# Pezeshkian calls for closer regional engagement to boost trade

Economy Desk

Iran needs to strengthen cooperation with neighboring countries and move away from confrontational rhetoric to expand regional trade, President Masoud Pezeshkian said on Saturday, calling for the removal of barriers to economic ties and greater engagement with Muslim countries.

Speaking at the annual capital market conference in Tehran, Pezeshkian said neighboring countries offered significant opportunities to expand Iran's exports and trade, and that reducing existing restrictions could help strengthen economic relations.

"We should lay the groundwork for interaction, cooperation and trade development with our neighbors," he said, adding that an aggressive approach would naturally constrain opportunities for cooperation and commerce.

Referring to the Leader of the Islamic Revolution's emphasis on unity and engagement with Muslim countries, Pezeshkian said Iran's approach should be based on strengthening solidarity and expanding ties with those countries. Divisions, aggressive behavior and tensions would not solve problems, he said, adding that cooperation and solidarity were more important than ever.

## Economic resilience amid pressure

Pezeshkian also praised investors, producers and merchants for helping the country withstand wartime conditions and economic pressure, saying their efforts had helped thwart the adversary's objectives.

Describing the recent war as unequal and unjust, he said Iran's adversaries had expected external pressure and sanctions to cause shortages of goods and even famine, but those conditions had not materialized and production had continued.

Since late February, when a US-Israeli coalition launched a 40-day war, Iran has faced wartime conditions and a maritime blockade aimed at halting its oil exports and depleting government revenues, alongside decades of Western sanctions over its nuclear activities.

The president thanked businesspeople for their efforts during what he described as a difficult economic war, saying the challenges posed by economic pressure were substantial, even without the missiles and destruction associated with military conflict.

Ensuring a stable supply of energy to industries during the winter was another priority, Pezeshkian said. The government was planning to minimize disruptions to electricity, gas and other energy supplies needed by producers, amid existing imbalances and the possibility of tighter restrictions in the coming months.

If energy restrictions became necessary, industry and production should be the last sectors to face supply cuts, not the first, he said, adding that the issue was being seriously discussed by the government to prevent factories and production units from shutting down.

Pezeshkian called for lower energy consumption in non-production sectors, citing plans to improve heating and cooling systems, reduce energy use in government buildings and optimize office space. The public and non-industrial sectors should accept some restrictions to help ensure that production continued, he said.

## Government support for production

The president also said the government was ready to work with the private sector and the chamber of commerce to review and amend regulations that hindered business activity. The government's role was to facilitate the work of investors and producers rather than obstruct it through its decisions and rules, he said, urging businesspeople to clearly identify the obstacles they faced.

Acknowledging the country's difficult economic conditions, Pezeshkian said problems should be recognized and addressed through planning rather than ignored or portrayed inaccurately.

Economy Minister Ali Madanizadeh, speaking at the same conference, said inflation remained high but that measures introduced to contain it had slowed monthly inflation growth. The impact of those policies, aimed at restoring economic stability, would become visible over the coming months, he said.

Madanizadeh also said the government had managed to meet its financing needs this year without financing the budget deficit through the Central Bank. He added that the debt market had been reformed and that, unlike in previous years, the government's budget shortfall had not been passed on to the central bank.

The Central Bank said last week that the average annual inflation rate for the 12 months ending in the seventh month of the Iranian calendar year (Sept. 23-Oct. 22) stood at 71.4%, compared with the corresponding period a year earlier.

Iran's consumer price index in urban areas reached 836.8 in the month, up 4.6% from the previous month, the Central Bank said. The figures also showed that year-on-year inflation, which had been rising in previous months, declined in the sixth and seventh months of the current Iranian year, reaching 83.8% and 83.5%, respectively.



*Iranian President Masoud Pezeshkian speaks at the annual capital market conference in Tehran on November 21, 2026.*
*president.ir*

# Iran, Pakistan near finalizing free trade deal, TPO official says

## Bilateral trade stands at about $6b, with potential to exceed $10b

Economy Desk

Iran and Pakistan are expected to finalize a free trade agreement by the end of the current Iranian calendar year, an Iranian trade official said on Saturday, as the two neighbors seek to expand bilateral trade, which currently stands at about $6 billion.

