

**No. 27**  
**Fourth Quarter**  
**1380**  
*(2001/2002)*

**Key Economic Indicators**

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Industry  
Construction  
Price Trends

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Bank Deposit and Lending Rates  
Tehran Stock Exchange Activities

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Summary of the Current Monetary and Foreign Exchange Policies

*In the Name of God*

**Key Economic Indicators**

**Population & Human Resources (1380)**

Population	64.9 million
Urban	41.9 million
Rural	23.0 million
Population Growth	1.6 percent
Population Density	39.8 per Sq Km
Active Population	19.1 million
Employed Population	16.1 million
Literacy Rate (1379):	
6 years and over	84.4 percent
6-29 years	97.0 percent

**Real Sector (1380)**

GDP Growth (1369=100)	4.8 percent
Non- oil GDP Growth	6.0 percent
GDP Growth (3 <sup>rd</sup> FYDP):	
Average period	6.0 percent
1380	5.5 percent
GDP (current prices)	Rls. 662,514 billion
Gross Fixed Capital Formation (current prices)	Rls. 197,834 billion
Private Consumption Expenditures	Rls. 302,264 billion
Public Consumption Expenditures	Rls. 97,219 billion
Per Capita Income (current prices)	Rls.8,519 thousand
Inflation Rate (average period):	
1380	11.4 percent
3 <sup>rd</sup> FYDP (target) :	
Average period	15.9 percent
1380	17.5 percent

**Govt. Fiscal Situation (1380)**

Revenues	Rls. 125,480 billion
Expenditures	Rls. 128,860 billion
Expenditures/GDP (1380)	19.4 percent
Budget Deficit/GDP (1380)	0.5 percent

**External Sector (1380)**

Current Account Balance	US\$ 5,256 million
Trade Balance	US\$ 5,578 million
Exports	US\$ 23,716 million
Imports (FOB)	US\$ 18,138 million
Total Foreign Debts (end of the period)	US\$ 7,081 million
Exchange Rate (IRR/US\$)	(Q4, average)
Oil – Notional	1,752.50
Certificate of Deposit	7,924.00

**Monetary Sector (1380)**

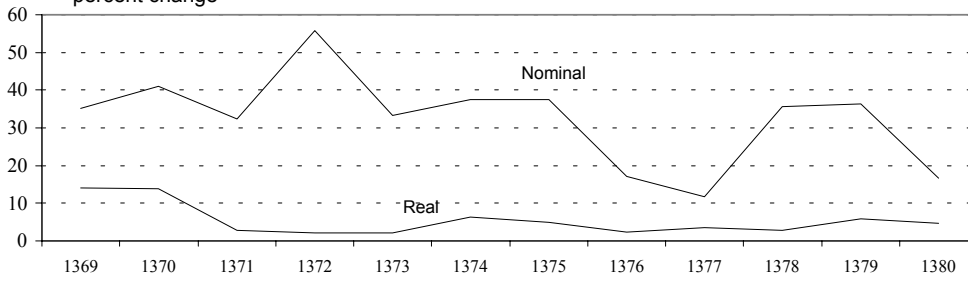
Liquidity Growth (M <sub>2</sub> )	28.8 percent
Money Growth (M <sub>1</sub> )	24.9 percent
Quasi-Money Growth (QM)	32.2 percent
Growth of Non-public Sector Deposits	30.3 percent

**Tehran Stock Exchange (1380)**

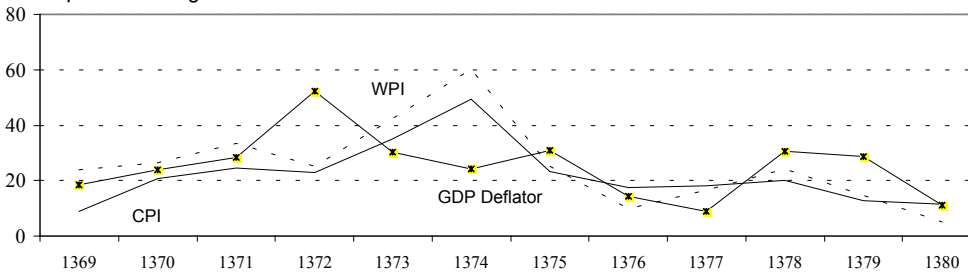
Share Price Index (end of the period)	3,758.77 units
Value of Transactions	Rls. 7,830.9 billion
Number of Transacted Shares	1,705.6 million

