Government pressing ahead with North-South corridor despite constraints

Tehran stays committed to key INSTC: *Russian official*



President Masoud Pezeshkian speaks to a reporter after inaugurating the first phase of Mashhad's Metro Line 3 on November 26, 2026, the third day of his provincial visit to Razavi Khorasan Province.
president.ir

Economy Desk

Iranian President Masoud Pezeshkian said Iran was pressing ahead with the North-South railway and transport corridor despite existing constraints, while a senior Russian official said Tehran remained committed to the project despite significant damage to regional transport infrastructure caused by US and Israeli military aggression.

Speaking to reporters during a visit to Mashhad on Thursday, the capital of northeastern Razavi Khorasan Province, Pezeshkian said his government was working to complete the North-South railway and corridor despite all the constraints, adding that work was progressing rapidly.

Dmitry Birichevsky, director of the Russian Foreign Ministry's Department of Economic Cooperation, made the remarks on Thursday at the fourth international forum, "International North-South Transport Corridor: New Horizons," in Astrakhan, Russia, the TASS news agency reported.

"The International North-South Transport Corridor (INSTC) is becoming increasingly important strategically every year as it serves the goal of shaping a new transport architecture for Eurasia and developing alternative overland corridors as an integrated system for the movement of passengers and freight," he said.

"This year has also brought new challenges for the transport corridor. The military aggression instigated by the United States and Israel against Iran has resulted in significant destruction of transport infrastructure in the region. Nevertheless, I would like to highlight the commitment shown by our Iranian colleagues to our shared endeavor, as they continue to fulfill their obligations and work on the construction of the Rasht-Astara section despite all the difficulties," he said.

Iran has remained on a war footing since a US-Israeli coalition launched attacks in late February, particularly targeting civilians and infrastructure during a 40-day conflict.

Birichevsky also said the economies of the Global South and East were gaining strength, citing China, India, the Association of Southeast Asian Nations (ASEAN) and the Arab world as centers of technological progress.

Investment volumes and economic growth rates in those regions were two to three times higher than in Western economies, he said.

He also pointed to the development of Central Asia and the South Caucasus, saying it was giving fresh impetus to efforts to establish a modern transport architecture across Eurasia and develop alternative overland corridors operating as an integrated system for passenger and freight transport.

The North-South corridor provides access to Southeast Asia and Africa through a network linking Eurasia with major logistics hubs along the Persian Gulf and Indian Ocean, he said.

The Russian official said the purpose of holding such events was to help Russian companies enter new markets in Iran, the Far East, Asia, Africa and India.

The INSTC is a planned 7,200-km multimodal network linking Russia and India through Iran and the Caspian region. It comprises road, rail and maritime routes.

The corridor has three main routes: a central land-and-sea route crossing the Caspian Sea, a western route through Azerbaijan, and an eastern route through Kazakhstan, Uzbekistan and Turkmenistan before reaching Iran.

Iran and Russia signed an agreement on May 18, 2023, to jointly build the 162-km Rasht-Astara railway, a missing rail link in the western branch of the North-South corridor.

Russian Foreign Minister Sergei Lavrov said on July 17, 2026, at a joint news conference with his Azerbaijani counterpart, Jeyhun Bayramov, that Iranian officials had informed Moscow that the process of allocating land for the Rasht-Astara railway had been completed. He expressed confidence that the project would make progress.

Chabahar-Zahedan railway

Meanwhile, track-laying on a 480-km stretch of the Chabahar-Zahedan railway has been completed, and the project has reached 96% physical progress, according to Houshang Bazvand, head of Iran's Construction and Development of Transportation Infrastructure Company.

Bazvand said the railway could be ready for operation ahead of its scheduled completion by the end of the Persian month of Dey, around Jan. 20.

Speaking on the sidelines of the 11th weekly monitoring meeting for the project, Bazvand said track-laying had been completed about 40 days earlier and that the project had reached 96% physical progress.

Turkey extends Iran gas import deal for five years

International Desk



Turkey has extended its natural gas import agreement with Iran for another five years, allowing it to continue importing up to 10 billion cubic meters of gas annually through April 2032, Turkish news agency ANKA reported.

Turkey's state-owned pipeline operator BOTAŞ has extended its license to import natural gas from Iran until April 18, 2032, according to the report. The annual contract volume will remain at 10 billion cubic meters, with no change to the pricing formula.

The extension follows the expiration in July 2026 of the previous gas supply agreement, which took effect in 2001 and provided for annual imports of up to 10 billion cubic meters.

Iran supplied Turkey with about 7.7 billion cubic meters of natural gas in 2025, accounting for 13.2% of the country's total gas imports and making Iran its fourth-largest supplier, according to Turkish gas trade data.

