

According to the preliminary data on national accounts, in 1392, the value-added of the domestic trade sector decreased by 5.0 percent, at constant 1383 prices. The value-added of this sector grew by 28.0 percent to Rls. 1,335.8 trillion, at current prices. This growth resulted from the production of domestic agricultural and industrial commodities worth Rls. 1,492.5 trillion and Rls. 3,230.9 trillion, respectively, as well as the supply of imported goods into the domestic market valued at Rls. 1,489.5 trillion.

In 1392, the share of domestic trade sector in GDP was 14.3 percent, indicating 0.4 percentage point decrease as compared with the corresponding figure for 1391 (14.7 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***

The challenges facing the government for achieving economic development goals involve constant domestic market regulation and control. Thus, the Market Control Working Group was established in 1387 and later continued its market regulation and control activities during the term of the 10<sup>th</sup> government, upon making minor changes in the manner and conditions of membership in 1388.

In order to better implement the Subsidy Reform Plan and facilitate inter-agency coordination, the Market Control Working Group meetings were transferred to the President's Office in Shahrivar 1389, under the chairmanship of the First Vice President. With intensification of economic sanctions as of late-1390, meetings of the Working Group were held on a weekly basis and as of Tir 1391, the decisions of the Working Group were stipulated in its meeting minutes as binding. The mentioned Working Group was dissolved<sup>1</sup> in Shahrivar 1392 with the commencement of the new government. The Working Group was reestablished in Bahman 1392 with the aim of policymaking, supervising the procurement and management of essential goods, pricing, and analyzing the Subsidy Reform Plan impacts on prices of goods and services.

<sup>1</sup>Based on Cabinet Approval No. H43505T/114247 dated Shahrivar 3, 1392.

**Imports and Stock of Major Foodstuffs**

According to the data released by the Government Trading Corporation of Iran (GTC), wheat stock decreased by 42.0 percent in 1392 year-end to 950 thousand tons.

A total of 12.2 thousand tons of red meat were imported by the public sector in 1392. Based on the data released by the State Livestock Affairs Logistics Company (SLAL), red meat stock reached approximately 9.8 thousand tons at end-1392, indicating 50.1 percent decrease compared with the respective figure for the preceding year.

**Government Investment**

In 1392, approved credits for the acquisition of non-financial–national assets of the

domestic trade sector, including domestic market regulation and electronic commerce programs, increased by nearly 1.6 percent to Rls. 913.1 billion.

In this year, credits paid for the domestic market regulation program rose by almost 88.3 percent to Rls. 296.3 billion, showing a realization of about 40.0 percent.

**Banking Facilities**

Net outstanding facilities extended by banks and non-bank credit institutions to domestic trade sector increased by 14.6 percent to Rls. 460.8 trillion in 1392 year-end. Net outstanding facilities extended to

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

		1391 ▲	1392	Percentage change
Wheat	Imports	5,716.0	3,402.0	-40.4
	Year-end stock	1,639.0	950.0	-42.0
Sugar and cube sugar	Imports <sup>2</sup>	506.0	588.0	16.2
	Year-end stock	437.0	531.0	21.5
Red meat	Imports	32.6	12.2	-62.7
	Year-end stock	19.7	9.8	-50.1

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)	
	1391	1392	1391	1392	1391	1392	1391	1392
Domestic market regulation program <sup>1</sup>	786.6	741.6	157.4	296.3	20.0	40.0	63.4	71.7
E-commerce program <sup>2</sup>	111.9	171.5	90.8	116.9	81.2	68.2	36.6	28.3
<b>Total</b>	<b>898.5</b>	<b>913.1</b>	<b>248.1</b>	<b>413.2</b>	<b>27.6</b>	<b>45.3</b>	<b>100.0</b>	<b>100.0</b>

Source: Budget Laws for 1391 and 1392, 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.

non-public domestic trade sector went up by 16.5 percent to Rls. 443.8 trillion, and the amount extended to public domestic trade sector fell by 19.9 percent to Rls. 16.9 trillion. Share of domestic trade sector in net outstanding banking facilities extended to "trade, services, and miscellaneous" sector was 28.1 percent and in net outstanding facilities extended to all economic sectors, 9.3 percent.