## Major Economic Trends

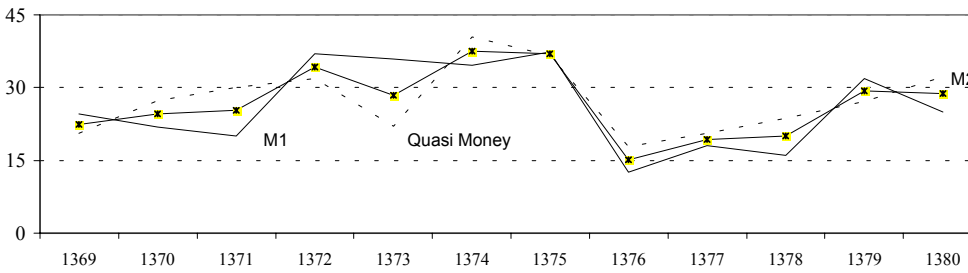
**GDP Growth**  
percent change



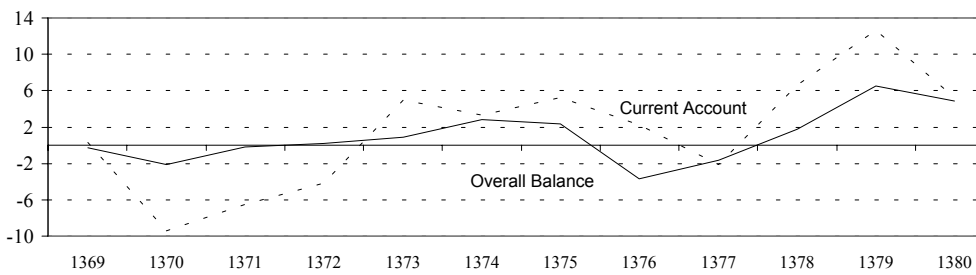
**Inflation**  
percent change



**Monetary Aggregates**  
percent change

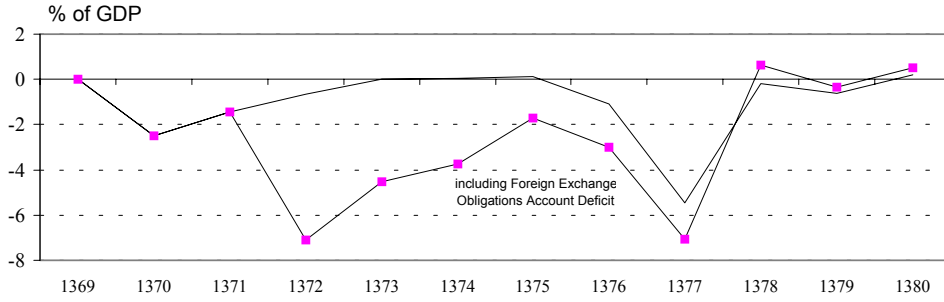


**External Sector**  
billion U.S.dollar

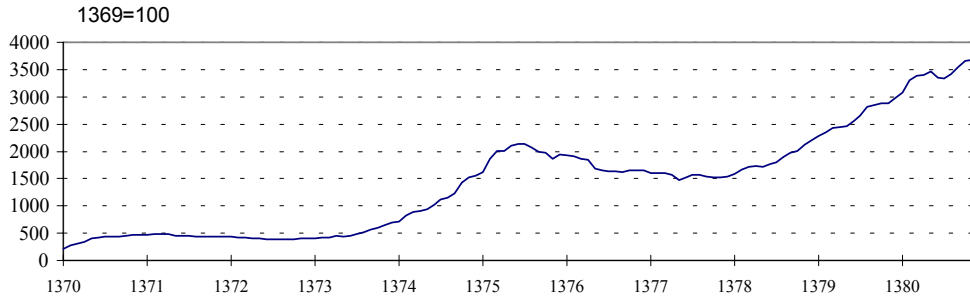


## Major Economic Trends

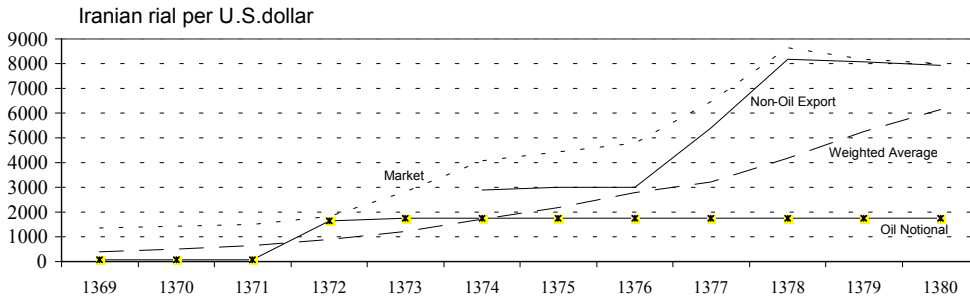
### Government Budget Deficit



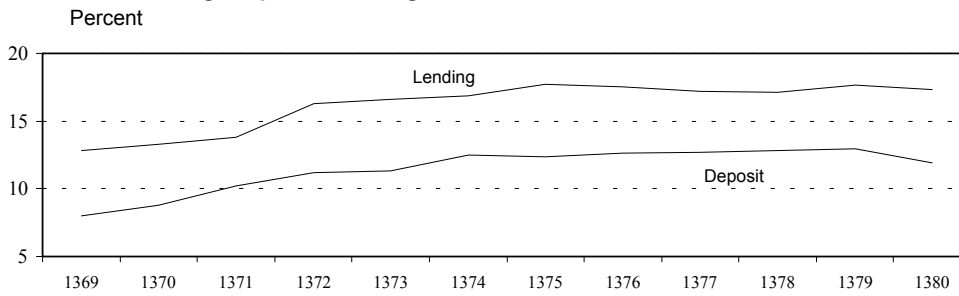
### Share Price Index



### Exchange Rate



### Banks' Average Deposit & Lending Rates



**National Accounts (at Current Prices)(1)**
*(billion rials)*

	GDP at Base Price	Sectoral value- added								
		Oil	Non-oil	Agriculture	Manufacturing & Mining (2)	Industry & Mine	Construction	Services(3)		
(Figures in parentheses indicate share percent)										
1377	324,357.9 (100.0)	27,952.3 (8.6)	296,405.6 (91.4)	56,364.0 (17.4)	61,880.2 (19.1)	45,873.6 (14.1)	12,605.9 (3.9)	178,161.4 (54.9)		
1378	428,297.9 (100.0)	62,839.0 (14.7)	365,458.9 (85.3)	64,140.1 (15.0)	81,815.9 (19.1)	60,321.5 (14.1)	17,300.8 (4.0)	219,502.9 (51.3)		
1379	567,590.7 (100.0)	101,055.1 (17.8)	466,535.6 (82.2)	77,159.2 (13.6)	107,614.8 (19.0)	78,701.1 (13.9)	21,694.7 (3.8)	281,761.6 (49.6)		
1380*	662,513.5 (100.0)	100,261.8 (15.1)	562,251.7 (84.9)	89,125.4 (13.5)	133,456.4 (20.1)	98,440.4 (14.9)	26,424.1 (4.0)	339,669.9 (51.3)		
	Gross Domestic Expenditure	Consumption Expenditures		Gross Fixed Capital Formation				Net Export	National Income	Gross National Savings
		Private	Public	Private		Public				
(Figures in parentheses indicate share percent)										
1377	324,796.0 (100.0)	180,327.1 (55.5)	50,166.3 (15.4)	50,664.4 (15.6)	17,245.4 (5.3)	10,809.7 (3.3)	19,991.6 (6.2)	-6,420.4 (-2.0)	263,319.1	91,760.5
1378	428,738.7 (100.0)	219,030.2 (51.1)	61,384.9 (14.3)	66,642.8 (15.5)	22,144.3 (5.2)	14,371.3 (3.4)	28,258.1 (6.6)	29,898.0 (7.0)	349,574.3	151,599.7
1379	568,197.4 (100.0)	259,975.2 (45.8)	79,801.5 (14.0)	96,835.1 (17.0)	28,558.4 (5.0)	14,902.8 (2.6)	31,792.7 (5.6)	34,566.9 (6.1)	466,498.2	211,861.8
1380*	664,779.0 (100.0)	302,264.3 (45.5)	97,219.2 (14.6)	115,602.7 (17.4)	32,653.6 (4.9)	17,483.7 (2.6)	32,093.9 (4.8)	10,912.7 (1.6)	552,894.6	227,372.2

- (1) Figures for 1338 onwards have been revised.  
(2) Includes "water, electricity and gas" sub-sector.  
(3) Less imputed bank service charges.

**National Accounts(at Constant 1369 Prices)(1)**

(billion rials)

	GDP at Base Price(2)	GDP Deflator	Sectoral value – added							Construction	Services(4)
			Oil	Non-oil	Agriculture	Manufacturing & Mining(3)	Industry & Mine				
(Figures in parentheses indicate percentage change over the previous period)											
1377	48,910.9 (3.8)	663.2 (9.6)	4,072.5 (2.2)	44,838.4 (3.9)	9,536.3 (6.2)	8,843.3 (-0.1)	6,142.3 (1.1)	2,156.5 (-5.0)	26,458.8 (4.5)		
1378	49,705.2 (1.6)	861.7 (29.9)	3,828.9 (-6.0)	45,876.3 (2.3)	8,636.0 (-9.4)	9,782.8 (10.6)	6,739.5 (9.7)	2,456.6 (13.9)	27,457.5 (3.8)		
1379	52,529.9 (5.7)	1,080.5 (25.4)	4,149.2 (8.4)	48,380.7 (5.5)	8,877.6 (2.8)	10,507.8 (7.4)	7,260.5 (7.7)	2,628.2 (7.0)	28,995.3 (5.6)		
1380*	55,070.1 (4.8)	1,203.0 (11.3)	3,799.4 (-8.4)	51,270.7 (6.0)	9,295.0 (4.7)	11,596.0 (10.4)	7,984.4 (10.0)	2,951.5 (12.3)	30,379.7 (4.8)		
	Gross Domestic Expenditure	Consumption Expenditures		Gross Fixed Capital Formation				Net Export	Terms of Trade Effect	National Income	Gross National Savings
		Private	Public	Private		Public					
				Machinery	Construction	Machinery	Construction				
(Figures in parentheses indicate percentage change over the previous period)											
1377	48,977.0 (3.9)	28,026.4 (6.8)	5,804.1 (5.6)	5,291.4 (19.1)	3,094.2 (-1.8)	1,059.9 (-10.3)	2,743.0 (-6.9)	1,539.0	-2,404.8	39,465.5 (-2.2)	12,344.6 (-16.1)
1378	49,756.4 (1.6)	28,340.5 (1.1)	5,700.5 (-1.8)	5,391.2 (1.9)	3,234.9 (4.5)	1,204.2 (13.6)	3,309.1 (20.6)	3,559.6	-867.5	41,259.0 (4.5)	14,203.6 (15.1)
1379	52,586.0 (5.7)	29,696.4 (4.8)	5,808.9 (1.9)	6,346.8 (17.7)	3,513.5 (8.6)	1,100.2 (-8.6)	3,272.7 (-1.1)	3,124.3	-948.3	43,576.8 (5.6)	14,087.7 (-0.8)
1380*	55,258.4 (5.1)	31,005.9 (4.4)	5,731.3 (-1.3)	7,097.5 (11.8)	4,245.0 (20.8)	1,199.2 (9.0)	3,107.1 (-5.1)	2,329.1	-1,656.4	45,588.3 (4.6)	15,126.4 (7.4)

(1) Figures for 1338 onwards have been revised and the base year has shifted to 1369.

(2) The terms of trade effect is not included.

(3) Includes "water, electricity and gas" sub-sector.

(4) Less imputed bank service charges.

<b>National Accounts (1)</b>						<i>(billion rials)</i>				
	<b>Gross Fixed Capital Formation in Construction by Economic Sectors</b>					<b>Gross Fixed Capital Formation in Machinery by Economic Sectors</b>				
	Total	Agriculture	Oil & Gas	Manufacturing & Mining	Services	Total	Agriculture	Oil & Gas	Manufacturing & Mining	Services
(at Current Prices)	(Figures in parentheses indicate share percent)									
1377	37,237.0 (100.0)	2,194.2 (6.9)	3,340.9 (9.0)	4,319.8 (11.6)	27,382.1 (73.5)	61,474.1 (100.0)	968.3 (1.6)	1,829.4 (3.0)	22,123.6 (36.0)	36,552.8 (59.5)
1378	50,402.4 (100.0)	5,312.8 (10.5)	4,960.8 (9.8)	4,179.4 (8.3)	35,949.3 (71.3)	81,014.1 (100.0)	1,256.9 (1.6)	2,841.3 (3.5)	29,178.3 (36.0)	47,737.6 (58.9)
1379	60,351.1 (100.0)	6,296.1 (10.4)	6,078.9 (10.1)	4,796.3 (7.9)	43,179.8 (71.5)	111,737.9 (100.0)	1,629.6 (1.5)	3,906.2 (3.5)	42,347.5 (37.9)	63,854.6 (57.1)
1380*	64,747.4 (100.0)	6,022.3 (9.3)	5,511.5 (8.5)	4,492.9 (6.9)	48,720.7 (75.2)	133,086.4 (100.0)	1,936.5 (1.5)	4,848.6 (3.6)	50,573.5 (38.0)	75,727.8 (56.9)
(at Constant 1369 Prices)	(Figures in parentheses indicate percentage change over the previous period)									
1377	5,837.2 (-4.2)	337.0 (-13.6)	458.4 (-16.7)	594.6 (3.7)	4,447.2 (-3.0)	6,351.3 (12.9)	74.9 (-4.2)	186.2 (-50.1)	2,595.9 (20.9)	3,494.4 (15.5)
1378	6,544.0 (12.1)	647.0 (92.0)	580.9 (26.7)	491.0 (-17.4)	4,825.1 (8.5)	6,595.4 (3.8)	80.6 (7.6)	234.1 (25.7)	2,596.6 (0)	3,684.1 (5.4)
1379	6,786.3 (3.7)	688.6 (6.4)	625.8 (7.7)	495.1 (0.8)	4,976.8 (3.1)	7,447.0 (12.9)	90.2 (11.9)	271.7 (16.1)	2,952.9 (13.7)	4,132.2 (12.2)
1380*	7,352.1 (8.3)	615.7 (-10.6)	533.6 (-14.7)	437.9 (-11.6)	5,764.9 (15.8)	8,296.7 (11.4)	99.9 (10.8)	315.2 (16.0)	3,306.2 (12.0)	4,575.4 (10.7)

(1) Figures for 1338 onwards have been revised and the base year has shifted to 1369.

