

According to the preliminary data on national accounts, in 1391, the value-added of the domestic trade sector decreased by 8.8 percent, at constant 1383 prices. The value-added of this sector grew by 21.5 percent to Rls. 1,043.6 trillion, at current prices. This growth resulted from the production of domestic agricultural and industrial commodities worth Rls. 898.2 trillion and Rls. 2,646.1 trillion, respectively, as well as the supply of imported goods into the domestic market valued at Rls. 1,241.9 trillion.

In 1391, the share of domestic trade sector in GDP was 14.7 percent, indicating 0.9 percentage point increase as compared with the corresponding figure for 1390 (13.8 percent).

### **Domestic Market Regulation and Essential Goods Procurement**

In order to regulate the domestic market, the government takes measures for the formulation and implementation of trade policies and regulations, and maintenance of equilibrium between the domestic and imported goods markets through constant supervision. 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 government in this regard.

### ***Performance of Market Control Working Group***

Government commitment to economic development always encompasses domestic market regulation and control. Thus, the Market Control Working Group held 32 meetings during 1391 and agreed on 42 approvals for the supply and storage of basic goods and market clearing measures in the domestic market, with the aim of supporting consumers and producers. Moreover, in order to offset the adverse effects of imposed economic restrictions, the group formed some specialized committees, adopted measures for the removal of legal impediments, and took the following essential approaches to facilitate the imports of strategic goods:

- Priority setting for essential goods and preparation of the schedule for these commodities supply;
- Facilitating transportation and Customs procedures for goods transported by sea (elimination of extra charges on Iranian ships sailing under a foreign flag);
- Introducing the qualified importers of essential goods to receive foreign exchange at reference rate; and
- Controlling the supply and pricing procedures for strategic goods.

### Imports and Stock of Major Foodstuffs

According to the data released by the Government Trading Corporation of Iran (GTC), wheat stock increased by 9.9 percent in 1391 year-end to 2.7 million tons. This was attributable to remarkable wheat imports by the government.

A total of 32.6 thousand tons of red meat were imported by the public sector in 1391. Based on the data released by the State Livestock Affairs Logistics Company (SLAL), red meat stock reached approximately 18.3 thousand tons at end-1391, indicating a remarkable increase compared with the respective figure for the preceding year.

### Government Investment

In 1391, approved credits for the acquisition of non-financial–national assets of the

domestic trade sector, including domestic market regulation and electronic commerce programs, decreased by nearly 30.5 percent to Rls. 898.5 billion.

In this year, credits paid for the domestic market regulation program fell by 85.4 percent to approximately Rls. 157.4 billion, showing a realization of about 20.0 percent.

### Banking Facilities

Net outstanding facilities extended by banks and non-bank credit institutions to domestic trade sector increased by 9.1 percent to Rls. 402.0 trillion in 1391 year-end. Net outstanding facilities extended to non-public domestic trade sector went up by 8.0 percent to Rls. 380.8 trillion, and the amount extended to public domestic trade sector rose by 35.4 percent to Rls. 21.1 trillion. Share of

**Table 7.1. Imports and Stock of Major Foodstuffs<sup>1</sup>** (thousand tons)

		1390▲	1391	Percentage change
Wheat	Imports	0.0	5,701.2	θ
	Year-end stock	2,482.7	2,727.8	9.9
Sugar and cube sugar	Imports <sup>2</sup>	180.0	506.2	181.2
	Year-end stock	2.0	..	θ
Red meat	Imports	1.1	32.6	⊞
	Year-end stock	0.4	18.3	⊞

Source: Government Trading Corporation of Iran (GTC) and State Livestock Affairs Logistics Company (SLAL)

<sup>1</sup> Excludes the private sector.

<sup>2</sup> Based on approved figures

**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)	
	1390	1391	1390	1391	1390	1391	1390	1391
Domestic market regulation program <sup>1</sup>	1,185.9	786.6	1,078.9	157.4	91.0	20.0	92.2	63.4
E-commerce program <sup>2</sup>	106.8	111.9	91.3	90.8	85.5	81.2	7.8	36.6
<b>Total</b>	<b>1,292.7</b>	<b>898.5</b>	<b>1,170.2</b>	<b>248.1</b>	<b>90.5</b>	<b>27.6</b>	<b>100.0</b>	<b>100.0</b>

Source: Budget Laws for 1390 and 1391, and Treasury General, Ministry of Economic Affairs and Finance

<sup>1</sup> Includes equipment, restoration, and maintenance of wheat storage silos; repair and maintenance of machineries and equipment; provision of technical and credit assistance for the maintenance and processing of agricultural products; establishment of wheat storage silos; renovation of bakeries; provision of raw materials for hand-woven carpets; and construction of carpet-weaving establishments.

<sup>2</sup> Includes development of systems for the communication and information technology advancements in the Ministry of Industry, Mine, and trade; launching of electronic services systems in the Customs offices around the country; and provision of infrastructure for facilitation of electronic commerce.

domestic trade sector in net outstanding banking facilities extended to "trade, services, and miscellaneous" sector was 30.3 percent and in net outstanding facilities extended to all economic sectors, 9.9 percent.

In 1391, the non-public domestic trade sector enjoyed the highest share of outstanding facilities (net) extended by the banking sector by 94.7 percent.

