

According to national accounts data, in 1389, Rls. 576.5 trillion agricultural products, Rls. 1,423.9 trillion domestically manufactured products, and Rls. 707.4 trillion imported consumer goods entered the domestic distribution chain, raising the value-added of the domestic trade sector by 22.3 percent to Rls. 484.4 trillion at current prices.

In 1389, the share of domestic trade sector in GDP was 11.3 percent, indicating a slight rise as compared with the corresponding figure for 1388 (11.1 percent). In the review year, the value-added of domestic trade sector increased by 6.9 percent at constant 1376 prices. Furthermore, value-added of wholesale and retail distribution activities went up by 6.9 percent at constant 1376 prices.

Domestic Market Regulation and Essential Goods Procurement

The Ministry of Commerce is obligated to adopt appropriate measures and regulations for distribution of goods and services in the domestic market. The Ministry of Commerce is also responsible for the formulation and implementation of policies, aimed at procurement of essential goods, and constant oversight of the markets. Regulation and oversight of prices and national distribution networks as well as coordination and harmonization of measures related to distribution of goods and services are also within

the sphere of the responsibilities of the Ministry of Commerce.

Performance of Market Control Working Group

Government commitments to economic development always encompass domestic market regulation and control. Thus, in 1389, the Market Control Working Group adopted the following measures:

- Supervision of energy subsidy reform impacts during implementation of the Subsidy Reform Act, in coordination with the Subsidy Reform Committee;
- Formulation of the Plan for the secure strategic stock of essential goods, and communication of this Plan to relevant units;
- Formulation of executive plans and measures for the times of crisis or scarcity of commodities, special events such as the Month of Ramadan, the period when the Subsidy Reform Act was put into force (Dey through Esfand 1389), the start of the school year, and the end of the year event;
- Provision of financial support to the producers and distributors of essential goods, through coordination with the CBI and agent banks;
- Supervision of productive units' pricing of goods and services, as well as review and

adoption of the required measures pertaining to essential and subsidized goods in pursuance of the Subsidy Reform Act.

Imports and Stock of Major Foodstuffs

Based on the data released by the Government Trading Corporation of Iran (GTC), sugar and cube sugar stock shrank by almost 63.6 percent at end-1389. Wheat stock also declined by 14.4 percent to roughly 5.3 million tons.

In the review year, 9.3 thousand tons of red meat were imported by public sector. According to the data released by the State Livestock Affairs Logistics Company (SLAL), red meat stock reached approximately 2.4 thousand tons in 1389 year-end, up by over 54.3 percent compared with the respective figure for the preceding year.

Government Investment

In 1389, approved credits for the acquisition of non-financial-national assets of the domestic trade sector, including domestic market regulation and electronic commerce programs, declined by nearly 13.4 percent to Rls. 340 billion.

In this year, credits paid for the domestic market regulation program rose by 15.7 percent to almost Rls. 298.6 billion, showing a realization of nearly 112.8 percent.

Banking Facilities

Net outstanding facilities extended by banks and credit institutions to domestic trade sector increased by 33 percent to Rls. 304.5 trillion in 1389 year-end. Of this amount, net outstanding facilities extended

Table 7.1. Imports and Stock of Major Foodstuffs¹ (thousand tons)

		1388▲	1389	Percentage change
Wheat	Imports	0.0	0.0	0
	Year-end stock	6,201.9	5,311.1	-14.4
Sugar and cube sugar	Imports	0.0	0.0	0
	Year-end stock	72.5	26.4	-63.5
Red meat	Imports	14.3	9.3	-34.9
	Year-end stock	1.5	2.4	54.3

Source: Ministry of Commerce, and State Livestock Affairs Logistics Company (SLAL)

¹ Excludes the private sector.

Table 7.2. Credits for Acquisition of Non-financial-National Assets in Domestic Trade Sector (billion rials)

	Approved figures		Performance		Percentage of realization		Share (percent)	
	1388▲	1389	1388	1389	1388	1389	1388	1389
Domestic market regulation program ¹	339.3	264.6	258.1	298.6	76.1	112.8	91.7	85.2
E-commerce program	53.5	75.4	23.3	51.7	43.5	68.5	8.3	14.8
Total	392.8	340.0	281.4	350.3	71.6	103.0	100.0	100.0

Source: Budget Law for 1389, and Treasury General, Ministry of Economic Affairs and Finance

¹ Includes construction and development of silos; equipment, restoration and maintenance of wheat storage silos; construction of slaughterhouses and industrial refrigeration systems in various cities; construction of multi-purpose warehouses, provision and repair of machineries and equipment; and technical and credit assistance to private and cooperative sectors.

to non-public and public domestic trade sectors went up by 33.1 and 31.4 percent to Rls. 284.8 trillion and Rls. 19.7 trillion, respectively. Share of domestic trade sector in net outstanding banking facilities extended to "trade, services and miscellaneous" sector was 36.5 percent, and to all economic sectors 11.4 percent.