## Energy

	Petroleum (thousand barrels per day)		Production of Electricity (million kw/h) (1)				
	Production	Export(2)	Steam	Gas and Combined Cycle	Hydro- Electric	Diesel	Total
(Figures in parentheses indicate percentage change over the previous period)							
1377	3,666 (1.2)	2,333 (-6.5)	63,988 (-2.5)	26,487 (37.2)	7,014 (1.5)	374 (-21.3)	97,863 (6.0)
1378	3,373 (-8.0)	2,205 (-5.5)	70,689 (10.5)	31,156 (17.6)	4,943 (-29.5)	419 (12.0)	107,207 (9.5)
1379▲	3,661 (8.5)	2,492 (13.0)	77,856 (10.1)	33,304 (6.9)	3,638 (-26.4)	358 (-14.6)	115,156 (7.4)
1380	3,441 (-6.0)	2,244 (-10.0)	81,102 (4.2)	37,774 (13.4)	5,056 (39.0)	329 (-8.4)	124,261 (7.9)
(Figures in parentheses indicate percentage change over the previous period)							
1379▲:							
Q3	3,788 (4.1)	2,600 (3.5)	18,463 (-15.4)	7,706 (-30.3)	682 (40.0)	74 (-35.7)	26,925 (-21.1)
Q4	3,676 (-3.0)	2,463 (-5.3)	18,659 (1.1)	6,572 (-14.7)	805 (18.0)	68 (-8.1)	26,104 (3.0)
1380 :							
Q1▲	3,560 (-3.2)	2,381 (-3.3)	19,343 (3.7)	9,235 (40.5)	1,088 (35.2)	82 (20.6)	29,748 (14.0)
Q2▲	3,514 (-1.3)	2,356 (-1.0)	23,513 (21.6)	11,945 (29.3)	1,251 (15.0)	125 (52.4)	36,834 (23.8)
Q3▲	3,436 (-2.2)	2,213 (-6.1)	19,004 (-19.2)	9,148 (-23.4)	979 (-21.7)	63 (-49.7)	29,194 (-20.7)
Q4	3,253 (5.3)	2,026 (-8.5)	19,242 (1.3)	7,446 (-18.6)	1,738 (77.5)	59 (-6.3)	28,485 (-2.4)

Source: Ministry of Petroleum, Ministry of Energy

(1) Excludes electricity generated by large manufacturing establishments and private institutions.

(2) Includes crude oil export and net export of oil products.



<b>Industry</b>					
	<b>Production Index in Large Manufacturing Establishments (1) (1376=100)</b>	<b>Establishment of New (2) Industrial Units</b>		<b>Operation of New Industrial Units</b>	
		Number of Permits	Investment (billion rials)	Number of Permits	Investment (billion rials)
(Figures in parentheses indicate percentage change over the respective period of the previous year)					
1377	101.2 (1.2)	6,856 (-32.5)	23,814 (-17.5)	2,615 (-16.9)	6,369 (9.4)
1378	113.8 (12.5)	8,096 (18.1)	28,980 (21.7)	3,387 (29.5)	10,330 (62.2)
1379	120.6 (6.0)	9,087 (12.2)	67,578 (133.2)	3,264 (-3.6)	6,462 (-37.4)
1380	..	17,098 (88.2)	164,288 (143.1)	3,550 (8.8)	13,023 (101.5)
(Figures in parentheses indicate percentage change over the respective period of the previous year)					
1379:					
Q3	125.5 (3.0)	2,298 (11.2)	17,006 (140.5)	825 (1.5)	1,653 (30.8)
Q4	131.2 (2.6)	2,799 (24.3)	26,142 (196.8)	895 (-13.2)	1,756 (-68.2)
1380 :					
Q1▲	109.9 (4.7)	1,956 (4.9)	12,683 (77.9)	654 (1.4)	1,556 (34.4)
Q2▲	132.7 (6.6)	3,252 (50.1)	69,547 (302.0)	845 (-3.1)	4,659 (145.9)
Q3	..	5,124 (126.9)	33,548 (97.3)	878 (3.1)	2,636 (59.5)
Q4	..	6,766 (141.7)	48,510 (85.6)	1,173 (31.1)	4,172 (137.5)

(1) Since 1376 includes manufacturing establishments with more than 100 employees.

(2) Since 1380, includes establishment permits and establishment announcement.

## Construction

	Number of Construction Permits Issued in Urban Areas				Estimated Floor-Space (million square meters) (1)				Construction Indices (1376=100)	
	Tehran	Large Cities	Other Urban Areas	All Urban Areas	Tehran	Large Cities	Other Urban Areas	All Urban Areas	Const. Services Price Index	WPI for Construction Materials
(Figures in parentheses indicate percentage change over respective period of the previous year)										
1377	6,997 (-14.8)	38,243 (-3.6)	87,654 (6.1)	132,894 (1.8)	5.3 (-28.4)	12.4 (5.1)	18.5 (8.8)	36.2 (0)	113.3 (13.3)	108.7 (8.7)
1378	12,119 (73.2)	40,644 (6.3)	86,080 (-1.8)	138,843 (4.5)	10.1 (89.7)	15.1 (22.6)	18.9 (1.9)	44.1 (21.9)	128.5 (13.4)	134.8 (24.0)
1379	19,417 (60.2)	38,487 (-5.3)	76,586 (-11.0)	134,490 (-3.1)	16.3 (61.0)	15.3 (1.1)	17.8 (-5.5)	49.4 (12.0)	142.3 (10.7)	155.2 (15.1)
1380	..	..	..	..	..	..	..	..	156.1 (9.7)	160.9 (3.7)
(Figures in parentheses indicate percentage change over respective period of the previous year)										
1379:										
Q3▲	5,275 (78.0)	8,427 (5.4)	14,787 (-11.7)	28,489 (2.8)	4.3 (61.0)	3.6 (27.8)	3.4 (-5.8)	11.3 (24.1)	145.5 (11.6)	154.9 (11.6)
Q4▲	5,379 (46.6)	9,718 (-8.1)	21,300 (-17.7)	36,397 (-9.3)	5.1 (56.1)	4.2 (-21.8)	5.1 (-12.4)	14.3 (-0.4)	146.5 (10.7)	150.9 (7.5)
1380:										
Q1▲	5,408 (32.8)	9,883 (4.2)	18,235 (-4.3)	33,526 (2.8)	5.2 (54.0)	4.5 (29.0)	4.2 (-0.7)	13.9 (25.3)	149.9 (9.7)	155.0 (-0.4)
Q2▲	7,829 (66.9)	14,780 (36.1)	19,957 (-7.0)	42,566 (15.1)	6.0 (69.9)	5.1 (23.7)	4.7 (-6.9)	15.8 (24.3)	155.1 (10.4)	159.7 (0.2)
Q3	4,822 (-8.6)	8,959 (6.3)	14,986 (1.3)	28,767 (1.0)	3.9 (-10.2)	4.4 (22.3)	3.5 (2.3)	11.7 (3.8)	158.7 (9.1)	163.4 (5.5)
Q4	..	..	..	..	..	..	..	..	160.8 (9.8)	165.4 (9.6)

(1) Since 1378, percentage change has been calculated from original figures.