### Trade Transactions

The number of transactions registered in notary offices increased by 7.2 percent to almost 4.3 million in 1391. About 30.8 percent of total transactions were related to Tehran Province, down by 9.7 percent compared with 1390.

### Cooperatives

Reviewing the performance of operating cooperatives<sup>1</sup> across the country by end-1391 reveals that out of 76.2 thousand operating cooperatives, about 7.1 thousand were active in the fields of procurement and distribution of goods and services among producers, consumers, and services sector associations<sup>2</sup>, showing 1.2 percent increase compared with 1390 year-end. Total registered capital

of these cooperatives amounted to Rls. 17.2 trillion, indicating 0.1 percent increase compared with 1390 year-end. The number of employment opportunities created by cooperatives active in the domestic trade sector rose by 2.8 percent to 262 thousand. By end-1391, the number of the members of the mentioned cooperatives was 6.2 million persons, up by 0.2 percent compared with 1390 year-end. Furthermore, the highest number of cooperatives was related to those cooperatives active in the field of "procurement of consumers' needs", constituting 71.2 percent of total cooperatives active in the domestic trade sector in 1391.

### Business Establishments

According to the data released by Iran Trade and Traders Center, at end-1391, total entities holding business permits decreased by 2.3 percent to 2,014.1 thousand units. It is to be noted that 45.5 percent of these business establishments were distribution units, 32.2 percent were services units, and 22.3 percent were manufacturing units. Among these entities, the number of manufacturing units holding a business permit experienced 9.2 percent growth while distribution and services units experienced 4.8 and 5.6 percent reduction, respectively.

**Table 7.3. Net Outstanding Facilities Extended by Banks and Non-bank Credit Institutions to Domestic Trade Sector<sup>1</sup>**

	1389	1390	1391	Percentage change		Share (percent)	
				1390	1391	1390	1391
<b>Public and non-public sectors</b>	<b>304,541.0</b>	<b>368,394.3</b>	<b>401,980.0</b>	<b>21.0</b>	<b>9.1</b>	<b>100.0</b>	<b>100.0</b>
Non-public sector	284,806.4	352,783.0	380,835.8	23.9	8.0	95.8	94.7
Public sector	19,734.6	15,611.3	21,144.2	-20.9	35.4	4.2	5.3

(billion rials)

<sup>1</sup> Excludes profit and revenue receivables.

<sup>1</sup> By end-1391, a total of 187.2 thousand cooperatives were registered. However, only 76.2 thousand cooperatives were active and operating. The conditions for the remaining cooperatives were defined as under construction (18.3 thousand), inoperative (49.2 thousand), dissolved, etc.

<sup>2</sup> Other types of cooperatives are as follows: credit unions, new generation cooperatives, multipurpose cooperatives, services cooperatives, industrial cooperatives, utility cooperatives, hand-woven carpets cooperatives, agricultural cooperatives, housing cooperatives, and transport cooperatives.

**Table 7.4. Cooperatives Active in Domestic Trade Sector**

	1390	1391	Percentage change	
			1390	1391
<b>Number</b>	<b>7,035</b>	<b>7,120</b>	<b>2.6</b>	<b>1.2</b>
Procurement of producers' needs	1,574	1,630	4.1	3.6
Procurement of services sector associations' needs	407	420	19.0	3.2
Procurement of consumers' needs	5,054	5,070	1.0	0.3
<b>Capital (billion rials)</b>	<b>17,209</b>	<b>17,221</b>	<b>0.1</b>	<b>0.1</b>
Procurement of producers' needs	3,108	3,113	0.2	0.2
Procurement of services sector associations' needs	3,677	3,680	*	0.1
Procurement of consumers' needs	10,424	10,428	0.1	*
<b>Employment opportunities (thousand persons)</b>	<b>255</b>	<b>262</b>	<b>1.0</b>	<b>2.8</b>
Procurement of producers' needs	23	30	3.4	29.3
Procurement of services sector associations' needs	59	60	1.4	0.3
Procurement of consumers' needs	173	173	0.6	0.1
<b>Members (thousand persons)</b>	<b>6,222</b>	<b>6,236</b>	<b>1.6</b>	<b>0.2</b>
Procurement of producers' needs	224	230	1.1	2.8
Procurement of services sector associations' needs	102	102	1.4	0.3
Procurement of consumers' needs	5,896	5,904	1.6	0.1

Source: Statistics and Strategic Information Center, Ministry of Cooperatives, Labor, and Social Welfare

**Table 7.5. Number of Entities Holding Business Permits<sup>1</sup>** (thousand units)

	Year-end			Percentage change		Share (percent)	
	1389	1390	1391	1390	1391	1390	1391
<b>Total business establishments</b>	<b>1,800.1</b>	<b>2,060.5</b>	<b>2,014.1</b>	<b>14.5</b>	<b>-2.3</b>	<b>100.0</b>	<b>100.0</b>
Manufacturing	357.9	411.2	448.9	14.9	9.2	20.0	22.3
Distribution	854.4	962.6	916.7	12.7	-4.8	46.7	45.5
Services	587.8	686.7	648.5	16.8	-5.6	33.3	32.2

Source: Ministry of Industry, Mine, and Trade and Iran Trade and Traders Center

<sup>1</sup>Data refer to cities with business establishments.