

According to the preliminary data on national accounts, in 1393, the value-added of the domestic trade sector increased by 3.7 percent, at constant 1383 prices. The value-added of this sector grew by 18.8 percent to Rls. 1,586.9 trillion, at current prices. This growth resulted from the production of domestic agricultural and industrial commodities worth Rls. 1,666.1 trillion and Rls. 3,786.7 trillion, respectively, as well as the supply of imported goods into the domestic market valued at Rls. 1,964.3 trillion.

In 1393, the share of domestic trade sector in GDP was 14.7 percent, indicating about 0.4 percentage point rise as compared with the corresponding figure for 1392 (14.3 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 the Consumers and Producers Protection Organization

The objectives of the Consumers and Producers Protection Organization are as follows:

- Support of domestic producers and consumers against irregular and abnormal price fluctuations;

- Adjustment and balance of imported and domestically produced goods and services through research and design of appropriate operational plans;

- Promotion of exports and export incentive structures;

- Supervision and oversight of prices and distribution of domestically produced and imported goods and services (under the coverage), in all sectors of the economy, such as public, cooperative, and non-public sectors;

- Supervision and oversight of prices and administrative court's investigation on the breaching of regulations;

- Formulation and execution of efficient methods in inspection and oversight; and

- Oversight of distribution networks of goods and services, and combating supply and distribution of smuggled goods.

Imports and Stock of Major Foodstuffs

According to the data released by the Government Trading Corporation of Iran (GTC), wheat stock increased by 420.3 percent in 1393 year-end to 4.9 million tons.

A total of 4.6 thousand tons of red meat were imported by the public sector in 1393. Based on the data released by the State Livestock Affairs Logistics Company (SLAL), red meat stock reached approximately 1.7 thousand tons at end-1393, down by 82.5 percent compared with 1392.

Government Investment

In 1393, approved credits for the acquisition of non-financial–national assets of the domestic trade sector, including domestic market regulation and electronic commerce programs, fell by about 53.6 percent to Rls. 423.8 billion.

In this year, credits paid for the domestic market regulation program went down by almost 33.1 percent to Rls. 198.1 billion, showing a realization of 57.1 percent compared with the approved figure.

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

		1392▲	1393	Percentage change
Wheat	Imports	3,199.0	5,277.0	65.0
	Year-end stock	949.9	4,942.8	420.3
Sugar and cube sugar	Imports	578.0	261.5	-54.8
	Year-end stock	532.0	448.3	-15.7
Red meat	Imports	12.2	4.6	-62.5
	Year-end stock	9.8	1.7	-82.5

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

¹Excludes 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)	
	1392	1393	1392	1393	1392	1393	1392	1393
Domestic market regulation program ¹	741.6	346.9	296.3	198.1	40.0	57.1	71.7	76.2
E-commerce program ²	171.5	76.9	116.9	61.8	68.2	80.4	28.3	23.8
Total	913.1	423.8	413.2	259.9	45.3	61.3	100.0	100.0

Source: Budget Laws for 1392 and 1393, and Treasury General, Ministry of Economic Affairs and Finance.

¹Includes 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.

²Includes 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.

Banking Facilities

Net outstanding facilities extended by banks and non-bank credit institutions to trade sector increased by 12.1 percent to Rls. 516.4 trillion in 1393 year-end. Net outstanding facilities extended to non-public domestic trade sector went up by 14.1 percent to Rls. 506.5 trillion, and the amount extended to public domestic trade sector fell by 41.6 percent to Rls. 9.9 trillion. Share of domestic trade sector in net outstanding banking facilities extended to "trade, services, and miscellaneous" sector was 25.9 percent and in net outstanding facilities extended to all economic sectors, 8.5 percent.

In 1393, the non-public domestic trade sector enjoyed the highest share of outstanding facilities (net) extended by the banking sector by 98.1 percent.

Trade Transactions

Total number of transactions registered in notary offices decreased by 21.9 percent to almost 16.1 million in 1393.

Cooperatives

Reviewing the performance of operating cooperatives¹ across the country by end-1393 reveals that of total 80.5 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 associations², showing 0.5 percent increase compared with end-1392. Total registered capital of these cooperatives amounted to Rls. 17.3 trillion, indicating 0.2 percent increase compared with 1392. The number of employment opportunities created by cooperatives active in the domestic trade sector increased by 0.3 percent to 267 thousand. By end-1393, the number of the members of the mentioned cooperatives was 6.3 million persons, up by 0.1 percent compared with 1392 year-end. Furthermore, the highest number of cooperatives was related to those cooperatives active in the field of "procurement of consumers' needs", constituting 70.7 percent of total cooperatives active in the domestic trade sector in 1393.

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

	(trillion rials)						
				Percentage change		Share (percent)	
	1391	1392	1393	1392	1393	1392	1393
Public and non-public sectors	402.0	460.8	516.4	14.6	12.1	100.0	100.0
Non-public sector	380.8	443.8	506.5	16.5	14.1	96.3	98.1
Public sector	21.1	16.9	9.9	-19.9	-41.6	3.7	1.9

¹ Excludes profit and revenue receivables.

¹ By end-1393, a total of 199 thousand cooperatives were registered. However, only 80.5 thousand cooperatives were active and operating. The conditions for the remaining cooperatives were defined as under construction (25.5 thousand), inoperative (49.5 thousand), dissolved, etc.

² 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-1393, total entities holding business permits increased by 13.8 percent to 1,830.6 thousand units. It is to be noted that 47.8 percent of these business establishments were distribution

units, 30.4 percent were services units, and 21.8 percent were manufacturing units. Among these entities, the number of services, distribution, and manufacturing units holding a business permit experienced 15.6, 13.8, and 11.5 percent increase in 1393.

Table 7.4. Cooperatives Active in Domestic Trade Sector

	1392	1393	Percentage change	
			1392	1393
Number	7,184	7,223	0.9	0.5
Procurement of producers' needs	1,662	1,682	2.0	1.2
Procurement of services sector associations' needs	430	433	2.4	0.7
Procurement of consumers' needs	5,092	5,108	0.4	0.3
Capital (billion rials)	17,253	17,279	0.2	0.2
Procurement of producers' needs	3,115	3,118	0.1	0.1
Procurement of services sector associations' needs	3,699	3,700	0.5	*
Procurement of consumers' needs	10,439	10,462	0.1	0.2
Employment opportunities (thousand persons)	266	267	1.4	0.3
Procurement of producers' needs	30	31	2.8	0.8
Procurement of services sector associations' needs	61	61	2.0	0.2
Procurement of consumers' needs	175	175	1.0	0.2
Members (thousand persons)	6,248	6,253	0.2	0.1
Procurement of producers' needs	231	232	0.6	0.3
Procurement of services sector associations' needs	104	104	1.4	0.2
Procurement of consumers' needs	5,912	5,917	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 Permits¹ (thousand units)

	Year-end			Percentage change		Share (percent)	
	1391	1392▲	1393	1392	1393	1392	1393
Total business establishments	2,014.1	1,608.1	1,830.6	-20.2	13.8	100.0	100.0
Manufacturing	448.9	357.2	398.3	-20.4	11.5	22.2	21.8
Distribution	916.7	769.3	875.4	-16.1	13.8	47.8	47.8
Services	648.5	481.6	556.9	-25.7	15.6	29.9	30.4

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

¹Data refer to cities with business establishments.