**Construction**
*(billion rials)*
**Private Sector Investment in New Buildings in Urban Areas (1)**

	by Construction Phases				by Geographical Distribution			
	Newly-started	Semi- finished	Completed	Total	Tehran	Large Cities	Other Urban Areas	All Urban Areas
(Figures in parentheses indicate percentage change over respective period of the previous year) ○								
1377	4,974 (-0.8)	9,383 (-2.9)	3,592 (16.0)	17,950 (1.0)	4,843 (-27.6)	5,831 (0.6)	7,276 (37.3)	17,950 (1.0)
1378	6,377 (28.2)	10,945 (16.6)	4,747 (32.2)	22,069 (22.9)	6,020 (24.3)	8,086 (38.7)	7,963 (9.4)	22,069 (22.9)
1379	8,504 (33.4)	14,158 (29.4)	6,120 (28.9)	28,782 (30.4)	9,385 (55.9)	8,518 (5.3)	10,880 (36.6)	28,782 (30.4)
1380	11,268 (32.5)	18,745 (32.4)	10,546 (72.3)	40,560 (40.9)	13,705 (46.0)	15,931 (87.0)	10,924 (0.4)	40,560 (40.9)
(Figures in parentheses indicate percentage change over respective period of the previous year) ○								
1379:								
Q3	2,234 (35.7)	3,697 (26.9)	1,612 (9.7)	7,543 (25.1)	2,684 (106.8)	2,282 (-2.2)	2,577 (7.4)	7,543 (25.1)
Q4	1,655 (30.4)	3,712 (30.0)	1,402 (27.7)	6,770 (29.6)	2,562 (29.5)	1,933 (-6.3)	2,274 (92.4)	6,770 (29.6)
1380 :								
Q1	2,710 (13.6)	3,936 (21.3)	1,832 (19.9)	8,478 (18.4)	2,827 (45.0)	3,011 (43.5)	2,640 (-15.1)	8,478 (18.4)
Q2	3,106 (39.3)	4,900 (39.9)	1,958 (24.2)	9,964 (36.3)	3,755 (71.6)	3,296 (49.6)	2,913 (-0.2)	9,964 (36.3)
Q3	2,782 (24.5)	5,006 (35.4)	5,186 (221.6)	12,973 (72.0)	3,623 (35.0)	6,586 (188.6)	2,764 (7.3)	12,973 (72.0)
Q4	2,670 (61.3)	4,904 (32.1)	1,570 (12.0)	9,144 (35.1)	3,500 (36.6)	3,038 (57.1)	2,607 (14.6)	9,144 (35.1)

(1) Figures are at current prices and exclude cost of land.

**Price Trends (1376=100)**

(percentage change)

	Wholesale Price Index				Consumer Price Index			
	General Index	Domestically Produced Goods	Imported Goods	Exported Goods	General Index	Goods	Services	Housing, Fuel & Lighting
(Percentage change over previous period)								
1377	16.7	18.8	10.0	21.9	18.1	16.7	18.8	20.8
1378	24.2	22.8	22.0	60.7	20.1	20.2	22.9	18.7
1379	14.7	14.8	13.3	19.7	12.6	9.0	17.1	18.4
1380	5.1	6.8	0.8	-0.5	11.4	5.8	20.4	18.8
(Figures in parentheses indicate percentage change over respective period of the previous year)								
1379:								
Q3	0.5 (13.0)	0.5 (13.6)	0 (10.3)	1.9 (15.7)	2.9 (13.0)	0.4 (8.5)	4.7 (17.4)	7.2 (21.0)
Q4	1.8 (9.1)	2.4 (9.7)	0.5 (6.9)	0.6 (10.1)	3.6 (11.2)	3.4 (5.3)	2.1 (18.0)	4.6 (21.2)
1380:								
Q1	1.7 (5.4)	2.5 (6.6)	0 (1.9)	-1.6 (4.3)	3.3 (11.3)	2.3 (5.2)	6.4 (18.1)	4.0 (21.5)
Q2	0.7 (4.8)	1.0 (6.4)	-0.2 (0.3)	0.1 (0.9)	1.5 (11.8)	-0.8 (5.3)	6.1 (20.6)	3.7 (20.9)
Q3	0.3 (4.6)	0.6 (6.5)	-0.2 (0.1)	-1.7 (-2.6)	2.1 (10.9)	0.5 (5.4)	5.8 (21.9)	3.4 (16.7)
Q4	2.7 (5.5)	3.4 (7.6)	1.3 (0.9)	-1.0 (-4.2)	4.3 (11.7)	5.0 (7.1)	1.1 (20.7)	4.5 (16.5)
(Figures in parentheses indicate percentage change over respective month of the previous year)								
1380:								
Mehr	-0.3 (4.7)	-0.3 (6.6)	-0.2 (0.4)	-1.3 (-2.2)	0.6 (11.3)	-0.5 (5.2)	4.3 (23.3)	1.0 (17.8)
Aban	0.1 (4.2)	0.1 (6.1)	0 (-0.4)	1.0 (-1.9)	0.5 (10.7)	0.5 (5.5)	-0.2 (21.7)	0.9 (16.0)
Azar	1.5 (4.8)	0.2 (6.9)	0.1 (0.3)	-0.6 (-3.8)	1.9 (10.6)	1.9 (5.5)	0.3 (20.8)	2.8 (16.2)
Dey	0.6 (5.2)	0.6 (6.9)	1.2 (1.7)	-1.4 (-4.5)	1.5 (11.5)	1.9 (6.7)	0.2 (20.6)	1.2 (16.7)
Bahman	1.4 (6.0)	1.8 (8.4)	0.3 (0.6)	1.3 (-3.7)	1.1 (11.8)	1.2 (7.0)	0.3 (20.5)	1.3 (17.1)
Esfand	0.3 (5.3)	0.5 (7.5)	-0.4 (0.5)	-1.1 (-4.5)	1.7 (11.7)	2.3 (7.5)	1.7 (21.2)	0.6 (15.9)

**Price Trends (1376=100)**

(Percentage change)

<b>Producer Price Index</b>						
	General Index	Agriculture, Animal Husbandry, Forestry & Fishing	Industry	Mining	Water, Electricity & Gas	Services
(Percentage change over previous period)						
1377	18.7	22.7	17.0	22.8	31.4	17.2
1378	22.9	24.5	24.5	6.2	27.0	19.1
1379	16.3	17.9	15.6	17.1	14.3	16.0
1380	10.9	8.3	5.2	-4.4	10.9	23.1
(Figures in parentheses indicate percentage change over respective period of the previous year)						
1379:						
Q3	2.1 (15.3)	2.5 (15.7)	0.7 (14.3)	-18.1 (7.1)	-0.1 (14.5)	5.1 (17.1)
Q4	2.5 (13.3)	4.6 (13.5)	0.9 (10.8)	-8.3 (-3.7)	-1.5 (11.1)	3.5 (18.0)
1380:						
Q1	3.4 (11.2)	3.6 (13.3)	1.5 (5.8)	2.0 (-22.2)	10.0 (10.3)	5.8 (19.7)
Q2	2.6 (11.0)	-0.7 (10.3)	1.6 (4.9)	0 (-23.3)	1.9 (10.3)	7.0 (23.2)
Q3	2.0 (10.9)	-1.4 (6.1)	0.8 (5.0)	21.4 (13.6)	0.3 (10.7)	6.3 (24.6)
Q4	2.2 (10.6)	2.6 (4.1)	1.3 (5.3)	0.5 (24.5)	0 (12.3)	3.3 (24.4)
(Figures in parentheses indicate percentage change over respective month of the previous year)						
1380:						
Mehr	1.0 (11.4)	-0.5 (7.3)	0.2 (5.4)	21.4 (-7.0)	0.3 (10.6)	3.1 (25.4)
Aban	0.4 (10.7)	0.7 (6.0)	0.1 (4.6)	0 (31.0)	0 (9.6)	0.7 (24.2)
Azar	0.7 (10.6)	0.1 (5.1)	0.5 (4.9)	0 (24.8)	-0.3 (11.8)	1.5 (24.2)
Dey	0.3 (10.4)	-0.2 (3.6)	0.2 (5.0)	0 (24.8)	0 (12.0)	0.7 (24.5)
Bahman	1.2 (11.2)	2.0 (5.9)	0.8 (5.6)	0 (24.8)	0.4 (12.6)	1.2 (24.5)
Esfand	1.5 (10.2)	3.4 (2.9)	0.5 (5.3)	1.6 (24.0)	-0.2 (12.3)	1.7 (24.1)

<b>Balance of Payments (Current Account)</b>				<i>(million dollars)</i>				
	<b>Exports</b>			<b>Imports (fob)</b>	<b>Trade Balance</b>	<b>Services (net)</b>	<b>Transfers (net)</b>	<b>Current Account Balance</b>
	Oil & Gas	Non-oil (1)	Total					
1377	9,933	3,185	13,118	14,286	-1,168	-1,469	497	-2,140
1378	17,089	3,941	21,030	13,433	7,597	-1,533	525	6,589
1379▲	24,280	4,181	28,461	15,086	13,375	-1,351	610	12,634
1380	19,339	4,377	23,716	18,138	5,578	-1,144	822	5,256
1379:								
Nine months	18,575	3,150	21,725	11,150	10,575	-1,013	426	9,988
Twelve months▲	24,280	4,181	28,461	15,086	13,375	-1,351	610	12,634
1380 :								
First three months	5,551	1,094	6,645	4,330	2,315	-249	157	2,223
First six months	10,940	2,275	13,215	8,943	4,272	-710	307	3,869
Nine months	15,553	3,400	18,953	13,348	5,605	-910	427	5,122
Twelve months	19,339	4,377	23,716	18,138	5,578	-1,144	822	5,256
<b>Balance of Payments (Capital Account)</b>				<i>(million dollars)</i>				
	<b>Capital Account (net)</b>			<b>Change in International Reserves(2)</b>				
	Short-term	Long-term	Total					
1377			2,271	-1	2,270	-1,572		
1378			-2,552	-3,342	-5,894	1,845		
1379▲			-1,355	-3,218	-4,573	6,529		
1380			-2,754	1,623	-1,131	4,941		
1379:								
Nine months			-283	-2,851	-3,134	6,421		
Twelve months▲			-1,355	-3,218	-4,573	6,529		
1380 :								
First three months			-1,050	-388	-1,438	1,931		
First six months			-1,403	-95	-1,498	3,365		
Nine months			-1,935	306	-1,629	2,702		
Twelve months			-2,754	1,623	-1,131	4,941		

- (1) Includes value of export of goods through cross border markets, shuttle trade, export of electricity and duty free export since 1378.  
(2) Since the first half of 1379 onwards includes changes in OSF and in the Central Bank's international reserves.

