Africa an 'economic paradise' but entering its markets takes work: *Businessman*



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INTERVIEW

With its vast consumer market, natural resources, and considerable potential in agriculture, food industries, mining, and technical and engineering services, the African continent has become a major arena of economic competition among regional and extra-regional powers. In recent years, the expansion of trade relations with African countries has also received attention in Iran's economic policies. At the National Conference on Iran-Africa Agricultural Cooperation, held late last month, Agriculture Minister Gholamreza Nouri-Qezeljeh referred to a 66% increase in Iran-Africa trade, with the volume of exchanges reaching approximately $940 million during the first nine months of the previous Persian calendar year of 1404 (March–December 2025). He described this as an indication of expanding economic engagement with the continent, although experts consider this figure relatively modest compared with the potential of the African market.

Experts believe that the expansion of economic relations with Africa cannot be achieved merely through conferences and the signing of memorandums of understanding. Realizing the potential of this market requires a thorough understanding of opportunities, the removal of financial transfer and transportation barriers, the establishment of trade infrastructure, and the organized presence of economic stakeholders in African markets. In this regard, South Africa, owing to its economic and commercial standing on the continent, its shared membership in BRICS, and its trade connections with countries across Southern Africa, can occupy a distinctive position in expanding Iran's economic presence on the continent.

Against this backdrop, Iran Daily spoke with Babak Hedayati, Chairman of the Iran-South Africa Joint Commercial Committee, about the state of Iran's trade with African countries, opportunities for cooperation in agriculture and extraterritorial cultivation, the potential of the South African market, and the obstacles hindering the effective presence of Iranian companies on the continent. He believes that Africa remains an unfamiliar market for many Iranian economic stakeholders and that, while commercial competitors maintain a planned and organized presence in this market, a substantial proportion of Iran's economic activities still depend on the scattered efforts of the private sector.



Babak Hedayati

IRAN DAILY: According to announced statistics, Iran-Africa trade increased by 66% to approximately $940 million during the first nine months of the previous Persian calendar year of 1404 (March–December 2025). Given that these figures concern officially recorded transactions, how would you assess the actual and informal volume of Iran's trade with African countries?

HEDAYATI: Because of the sanctions and restrictions affecting Iran's trade relations with certain target countries, a considerable proportion of our transactions do not take place directly from Iran to African destinations. In many cases, Iranian exporters are compelled to use routes through countries such as Turkey and, in the past, the United Arab Emirates and Jebel Ali Port. In some instances, even commercial documents are altered, and goods manufactured in Iran, whose entire production costs and efforts have been borne domestically, are registered under the name of the intermediary country in international documentation.

This issue applies both to maritime shipments and bulk commodities, and it also arises in certain other transactions. Consequently, obtaining accurate and documented statistics on the actual volume of Iranian exports to African countries is difficult because changes in the declared origin and commercial documentation also alter the goods' actual provenance in official statistics.

Accordingly, a distinction must be drawn between official customs statistics and the actual volume of goods and services of Iranian origin that reach Africa through other countries. Some of our actual transactions are not registered under Iran's name in official statistics, and further studies and investigations are necessary to obtain a more accurate picture.

More specifically, what is your assessment of trade between Iran and South Africa? What goods are exchanged between the two countries?

At present, numerous exchanges take place between Iran and South Africa, particularly in agricultural products and related industries. For instance, in previous years, Iran had included imports of fresh mutton from South Africa in its procurement plans. Imports of products such as soybeans and corn have also been among the areas of interest. At the present juncture, however, flight-related difficulties and certain other restrictions have affected the course of these exchanges.

Nevertheless, because of the aforementioned issue of changes in declared origin and commercial documentation, I would prefer not to cite precise figures for bilateral trade that might lack documentary substantiation. Instead, it would be more appropriate to discuss the actual potential and areas that could provide the foundation for expanding Iran-South Africa economic cooperation.



Iran's Agriculture Minister Gholamreza Nouri-Qezeljeh (C) speaks to reporters at the National Conference on Iran-Africa Agricultural Cooperation held on October 31, 2026.

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What agricultural potential does South Africa possess that could be attractive to Iran?

South Africa possesses considerable capacity in agricultural and horticultural production. The country is among the major exporters of products such as oranges, particularly Valencia oranges, mangoes, and grapes, and exports a substantial proportion of its output to West Asian and Middle Eastern markets.

This demonstrates that favorable opportunities exist for Iranian companies to cooperate with South African producers and economic stakeholders. Iranian companies can enter negotiations concerning the importation of required products, investment in agriculture, and the establishment of joint ventures with South African counterparts.

One important area of cooperation is the supply of animal fodder. Owing to its limited water resources, our country is compelled to import certain products to meet part of its agricultural and livestock requirements. Fodder is among the commodities whose production requires considerable water resources, and part of the country's demand could be met through South Africa's production capacity. Forage corn is another product that could be considered within this framework.

One issue raised in recent years in connection with expanding Iran-Africa cooperation is extraterritorial cultivation. What opportunities does this model of cooperation offer Iran, and is its implementation also feasible in South Africa?

In my view, extraterritorial cultivation is one of the important avenues for economic cooperation between Iran and African countries. Under this model, Iranian companies can establish relations and conclude contracts with African counterparts to produce required commodities in the destination country, in accordance with its climatic and agricultural capacities.

In effect, this method combines Iranian expertise, human resources, experience, and part of the country's facilities and capital with the water resources, land, and local capacities of the host country. The final output is then distributed between the Iranian market and other markets, in accordance with agreements between the two parties. Such a model can help meet part of Iran's agricultural requirements while simultaneously creating opportunities to export products manufactured in the host country to third countries. Thus, in addition to meeting domestic demand, the economic benefits derived from production and trade are apportioned between the parties in accordance with their contractual agreements.

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Other countries, such as China, have made considerable progress in this field, and their presence in Africa's extraterritorial cultivation sector is far more extensive than Iran's. Iranian companies also conduct activities in this area in certain African countries. For example, the Democratic Republic of the Congo possesses the capacity to produce various agricultural commodities, including cotton and corn, and some activities have already been undertaken in this regard.

Regarding South Africa, negotiations have been conducted on implementing extraterritorial cultivation projects. However, to the best of my knowledge, no extensive and organized activity has yet materialized in this field. Nevertheless, capacities such as the production of fodder and forage corn could be prioritized for assessment and negotiation.

Given South Africa's agricultural potential, is there also scope for expanding Iranian exports to this country? What goods and services are currently supplied from Iran to this market?

Yes, Iran's exports to South Africa encompass various products. In the food sector, a range of products, including biscuits, chocolate, and other Iranian food products, are supplied to this market. Some Iranian companies have operated in South Africa for years and have established their own business partners and economic networks.

Iranian activities, however, are not confined to food products. Iranian companies are also present in South Africa's technical and engineering services sector. In particular, companies operating in the railway sector have performed satisfactorily and are expanding their activities.