Review of banks' and credit institutions' performance indicates the lion's share of 93.5 percent in net outstanding facilities extended to the non-public domestic trade sector, which remained relatively unchanged compared with the same period previous year. Share of commercial and specialized banks in total net outstanding facilities extended to domestic trade sector reached 66.2 percent.

Trade Transactions

The number of transactions registered in notary offices increased by 11 percent to almost 3.7 million in 1389. Of total transactions, about 35 percent were related to Tehran Province, up by 10.3 percent compared with 1388.

Cooperatives

The number of cooperatives active in procurement and distribution of goods and

services to producers, consumers, and service sector associations registered in 1389 declined by 4.9 percent to 254. The initial capital of these cooperatives picked up by 36.8 percent to Rls. 26 billion when compared with 1388. Employment opportunities created by these cooperatives went down by 10.7 percent to 2,280 persons.

In the review year, the amount invested per employed person rose by 53.2 percent to Rls. 11.4 million, compared with 1388. The amount invested per employed person for producer cooperatives reached Rls. 4.6 million, consumer cooperatives Rls. 19.8 million, and service sector cooperatives Rls. 4.5 million.

The members of these cooperatives increased by 92.7 percent to approximately 44.7 thousand persons compared with the respective figure for the preceding year. The highest number of members by 42.5 thousand belonged to the cooperatives active in procurement of consumers' needs, up by 112.7 percent as compared with the previous year. The capital contribution of each member of producer cooperatives was Rls. 2.6 million, consumer cooperatives Rls. 0.5 million, and service sector cooperatives Rls. 2.5 million.

Table 7.3. Net Outstanding Facilities Extended by Banks and Credit Institutions to Domestic Trade Sector¹

	1387	1388	1389	Percentage change		Share (percent)	
				1388	1389	1388	1389
Public and non-public sectors	196,099.5	228,922.0	304,541.0	16.7	33.0	100.0	100.0
Non-public sector	183,218.0	213,904.1	284,806.4	16.7	33.1	93.4	93.5
Commercial banks	95,447.5	121,541.7	179,089.4	27.3	47.3	53.1	58.8
Specialized banks	589.8	2,975.1	2,774.3	404.4	-6.7	1.3	0.9
Private banks and credit institutions	87,180.7	89,387.3	102,942.7	2.5	15.2	39.0	33.8
Public sector	12,881.5	15,017.9	19,734.6	16.6	31.4	6.6	6.5
Commercial banks	12,835.7	15,017.9	19,734.6	17.0	31.4	6.6	6.5
Specialized banks	45.8	0.0	0.0	-100.0	0	0.0	0.0
Private banks and credit institutions	0.0	0.0	0.0	0	0	0.0	0.0

¹ Excludes profit and revenue receivables.

Table 7.4. Cooperatives

	1388	1389	Percentage change
Members	23,190	44,683	92.7
Procurement of producers' needs	2,225	1,486	-33.2
Procurement of consumers' needs	19,967	42,471	112.7
Procurement of service sector associations' needs	998	726	-27.3
Number	267	254	-4.9
Procurement of producers' needs	89	91	2.2
Procurement of consumers' needs	122	121	-0.8
Procurement of service sector associations' needs	56	42	-25.0
Capital (million rials)	19,038	26,042	36.8
Procurement of producers' needs	4,540	3,931	-13.4
Procurement of consumers' needs	13,710	20,306	48.1
Procurement of service sector associations' needs	788	1,805	129.1
Employment (person)	2,553	2,280	-10.7
Procurement of producers' needs	816	850	4.2
Procurement of consumers' needs	1,222	1,026	-16.0
Procurement of service sector associations' needs	515	404	-21.6

Source: Deputy of Planning and Programming, Ministry of Cooperative

Business Establishments

According to the data released by Iran Trade and Traders Center¹, at end-1389, total entities holding business permits increased by 26 percent to 1.8 million units. Of this figure, the share held by distribution units

reached 47.5 percent, services units 32.7 percent, and manufacturing units 19.9 percent. Among these entities, the number of services units holding a business permit enjoyed the highest growth by 67 percent.

Table 7.5. Number of Entities Holding Business Permits¹ (thousand units)

	1387	1388	1389	Percentage change		Share (percent)	
				1388	1389	1388	1389
Total business establishments	1,206.2	1,428.8	1,800.1	18.5	26.0	100.0	100.0
Manufacturing	267.5	308.2	357.9	15.2	16.1	21.6	19.9
Distribution	635.6	768.7	854.4	20.9	11.2	53.8	47.5
Services ²	303.1	351.9	587.8	16.1	67.0	24.6	32.7

Source: Ministry of Commerce, Iran Trade and Traders Center

¹Data refer to cities with business establishments.

²Due to reclassification of figures in 1387, services include "services" and "technical services" units.

¹ In accordance with Article 4, Trade System Law, and Iran Trade and Traders Center classification in 1387, business establishments are classified by type of activity into manufacturing, distribution, and services units.