<b>External Debt (at the End of the Period) (1)</b>		<b>(million dollars)</b>			
	<b>Short-term</b>	<b>Medium- and Long- term</b>		<b>Total</b>	
1377	4,503	9,496		13,999	
1378	3,618	6,739		10,357	
1379	3,678	4,275		7,953	
1380	2,518	4,563		7,081	
1379:					
Nine months	3,421	4,654		8,075	
Twelve months	3,678	4,275		7,953	
1380:					
First three months	3,614	3,779		7,393	
First six months	3,371	3,901		7,272	
Nine months	2,909	3,593		6,502	
Twelve months	2,518	4,563		7,081	
<b>External Debt Profile</b>		<b>(million dollars)</b>			
Maturity	1381	1382	1383	1384	1385 onwards
Amount	3,312	1,052	1,017	478	1,222
<b>Exchange Rate (IRR/US\$)</b>					
	<b>Oil-notional Rate (Average selling and buying rates)</b>	<b>Non-oil Export Rate (2) (3) (Average selling and buying rates)</b>		<b>Parallel Market (Average selling rate)</b>	
1377	1,752.50	5,395.42		6,468.36	
1378	1,752.50	7,906.88		8,657.68	
1379	1,752.50	8,077.65		8,188.13	
1380	1,752.50	7,921.52		8,008.45	
1379:					
Q3	1,752.50	8,038.34		8,101.85	
Q4	1,752.50	7,916.60		8,001.75	
1380:					
Q1	1,752.50	7,917.99		8,013.27	
Q2	1,752.50	7,917.99		8,000.39	
Q3	1,752.50	7,923.80		8,017.66	
Q4	1,752.50	7,924.00		8,003.19	
1380:					
Mehr	1,752.50	7,923.55		8,036.25	
Aban	1,752.50	7,924.00		8,017.36	
Azar	1,752.50	7,924.00		7,999.38	
Dey	1,752.50	7,924.00		7,998.72	
Bahman	1,752.50	7,924.00		8,013.64	
Esfand	1,752.50	7,924.00		7,995.70	

(1) Excludes contingent obligations, i.e. opened letters of credit not yet consigned and future interests. Considering the mentioned obligations, the total external obligations (actual and contingent) amounted to \$ 20.9 billion at the end of 1380. Moreover, classification of external debts according to short, medium and long-term is based on the initial maturity.

(2) Includes export rate and import certificate rate during Mordad 1376 until the end of 1378.

(3) It has been changed to certificate of deposit rate since the beginning of 1379.

## Foreign Trade

	Non-oil Exports (1)			Imports (CIF)		
	Weight (Thousand tons)	Value (Million US\$)	Average Value (US\$ per ton)	Weight (Thousand tons)	Value (Million US\$)	Average Value (US\$ per ton)
(Figures in parentheses indicate percentage change over respective period of the previous year)						
1377	14,460 (66.4)	3,013 (4.8)	208 (-37.2)	16,297 (-25.4)	14,323 (0.9)	879 (35.2)
1378	17,567 (21.5)	3,362 (11.6)	191 (-8.2)	21,549 (32.2)	12,683 (-11.5)	589 (-33.0)
1379▲	14,281 (-18.7)	3,763 (11.9)	263 (37.7)	25,981 (20.6)	14,347 (13.1)	552 (-6.3)
1380	15,194 (6.4)	3,918 (4.1)	258 (-1.9)	26,442 (1.8)	17,938 (25.0)	678 (22.8)
1379 :						
Q3	3,285 (43.7)	1,179 (44.5)	359 (0.6)	7,105 (34.8)	3,810 (7.8)	536 (-20.0)
Q4(2)	2,887 (3.4)	813 (15.3)	282 (11.9)	5,189 (-1.0)	3,468 (13.0)	668 (14.2)
1380 :						
Q1	3,883 (15.5)	948 (52.6)	244 (32.1)	7,210 (35.1)	4,228 (27.7)	586 (-5.5)
Q2	4,093 (-5.2)	1,025 (17.3)	250 (23.8)	7,730 (34.5)	4,651 (25.5)	602 (-6.7)
Q3	3,779 (15.0)	1,092 (-7.4)	289 (-19.5)	5,866 (-17.4)	4,311 (13.1)	735 (37.1)
Q4	3,438 (19.1)	854 (5.0)	248 (-12.1)	5,636 (8.6)	4,748 (36.9)	842 (26.0)
1380 :						
Mehr	1,450 (24.3)	389 (-0.2)	268 (-20.0)	1,993 (-0.7)	1,494 (18.4)	750 (19.4)
Aban	1,306 (-2.6)	389 (-1.5)	298 (1.7)	2,095 (-22.6)	1,485 (15.2)	709 (48.9)
Azar	1,023 (31.5)	314 (-20.3)	307 (-39.3)	1,778 (-25.6)	1,332 (5.8)	749 (42.1)
Dey	1,462 (43.9)	269 (-1.5)	184 (-31.6)	1,710 (-6.4)	1,447 (18.2)	846 (26.3)
Bahman	1,089 (-1.8)	316 (1.6)	290 (3.6)	2,132 (17.1)	2,196 (71.6)	1,030 (46.5)
Esfand	887 (16.4)	269 (17.5)	303 (0.7)	1,794 (16.3)	1,105 (14.6)	616 (-1.4)

Source: Iran Customs Administration

- (1) Excludes export of electricity, export of goods through cross border markets and shuttle trade.  
(2) Adjustments are not included in the fourth quarter figures.



**Government Budget and Fiscal Data**
*(billion rials)*

	Revenues					Expenditures(1)		
	Total	Oil	Foreign Exchange Sale	Tax	Other Revenues	Total	Current	Development
(Figures in parentheses indicate percentage change over the previous period)								
1377	53,626.0 (-14.0)	16,598.0 (-36.2)	6,021.9 (-42.3)	18,686.6 (7.7)	12,319.5 (43.5)	70,970.3 (8.5)	53,545.6 (19.1)	17,424.7 (-14.9)
1378▲	92,315.7 (72.1)	25,955.4 (56.4)	18,532.2 (207.7)	25,831.3 (38.2)	21,996.8 (78.6)	93,242.9 (31.4)	68,219.3 (27.4)	25,023.6 (43.6)
1379	104,640.8 (13.4)	20,125.0 (-22.5)	39,323.5 (112.2)	32,842.1 (27.1)	12,350.2 (-43.9)	109,407.1 (17.3)	85,847.3 (25.8)	23,559.8 (-5.8)
1380(2)	125,479.5 (19.9)	22,512.0 (11.9)	52,445.1 (33.4)	38,796.6 (18.1)	11,725.7 (-5.1)	128,859.6 (17.8)	104,772.0 (22.0)	24,087.6 (2.2)
1381 (approved budget) (3)	185,227.9	100,060.0	0	62,415.5	22,752.4	210,622.1	155,635.0	54,987.1
1379:								
Q3	20,951.9 (-34.5)	2,734.0 (-71.9)	7,840.0 (-18.7)	7,562.1 (-25.0)	2,815.8 (11.5)	25,482.8 (-3.2)	19,867.1 (3.5)	5,912.8 (-18.5)
Q4	31,011.7 (48.0)	27.0 (-99.0)	18,323.8 (133.7)	8,094.0 (7.0)	4,566.9 (62.2)	35,735.3 (40.2)	28,573.0 (43.8)	7,497.3 (26.8)
1380:								
Q1	28,034.2 (-9.6)	8,708.5 □	9,621.5 (-47.5)	7,700.4 (-4.9)	2,003.7 (-56.1)	26,209.1 (-26.7)	21,230.0 (-25.7)	3,724.1 (-50.3)
Q2	32,024.3 (14.2)	6,483.5 (-25.6)	11,278.5 (17.2)	10,876.2 (41.2)	3,386.2 (69.0)	33,480.7 (27.7)	25,890.0 (22.0)	8,082.5 (117.0)
Q3	31,309.2 (-2.2)	5,482.0 (-15.4)	13,100.0 (16.2)	9,837.0 (-9.6)	2,890.2 (-14.6)	33,889.4 (1.2)	26,679.6 (3.0)	6,567.8 (-18.7)
Q4	34,111.8 (9.0)	1,838.0 (-66.5)	18,445.2 (40.8)	10,383.1 (5.6)	3,445.6 (19.2)	35,280.5 (4.1)	30,972.3 (16.1)	5,713.2 (-13.0)
1380:								
Mehr	8,951.4 (1.1)	1,876.0 (0)	3,100.0 (6.9)	2,927.0 (-8.2)	1,048.4 (17.3)	10,015.9 (1.5)	8,340.8 (12.0)	1,495.5 (-32.1)
Aban	10,867.3 (21.4)	1,875.5 (0)	4,000.0 (29.0)	3,817.5 (30.4)	1,174.4 (12.0)	11,016.2 (10.0)	7,915.9 (-5.1)	3,201.1 (114.0)
Azar	11,490.4 (5.7)	1,730.5 (-7.7)	6,000.0 (50.0)	3,092.5 (-19.0)	667.4 (-43.2)	12,857.3 (16.7)	10,423.0 (31.7)	1,871.2 (-41.5)
Dey	7,381.8 (-35.8)	1,838.0 (6.2)	1,500.0 (-75.0)	3,213.5 (3.9)	830.3 (24.4)	7,151.2 (-44.4)	5,704.5 (-45.3)	1,920.9 (2.7)
Bahman	10,021.3 (35.8)	0 (-100.0)	5,500.0 (266.7)	3,335.3 (3.8)	1,186.0 (42.8)	9,387.0 (31.3)	8,979.3 (57.4)	709.0 (-63.1)
Esfand	16,708.7 (66.7)	0 θ	11,445.2 (108.1)	3,834.2 (15.0)	1,429.3 (20.5)	18,742.3 (99.7)	16,288.5 (81.4)	3,083.3 (334.9)