In 1392, the non-public domestic trade sector enjoyed the highest share of outstanding facilities (net) extended by the banking sector by 96.3 percent.

### Trade Transactions

The number of transactions registered in notary offices decreased by 4.6 percent to almost 4.1 million in 1392. About 30.2 percent of total transactions were related to Tehran Province, down by 6.6 percent compared with 1391.

### Cooperatives

Reviewing the performance of operating cooperatives<sup>1</sup> across the country in 1392 reveals that of total 79.2 thousand active cooperatives, 7.2 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 0.9 percent increase compared with 1391. Total registered capital of these cooperatives amounted to Rls. 17.3 trillion, indicating 0.2 percent increase compared with 1391. The number of employment opportunities created by cooperatives active in the domestic trade sector increased by 1.4 percent to 266 thousand. By end-1392, the number of the members of the mentioned cooperatives was 6.2 million persons, up by 0.2 percent compared with 1391 year-end. Furthermore, the highest number of cooperatives was related to those cooperatives active in the field of "procurement of consumers' needs", constituting 70.9 percent of total cooperatives active in the domestic trade sector in 1392.

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

	(trillion rials)						
	1390	1391	1392	Percentage change		Share (percent)	
				1391	1392	1391	1392
<b>Public and non-public sectors</b>	<b>368.4</b>	<b>402.0</b>	<b>460.8</b>	<b>9.1</b>	<b>14.6</b>	<b>100.0</b>	<b>100.0</b>
Non-public sector	352.8	380.8	443.8	8.0	16.5	94.7	96.3
Public sector	15.6	21.1	16.9	35.4	-19.9	5.3	3.7

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

<sup>1</sup> By end-1392, a total of 195 thousand cooperatives were registered. However, only 79.2 thousand cooperatives were active and operating. The conditions for the remaining cooperatives were defined as under construction (22.6 thousand), inoperative (49.5 thousand), dissolved, etc.

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

**Business Establishments**

According to the data released by Iran Trade and Traders Center, at end-1392, total entities holding business permits increased by 3.2 percent to 2,079.1 thousand units. It is to be noted that 45.7 percent of these business establishments were distribution units, 33.1 percent were services units, and

21.2 percent were manufacturing units. Among these entities, the number of manufacturing units holding a business permit experienced 1.8 percent decrease while distribution and services units registered respectively 3.6 and 6.2 percent increase in 1392.

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

	1391	1392	Percentage change	
			1391	1392
<b>Number</b>	<b>7,120</b>	<b>7,184</b>	<b>1.2</b>	<b>0.9</b>
Procurement of producers' needs	1,630	1,662	3.6	2.0
Procurement of services sector associations' needs	420	430	3.2	2.4
Procurement of consumers' needs	5,070	5,092	0.3	0.4
<b>Capital (billion rials)</b>	<b>17,221</b>	<b>17,253</b>	<b>0.1</b>	<b>0.2</b>
Procurement of producers' needs	3,113	3,115	0.2	0.1
Procurement of services sector associations' needs	3,680	3,699	0.1	0.5
Procurement of consumers' needs	10,428	10,439	*	0.1
<b>Employment opportunities (thousand persons)</b>	<b>262</b>	<b>266</b>	<b>2.8</b>	<b>1.4</b>
Procurement of producers' needs	30	30	29.3	2.8
Procurement of services sector associations' needs	60	61	0.3	2.0
Procurement of consumers' needs	173	175	0.1	1.0
<b>Members (thousand persons)</b>	<b>6,236</b>	<b>6,248</b>	<b>0.2</b>	<b>0.2</b>
Procurement of producers' needs	230	231	2.8	0.6
Procurement of services sector associations' needs	102	104	0.3	1.4
Procurement of consumers' needs	5,904	5,912	0.1	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)	
	1390	1391	1392	1391	1392	1391	1392
<b>Total business establishments</b>	<b>2,060.5</b>	<b>2,014.1</b>	<b>2,079.1</b>	<b>-2.3</b>	<b>3.2</b>	<b>100.0</b>	<b>100.0</b>
Manufacturing	411.2	448.9	440.9	9.2	-1.8	22.3	21.2
Distribution	962.6	916.7	949.3	-4.8	3.6	45.5	45.7
Services	686.7	648.5	688.9	-5.6	6.2	32.2	33.1

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

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