iran. Foreign Minister Fuad Hussein said on November 8 that Washington had asked Baghdad to close all but two of its border crossings with Iran.

Hussein told Al Jazeera that the United States was pressing ahead with the request, while Iraq was negotiating with Washington over the issue. He warned that shutting the crossings could hurt the Iraqi economy. He said Iraq had lost about $60 billion because of the suspension of oil exports through the Strait of Hormuz.

Iraq's Badr Parliamentary Bloc said on Sunday that it rejected what it called US "dictates" to close border crossings with Iran.

In a statement, the bloc said the foreign minister's remarks about US demands reflected plans and instructions targeting the country's south and amounted to interference in Iraq's sovereign decisions.

In recent weeks, truck drivers, taxi drivers and workers at the al-Sheib crossing in Maysan Province have staged several protests. Local officials in the southeastern Iraqi province say about 4,000 people depend on the crossing directly or indirectly for their livelihoods.

The disruption comes amid extensive trade ties between the two countries. Annual trade between Iraq and Iran is worth an estimated $15 billion to $18 billion, including about $4 billion in Iranian natural gas imports, Hussein said.

Iraqi officials have not directly linked the Chazabeh closure or the planned shutdown of Sumar to the US request.

The latest restrictions follow an earlier closure of the Chazabeh, Shalamcheh and Mandali crossings on September 12, after a drone attack on Saudi Arabia's East-West oil pipeline. Saudi officials said the drones had been launched from Iraqi territory, prompting Baghdad to launch an investigation.



IRNA

Multiple channels of ...

Given Mohsen Rezaei's visit to Moscow and his meeting with President Vladimir Putin, as well as his deputy Ali Bagheri's trip to China and meeting with Wang Yi, do you think China and Russia have decided to take a more active role in resolving the crisis?

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The circumstances surrounding the two countries are certainly different.

Russia's position is particularly noteworthy because of the relations it has established with Trump over the Ukraine issue. These ties have involved various developments, the latest being Trump's agreement reached with Putin on supplying Russian diesel to the US market to help bring down fuel and energy prices in the United States.

There have also been understandings over Ukraine. As you know, just a few days ago, Trump's son-in-law issued a statement on the future of Ukraine and Russia, indicating that they want to largely sideline Europe from the negotiations and reach an agreement with Russia directly to settle the Ukraine issue.

Therefore, Russia is pursuing the issue of Iran through the lens of its own interests in Ukraine.

Putin's willingness to mediate stems partly from the need for Russia, which has become our ally and stood alongside us, to answer questions about its conduct. At a time when we were facing difficulties with the Americans in the Strait of Hormuz, Russia reached an agreement with Washington and supplied diesel to the market to influence fuel prices. This was certainly not a positive development from Iran's perspective when assessing Russia's actions.

That is why, alongside Putin's recent diplomatic moves, Russia has initiated a series of activities. Foreign Minister Sergey Lavrov's visit to Tehran and Putin's own remarks that he had conveyed President Masoud Pezeshkian's message to the Americans point to a new Russian initiative in the form of mediation.

However, Russia, the United States and the international community all know that Trump would never be comfortable with Putin acting as a mediator or intermediary between Iran and the United States. Trump has made it clear that if there is to be any achievement in this matter, he wants to secure it himself.

Therefore, Russia's current diplomatic efforts should be viewed as an attempt to make up for what it owes Iran following its conduct in relations with the United States. Ultimately, I do not think Iran will gain anything from these efforts.

We should also pay attention to another important point. When the Foreign Ministry is in contact with Lavrov, the Supreme National Security Council is communicating with Putin, and the deputy secretary of the council for international affairs is travelling to China, this multiplicity of channels of communication is not necessarily beneficial. In many cases, it could lead the other side to draw the wrong conclusions and create the impression that there is no unified voice on foreign policy within Iran.

In practice, we need to establish a situation in which the country speaks with one voice and acts in a coordinated manner. This would also make Russia and China more cautious and help prevent misunderstandings in their diplomatic dealings with Iran.