- (1) Discrepancy between the sum of current and development expenditures and the total is due to the payment of provincial revolving fund for which breakdown into current and development is not available.
- (2) Figure for foreign exchange sale includes transfers from Paragraph (B) of Note 29 of the 1380 Budget Law (by Rls. 1,608 billion), differential of estimation of foreign exchange proceeds from oil at import certificate rate (by Rls. 1,700 billion) and unused credits subject to Paragraph (4) of the Amendment Act of the 3<sup>rd</sup> FYDP Law (by Rls. 3,000 billion).
- (3) The 1381 Budget Law is designed on the basis of the new classification of GFS. To make 1381 budget data comparable to the previous years, the figure for "withdrawal from crude oil revenues" from "disposals and consumption of fixed capital" category has been shifted to oil and gas revenues, and other items of this category are added to other revenues. The figure for "acquisition of non-financial assets" has come under development expenditures.

<b>Government Budget and Fiscal Data (1)</b>							<i>(billion rials)</i>
	<b>Sources for Deficit Finance or Surplus Uses (2)</b>					<b>Surplus (-) or Drawdown (+) in Foreign Exchange Obligations Account</b>	
	<b>Budget Deficit/Surplus</b>	<b>Borrowing from Banking System</b>	<b>Returns, Prepayments and Other Accounts</b>	<b>Participation Papers</b>	<b>Others</b>		
1377	-17,344.3	6,636.0	479.0	2,500.0	7,729.3	-5,076.7	
1378▲	-927.2	0	640.0	1,884.3	-1,597.1	-1,812.6	
1379	-4,766.3	0	1,287.2	2,049.8	1,429.3	1,780.4	
1380	-3,380.1	0	615.8	2,305.3	459.0	2,347.6	
1381(approved budget ) ( 3)	-25,394.2	0	1,490.0	2,400.0	21,504.2		
1379:							
Q3	-4,530.9	0	156.4	680.8	3,693.6	2,763.0	
Q4▲	-4,723.6	0	77.0	630.0	4,016.6	-214.9	
1380:							
Q1	1,825.1	0	279.8	0.8	-2,105.7	-313.1	
Q2	-1,456.4	0	175.3	90.9	1,190.2	1,241.0	
Q3	-2,580.2	0	110.0	1,059.2	1,411.1	799.9	
Q4	-1,168.6	0	50.7	1,154.5	-36.6	619.8	
1380:							
Mehr	-1,064.5	0	72.9	-90.9	1,082.5	669.3	
Aban	-148.9	0	20.5	426.6	-298.1	127.3	
Azar	-1,366.7	0	16.6	723.4	626.7	3.3	
Dey	230.6	0	12.3	216.2	-459.2	12.8	
Bahman	634.3	0	21.0	108.7	-764.0	-32.1	
Esfand	-2,033.6	0	17.4	829.6	1,186.6	639.1	

(1) Discrepancies are due to rounding.

(2) According to the classification of Central Bank, sources for deficit finance include revenues received from sale of participation papers, receipts from foreign facilities and Islamic Development Bank facilities, returns and prepayments of the previous year, treasury revolving fund, principal of government loans abroad, principal and interest of public corporations and institutions loans, borrowing from banking system, sale of government shares, oil prefinance , advances from part of Hadj expenses.

(3) Other sources for deficit finance include OSF utilization by Rls. 35,420 billion (\$ 4.6 billion). Increase in this figure compared with the figure related to other is due to repayment of principal of foreign facilities by Rls. 19,352.6 billion.

**Government Budget and Fiscal Data (1)**
*(billion rials)*

(Figures in parentheses indicate percentage change over the previous period)	<b>Tax Revenues</b>						
	<b>Direct Taxes</b>				<b>Indirect Taxes</b>		
	Total	Corporate Tax	Income Tax	Wealth Tax	Total	Import Tax	Sales Tax
1377	12,676.3 (14.7)	7,923.6 (15.5)	3,897.1 (11.8)	855.6 (20.4)	6,010.3 (-4.5)	4,431.8 (3.3)	1,578.5 (-21.2)
1378	16,584.1 (30.8)	10,048.5 (26.8)	5,383.1 (38.1)	1,152.5 (34.7)	9,247.3 (53.9)	5,805.1 (31.0)	3,442.2 (118.1)
1379	19,584.6 (18.1)	11,295.5 (12.4)	6,834.0 (27.0)	1,455.1 (26.3)	13,257.5 (43.4)	7,947.7 (36.9)	5,309.8 (54.3)
1380	22,986.4 (17.4)	12,371.9 (9.5)	8,703.7 (27.4)	1,910.7 (31.3)	15,810.3 (19.3)	11,635.3 (46.4)	4,175.0 (-21.4)
1381 (approved budget)	33,631.0	19,517.5	10,003.3	4,110.2	28,784.5	21,783.2	7,001.3
1379:							
Q3	4,786.3 (-20.0)	2,717.7 (-29.8)	1,712.3 (-1.6)	356.3 (-4.2)	2,775.8 (-32.3)	1,854.2 (2.4)	921.6 (-59.7)
Q4	4,600.1 (-3.9)	2,567.2 (-5.5)	1,613.4 (-5.8)	419.6 (17.8)	3,493.9 (25.9)	2,389.5 (28.9)	1,104.4 (19.8)
1380:							
Q1	5,047.7 (9.7)	2,444.8 (-4.8)	2,187.5 (35.6)	415.4 (-1.0)	2,652.7 (-24.1)	1,914.5 (-19.9)	738.2 (-33.2)
Q2	6,962.3 (37.9)	4,258.4 (74.2)	2,197.9 (0.5)	506.0 (21.8)	3,913.9 (47.5)	2,858.2 (49.3)	1,055.7 (43.0)
Q3	5,467.5 (-21.5)	2,834.1 (-33.4)	2,141.8 (-2.6)	491.6 (-2.8)	4,369.5 (11.6)	3,345.5 (17.0)	1,024.0 (-3.0)
Q4	5,509.0 (0.8)	2,834.7 (0)	2,176.5 (1.6)	497.7 (1.3)	4,874.1 (11.5)	3,517.1 (5.1)	1,357.0 (32.5)
1380:							
Mehr	1,814.9 (-8.5)	962.3 (-13.8)	688.6 (-2.2)	164.1 (-0.4)	1,112.1 (-7.6)	786.4 (-5.1)	325.7 (-13.3)
Aban	1,871.9 (3.1)	983.9 (2.2)	720.8 (4.7)	167.2 (1.9)	1,945.6 (75.0)	1,557.7 (98.1)	388.0 (19.1)
Azar	1,780.7 (-4.9)	887.9 (-9.8)	732.4 (1.6)	160.3 (-4.1)	1,311.8 (-32.6)	1,001.5 (-35.7)	310.4 (-20.0)
Dey	1,800.2 (1.1)	880.6 (-0.8)	767.0 (4.7)	152.6 (-4.8)	1,413.4 (7.7)	1,016.8 (1.5)	396.6 (27.8)
Bahman	1,888.3 (4.9)	916.6 (4.1)	777.4 (1.4)	194.3 (27.3)	1,447.0 (2.4)	943.3 (-7.2)	503.7 (27.0)
Esfand	1,820.5 (-3.6)	1,037.5 (13.2)	632.2 (-18.7)	150.8 (-22.4)	2,013.7 (39.2)	1,557.0 (65.1)	456.8 (-9.3)

(1) Discrepancies are due to rounding.