Mehdi Siadat-Nasab, deputy head of the Iran Trade Promotion Organization's East Asia and Subcontinent Office, told the IRNA news agency that negotiations on the free trade agreement had reached their final stages following progress in talks and the exchange of lists of goods covered by the deal.

"With the agreement reaching its final stage and its implementation, Iran-Pakistan trade will increase through the facilitation of trade relations and a reduction in customs costs," he said.

Iran and Pakistan currently have a preferential trade agreement. Further trade agreements are expected to contribute to the expansion of bilateral commerce.

According to the latest figures, formal and informal trade between the two countries totals around $6 billion, Siadat-Nasab said, adding that there was potential to increase the figure to more than $10 billion given their considerable economic potential and opportunities for expanding commercial cooperation.

The two countries have also set a target of increasing their annual bilateral trade to $10 billion. The target was reiterated at the 10th session of the Iran-Pakistan Joint Trade Committee in Islamabad in August 2026, where both sides also agreed to deepen economic cooperation and remove barriers to trade expansion.

He said Pakistan offered significant opportunities for cooperation in industry, agriculture, mining and technical and engineering services.

Petrochemical products, liquefied gas, steel, and tiles and ceramics are among Iran's key exports to Pakistan, he added.

Siadat-Nasab also highlighted the potential of Pakistani ports to facilitate Iranian trade.

"Using Pakistan's ports can create new routes for exporting Iranian goods, facilitating imports and accessing regional and international markets, and this opportunity should be used effectively," he said.

Emphasizing the importance of understanding the Pakistani market, he said Iranian exporters could gain a considerable share by identifying local demand and offering high-quality products at competitive prices.

He expressed hope that greater use of private-sector potential, improvements in logistics infrastructure and stronger provincial cooperation, particularly in Bushehr province, would help increase economic exchanges between the two countries.

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# Tehran, Yerevan sign technology cooperation deal

Economy Desk

Iran and Armenia have signed a memorandum of understanding to expand cooperation in telecommunications, artificial intelligence, space technology, cybersecurity and joint investment, according to IRNA.

The agreement was signed during a meeting between Iranian Minister of Information and Communications Technology Sattar Hashemi and Armenian Minister of High-Tech Industry and Artificial Intelligence Davit Tadevosyan, where the two sides discussed ways to strengthen technological ties and develop joint projects, IRNA reported."

Proposed areas of cooperation include fiber-optic networks, frequency spectrum management, particularly in border areas, and alternative routes for international data traffic. The discussions also covered artificial intelligence, data analytics, semiconductor design, the Internet of Things, industrial automation and space technology. The two countries also discussed cooperation in digital government services, digital identification, postal and logistics services, technology transfer and joint investment in equipment manufacturing and assembly.

Hashemi invited his Armenian counterpart to visit Iran in the next two to three months to follow up on the agreements and visit technology companies, research centers and the Payam Special Economic Zone, the report said.

Tadevosyan highlighted the potential for closer technological cooperation and continued exchanges of knowledge and expertise between companies and specialized institutions in the two countries.

He also said next year would provide an opportunity to assess data exchanges and hold a joint conference on artificial intelligence, following the DigiTech Expo 2026.

# How Iran can ...

Domestic production and international trade should support each other, not compete.

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Washington may expect economic hardship to widen divisions inside Iran and force a change in policy. Yet prolonged pressure also carries costs for neighboring economies. Iraq, Turkey and Pakistan have commercial interests in maintaining access to the Iranian market. Iran should build on these shared interests through practical cooperation, avoiding steps that turn disputes into regional security crises.

Diplomacy remains necessary, even when an agreement appears distant. Any serious negotiation would need to address the sequence of steps, the scope of sanctions relief and credible arrangements to prevent a return to confrontation. Regional countries and major powers could help provide political assurances. Diplomacy is more likely to work when Iran has room to manage economic pressure and its partners see a stable, predictable counterpart.

Iran cannot afford to treat sanctions as a temporary problem that will disappear with a political agreement. The pressure may continue for years, and economic policy has to reflect that reality. Expanding trade with neighboring countries, securing alternative payment channels and making domestic production more competitive are not separate projects. They are all part of reducing the economy's exposure to external pressure. This will take time, and it will not prevent economic losses. But the more trading partners and options Iranian businesses have, the less room Washington will have to disrupt the country's economic activity.