Turkey imports natural gas through pipelines from suppliers including Iran and Russia, as well as in the form of liquefied natural gas (LNG).

The renewed agreement will keep Turkey among Iran's main gas export markets under a long-term supply arrangement through 2032.

Iran holds about 34 trillion cubic meters of proven natural gas reserves, the world's second-largest reserves after Russia.

Fishery exports rise more than 50% amid wartime conditions, official says

Economy Desk



The 10th International Exhibition of Fisheries, Aquaculture, Fishing, Seafood and Related Industries (IFEX 2026) opens at Tehran International Permanent Fairground on November 27, 2026, with Agriculture Minister Gholamreza Nouri-Qezeljeh (4th-R) in attendance.
IRNA

Iran's fishery exports have increased by more than 50% compared with pre-war levels, while more than 40,000 metric tons of shrimp have been harvested so far this year, the head of the country's fisheries organization said on Friday.

Hamzeh Rostampour made the remarks at the 10th International Exhibition of Fisheries, Aquaculture, Fishing, Seafood and Related Industries (IFEX 2026), which opened on Friday at Tehran International Permanent Fairground, IRNA reported.

Fisheries production and export activities have continued despite difficult conditions, Rostampour said, noting that the exhibition was also being held under wartime conditions.

The exhibition has several advantages over its ninth edition, held last year, including a wider variety of products, a focus on export development and the introduction of new production methods, he said.

Rostampour said one of the exhibition's main features was the participation of fisheries industry operators from across the country.

The sector had faced considerable difficulties since the war began on February 28, he said, adding that it had suffered its first fatality and that the number of people killed or missing had since exceeded 40.

He said the war had coincided with the peak of several fisheries activities, including product exports and preparations at shrimp farms.

Fishermen in Sirik had continued fishing, while aquaculture producers in Hormozgan, Bushehr and Khuzestan provinces, as well as in Chabahar, had kept their operations running.

Since late February, when a US-Israeli coalition launched a 40-day war, Iran has faced wartime conditions and a maritime blockade imposed by Washington to halt its oil exports and deplete government revenues, alongside decades of Western sanctions over its nuclear activities.

Figures presented at the exhibition put Iran's total aquatic production at more than 1.566 million metric tons, including over 733,000 metric tons from aquaculture.

Iran also remains the world's leading producer of rainbow trout, with annual output of about 270,000 metric tons, according to figures presented at the exhibition.

Iran's new-year ...

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Political developments remained the most important challenge facing the economy, he said, limiting the effectiveness of domestic policy measures. Even so, strengthening non-oil earnings and prioritizing essential imports could help the country navigate external constraints. This approach would also help conserve foreign currency for raw materials, intermediate goods and other imports needed to keep domestic production operating.

Borrowing could provide short-term financing, but repayment and interest costs would burden future budgets. Katani said the government should distinguish essential spending from areas where efficiency gains or alternative delivery models were possible. This would allow it to protect basic services and social support while making more disciplined choices about new commitments.

Tax reform could provide a more sustainable source of government revenue, but Katani cautioned against increasing the tax burden while economic activity remained weak.

He described efforts to combat tax evasion as positive in principle, but said current conditions were unsuitable for aggressive enforcement.

Many companies were already facing difficulties because of the war, and additional taxation could deepen the slowdown. Instead, the government should consider tax exemptions and relief measures for producers and businesses that have been damaged by the conflict. Such measures could preserve productive capacity and employment.

Expanding non-oil exports and strengthening trade with neighboring countries are important to diversifying foreign currency earnings.

Katani said facilitating trade was essential as Iran sought to make better use of its economic relationships across the region. Simpler procedures could help exporters reach new markets.

However, he cautioned that domestic measures would have limited impact while the country continued to face sanctions and external restrictions. Trade facilitation should accompany efforts to address barriers to international economic relations. Domestic reforms alone could not fully compensate for restrictions on financial transactions and commercial exchanges.

Katani said years of sanctions had already forced the government to reduce spending, leaving limited room for further cuts without affecting essential public services.

Much of the budget is directed toward core responsibilities such as healthcare and education. Eliminating public institutions or functions would therefore offer no easy solution to fiscal pressures.

One possible adjustment, he said, would be to limit public-sector wage increases to levels below inflation. The measure would affect household purchasing power.

Development spending faces particular uncertainty. Infrastructure projects are often among the first areas affected when budget deficits emerge, making it difficult to maintain funding under restrictive fiscal conditions.

Katani suggested outsourcing projects as one possible alternative, allowing the government to draw on private-sector capacity rather than relying entirely on public resources. This could help sustain infrastructure investment if appropriate financing and implementation arrangements were established.

For vulnerable households, he identified direct cash assistance as a way to provide support amid economic difficulties.

The government's fiscal strategy, Katani said, must balance revenue diversification with realistic spending priorities.