**Monetary and Credit Aggregates (Outstanding at the End of the Period)(1)**
*(billion rials)*

	Monetary Base	Money (M1)	Currency with the Public	Demand Deposits	Non-sight Deposits (Quasi – money)	Total Non-public Sector Deposits	Liquidity (M2)
(Figures in parentheses indicate percentage change over the last month of the previous year)							
1377	61,964.6 (18.0)	74,784.4 (18.1)	18,773.1 (22.1)	56,011.3 (16.9)	85,617.1 (20.6)	141,628.4 (19.1)	160,401.5 (19.4)
1378	71,822.6 (15.9)	86,751.0 (16.0)	22,119.3 (17.8)	64,631.7 (15.4)	105,938.2 (23.7)	170,569.9 (20.4)	192,689.2 (20.1)
1379	84,398.1 (17.5)	114,420.5 (31.9)	25,158.3 (13.7)	89,262.2 (38.1)	134,690.2 (27.1)	223,952.4 (31.3)	249,110.7 (29.3)
1380	94,147.2 (11.6)	142,956.7 (24.9)	29,188.7 (16.0)	113,768.0 (27.5)	178,000.5 (32.2)	291,768.5 (30.3)	320,957.3 (28.8)
(Figures in parentheses indicate percentage change over the last month of the previous year)							
1379:							
Q3	74,866.7 (4.2)	100,171.6 (15.5)	19,851.3 (-10.3)	80,320.3 (24.3)	125,329.3 (18.3)	205,649.6 (20.6)	225,500.9 (17.0)
Q4	84,398.1 (17.5)	114,420.5 (31.9)	25,158.3 (13.7)	89,262.2 (38.1)	134,690.2 (27.1)	223,952.4 (31.3)	249,110.7 (29.3)
1380:							
Q1	84,885.7 (0.6)	114,872.2 (0.4)	20,274.8 (-19.4)	94,597.4 (6.0)	147,916.8 (9.8)	242,514.2 (8.3)	262,789.0 (5.5)
Q2	81,835.9 (-3.0)	123,544.5 (8.0)	21,273.4 (-15.4)	102,271.1 (14.6)	156,907.2 (16.5)	259,178.3 (15.7)	280,451.7 (12.6)
Q3	83,462.8 (-1.1)	127,840.8 (11.7)	21,606.9 (-14.1)	106,233.9 (19.0)	169,369.3 (25.7)	275,603.2 (23.1)	297,210.1 (19.3)
Q4	94,147.2 (11.6)	142,956.7 (24.9)	29,188.7 (16.0)	113,768.0 (27.5)	178,000.5 (32.2)	291,768.5 (30.3)	320,957.3 (28.8)
(Figures in parentheses indicate percentage change over the respective month of the previous year)							
1380:							
Mehr	82,171.3 (14.3)	122,435.3 (28.3)	21,102.8 (8.7)	101,332.5 (33.3)	161,227.5 (36.1)	262,560.0 (35.0)	283,662.8 (32.6)
Aban	81,030.9 (10.0)	123,363.2 (26.1)	21,385.4 (9.1)	101,977.8 (30.4)	164,304.4 (35.6)	266,282.2 (33.6)	287,667.6 (31.4)
Azar	83,462.8 (11.5)	127,840.8 (27.6)	21,606.9 (8.8)	106,233.9 (32.3)	169,369.3 (35.1)	275,603.2 (34.0)	297,210.1 (31.8)
Dey	84,501.0 (13.9)	130,586.8 (27.7)	21,240.5 (6.0)	109,346.3 (33.0)	172,129.7 (34.6)	281,476.0 (34.0)	302,716.5 (31.5)
Bahman	85,468.7 (12.1)	132,732.1 (20.6)	21,925.1 (12.3)	110,807.0 (22.4)	173,521.0 (33.7)	284,328.0 (29.0)	306,253.1 (27.7)
Esfand	94,147.2 (11.6)	142,956.7 (24.9)	29,188.7 (16.0)	113,768.0 (27.5)	178,000.5 (32.2)	291,768.5 (30.3)	320,957.3 (28.8)

(1) Since 1376, excludes commercial banks' branches abroad. Account headings of banks' general ledger have been revised and the due changes have been effected in monetary aggregates since the end of 1377 onwards. Moreover, since Aban 1378, it includes non-public sector's deposits with non-bank credit institutions.

**Monetary and Credit Aggregates (Outstanding at the End of the Period)(1)**
*(billion rials)*

	Net Foreign Assets			Banks Claims on Non-public Sector			Banking System Claims on Public Sector
	Central Bank	Banks	Banking system	Commercial Banks	Specialized Banks	All Banks(2)	
(Figures in parentheses indicate percentage change over the last month of the previous year)							
1377	2,465.4 (-58.5)	-3,101.0 (-237.6)	-635.6 (-107.8)	69,553.0 (27.0)	28,667.0 (36.7)	98,220.0 (29.7)	109,976.1 (36.3)
1378	4,449.8 (80.5)	-1,120.4 (63.9)	3,329.4 □	95,199.9 (36.9)	42,505.0 (48.3)	137,912.9 (40.4)	117,116.9 (6.5)
1379	7,576.8 (70.3)	-2,066.6 (-84.5)	5,510.2 (65.5)	124,118.9 (30.4)	56,313.2 (32.5)	180,870.7 (31.1)	122,785.3 (4.8)
1380	12,688.1 (67.5)	-1,665.8 (19.4)	11,022.4 (100.0)	168,932.6 (36.1)	72,513.3 (28.8)	242,542.6 (34.1)	136,683.9 (11.3)
(Figures in parentheses indicate percentage change over the last month of the previous year)							
1379:							
Q3	16,739.1 (276.2)	-757.5 (32.4)	15,981.6 (380.0)	112,986.0 (18.7)	51,502.9 (21.2)	164,867.1 (19.5)	121,990.7 (4.2)
Q4	7,576.8 (70.3)	-2,066.6 (-84.5)	5,510.2 (65.5)	124,118.9 (30.4)	56,313.2 (32.5)	180,870.7 (31.1)	122,785.3 (4.8)
1380:							
Q1	11,366.2 (50.0)	-325.0 (84.3)	11,041.2 (100.4)	129,145.9 (4.1)	58,207.8 (3.4)	187,827.5 (3.8)	124,658.2 (1.5)
Q2	12,635.8 (66.8)	585.6	13,221.4 (139.9)	143,053.9 (15.3)	61,359.0 (9.0)	204,981.5 (13.3)	130,953.1 (6.7)
Q3	13,708.8 (80.9)	957.7	14,666.5 (166.2)	155,267.6 (25.1)	66,108.1 (17.4)	222,079.8 (22.8)	133,451.2 (8.7)
Q4	12,688.1 (67.5)	-1,665.8 (19.4)	11,022.4 (100.0)	168,932.6 (36.1)	72,513.3 (28.8)	242,542.6 (34.1)	136,683.9 (11.3)
(Figures in parentheses indicate percentage change over the respective month of the previous year)							
1380:							
Mehr	12,841.0 (4.5)	154.0 (117.4)	12,995.0 (14.0)	146,724.8 (35.5)	62,981.1 (27.2)	210,294.6 (33.0)	131,360.0 (6.5)
Aban	14,738.4 (3.0)	1,581.5	16,319.9 (19.9)	150,777.8 (36.8)	64,619.0 (27.9)	216,051.2 (34.1)	131,591.4 (7.7)
Azar	13,708.8 (-18.1)	957.7	14,666.5 (-8.2)	155,267.6 (37.4)	66,108.1 (28.4)	222,079.8 (34.7)	133,451.2 (9.4)
Dey	14,593.5 (-16.4)	779.6 (132.7)	15,373.1 (2.0)	15,866.2 (37.3)	67,626.5 (29.2)	227,048.7 (34.9)	133,308.1 (9.0)
Bahman	12,987.7 (27.2)	-380.9 (83.1)	12,606.8 (58.4)	164,851.6 (38.3)	69,510.4 (29.5)	235,226.3 (35.8)	134,591.7 (9.5)
Esfand	12,688.1 (67.5)	-1,665.8 (19.4)	11,022.4 (100.0)	168,932.6 (36.1)	72,513.3 (28.8)	242,542.6 (34.1)	136,683.9 (11.3)

(1) Since 1376, excludes commercial banks' branches abroad. Account headings of banks' general ledger have been revised and the due changes have been effected in monetary aggregates since the end of 1377 onwards.

(2) Discrepancy is due to the inclusion of non-bank credit institutions since Aban 1378.

**Monetary and Credit Aggregates (Outstanding at the End of the Period)(1)**
*(billion rials)*

	<u>Government Indebtedness to</u>		<u>Public Corporations &amp; Institutions Indebtedness to</u>		<u>Banking System Claims on Public &amp; Non-public Sectors</u>	<u>Public Sector Deposits with Banking System</u>	
	Central Bank	Banks	Central Bank	Banks		Government	Public Corporations & Institutions
(Figures in parentheses indicate percentage change over the last month of the previous year)							
1377	58,593.6 (26.3)	7,742.4 (324.5)	14,314.1 (13.0)	29,326.0 (47.9)	208,196.1 (33.1)	17,139.1 (55.0)	4,224.0 (24.2)
1378	62,058.5 (5.9)	7,151.0 (-7.6)	13,808.4 (-3.5)	34,099.0 (16.3)	255,029.8 (22.5)	20,402.5 (19.0)	5,250.6 (24.3)
1379	60,859.0 (-1.9)	6,194.8 (-13.4)	14,259.1 (3.3)	41,472.3 (21.6)	303,656.0 (19.1)	27,400.5 (34.3)	9,163.2 (74.5)
1380	63,148.6 (3.8)	7,553.5 (21.9)	17,435.8 (22.3)	48,546.0 (17.1)	379,226.5 (24.9)	38,079.5 (39.0)	5,123.4 (-44.1)
(Figures in parentheses indicate percentage change over the last month of the previous year)							
1379:							
Q3	60,207.3 (-3.0)	7,197.2 (0.6)	13,831.3 (0.2)	40,755.1 (19.5)	286,857.8 (12.5)	31,581.7 (54.8)	7,859.1 (49.7)
Q4	60,859.0 (-1.9)	6,194.8 (-13.4)	14,259.1 (3.3)	41,472.3 (21.6)	303,656.0 (19.1)	27,400.5 (34.3)	9,163.2 (74.5)
1380:							
Q1	61,168.8 (0.5)	6,282.5 (1.4)	13,928.4 (-2.3)	43,278.4 (4.4)	312,485.7 (2.9)	31,632.4 (15.4)	7,804.5 (-14.8)
Q2	64,776.0 (6.4)	7,958.8 (28.5)	13,940.3 (-2.2)	44,278.0 (6.8)	335,934.6 (10.6)	38,100.8 (39.1)	2,449.6 (-73.3)
Q3	64,673.2 (6.3)	8,090.7 (30.6)	15,634.7 (9.6)	45,052.6 (8.6)	355,531.0 (17.1)	39,876.1 (45.5)	4,552.0 (-50.3)
Q4	63,148.6 (3.8)	7,553.5 (21.9)	17,435.8 (22.3)	48,546.0 (17.1)	379,226.5 (24.9)	38,079.5 (39.0)	5,123.4 (-44.1)
(Figures in parentheses indicate percentage change over respective month of the previous year)							
1380:							
Mehr	64,264.8 (3.7)	8,226.8 (12.5)	13,991.2 (3.5)	44,877.2 (10.7)	341,654.6 (21.4)	38,426.5 (23.7)	2,962.3 (-61.0)
Aban	63,966.0 (5.9)	7,913.4 (9.7)	14,348.6 (3.5)	45,363.4 (11.5)	347,642.6 (22.7)	37,891.3 (25.2)	4,039.4 (-45.2)
Azar	64,673.2 (7.4)	8,090.7 (12.4)	15,634.7 (13.0)	45,052.6 (10.5)	355,531.0 (23.9)	39,876.1 (26.3)	4,552.0 (-42.1)
Dey	63,944.7 (5.8)	7,865.6 (6.1)	16,286.0 (17.7)	45,211.8 (11.4)	360,356.8 (24.0)	40,156.9 (15.0)	4,375.9 (-48.1)
Bahman	64,726.5 (7.3)	7,158.6 (-4.3)	16,891.2 (22.2)	45,815.4 (11.1)	369,818.0 (24.9)	38,589.4 (17.1)	4,476.3 (-46.2)
Esfand	63,148.6 (3.8)	7,553.5 (21.9)	17,435.8 (22.3)	48,546.0 (17.1)	379,226.5 (24.9)	38,079.5 (39.0)	5,123.4 (-44.1)

(1) Since 1376, excludes commercial banks' branches abroad. Account headings of banks' general ledger have been revised and the due changes have been effected in monetary aggregates since the end of 1377.

**Monetary and Credit Aggregates (Outstanding at the End of the Period)(1)**
*(billion rials)*

	Notes & Coins Issued	Notes & Coins with Banks	Banks Deposits with Central Bank		Central Bank Claims on	
			Legal	Sight(2)	Commercial Banks	Specialized Banks
(Figures in parentheses indicate percentage change over the last month of the previous year)						
1377	20,345.1 (19.7)	1,398.0 (-1.0)	37,834.8 (9.8)	3,958.7 (214.3)	8,474.0 (-22.5)	4,925.8 (23.4)
1378	24,133.6 (18.6)	1,794.4 (28.4)	45,377.4 (19.9)	2,531.5 (-36.1)	13,009.3 (53.5)	7,801.7 (58.4)
1379	27,555.4 (14.2)	2,072.8 (15.5)	51,830.4 (14.2)	5,336.6 (110.8)	14,539.2 (11.8)	9,014.2 (15.5)
1380	31,790.1 (15.4)	2,346.5 (13.2)	50,842.6 (-1.9)	11,769.4 (120.5)	13,732.7 (-5.5)	1,970.5 (-78.1)
(Figures in parentheses indicate percentage change over the last month of the previous year)						
1379:						
Q3	24,152.6 (0.1)	2,808.9 (56.5)	48,921.5 (7.8)	3,285.0 (29.8)	17,566.7 (35.0)	9,357.9 (19.9)
Q4	27,555.4 (14.2)	2,072.8 (15.5)	51,830.4 (14.2)	5,336.6 (110.8)	14,539.2 (11.8)	9,014.2 (15.5)
1380:						
Q1	27,557.9 *	4,861.2 (134.5)	56,156.1 (8.3)	3,593.6 (-32.7)	14,545.3 *	8,181.9 (-9.2)
Q2	27,561.9 *	4,636.8 (123.7)	46,465.3 (-10.4)	9,460.4 (77.3)	14,724.3 (1.3)	1,656.5 (-81.6)
Q3	27,567.1	4,729.8 (128.2)	48,028.0 (-7.3)	9,098.1 (70.5)	18,589.2 (27.9)	652.0 (-92.8)
Q4	31,790.1 (15.4)	2,346.5 (13.2)	50,842.6 (-1.9)	11,769.4 (120.5)	13,732.7 (-5.5)	1,970.5 (-78.1)
(Figures in parentheses indicate percentage change over the respective month of the previous year)						
1380:						
Mehr	27,564.2 (14.1)	4,727.0 (61.3)	46,789.3 (-0.9)	9,552.2 (310.4)	16,316.9 (4.1)	1,620.6 (-82.9)
Aban	27,565.7 (14.1)	4,647.0 (61.9)	47,016.8 (-2.1)	7,981.7 (153.9)	15,200.5 (3.0)	389.6 (-96.0)
Azar	27,567.1 (14.1)	4,729.8 (68.4)	48,028.0 (-1.8)	9,098.1 (177.0)	18,589.2 (5.8)	652.0 (-93.0)
Dey	27,568.6 (14.1)	5,443.0 (86.1)	48,336.0 (-1.8)	9,481.5 (378.6)	15,672.8 (-10.9)	1,106.9 (-88.1)
Bahman	29,780.1 (20.2)	5,583.5 (39.4)	48,748.6 (-3.3)	9,211.5 (299.7)	10,006.8 (-37.0)	1,217.2 (-87.1)
Esfand	31,790.1 (15.4)	2,346.5 (13.2)	50,842.6 (-1.9)	11,769.4 (120.5)	13,732.7 (-5.5)	1,970.5 (-78.1)

(1) Since 1376, excludes commercial banks' branches abroad. Account headings of banks' general ledger have been revised and the due changes have been effected in monetary aggregates since the end of 1377 onwards.

(2) Since 1378, includes special term deposits.

<b>Bank Profit Rates</b>								<i>(% per annum)</i>					
<b>Term-investment Deposit Rates</b>							<b>Expected Rate of Profit on Facilities</b>						
Short-term	Special Short-term	One-year	Two-year	Three-year	Four-year	Five-year	Manufacturing & Mining	Construction & Housing		Agriculture	Trade & Services	Export	
								Housing Savings Fund	Other				
1376	8	10	14	15	16	...	18.5	17-19	15-16	15-16	13-16	22-25	18
1377	8	10	14	15	16	...	18.5	17-19	15-16	18-19	13-16	22-25	18
1378	8	10	14	15	16	...	18.5	17-19	15-16	18-19	13-16	22-25	18
1379	8	10	14	15	16	17	18.5	17-19	15-16	18-19	13-16	22-25	18
1380 provisional (1)	7	9	13	13-17	13-17	13-17	17	16-18	15-16	17-19	14-15	23(min.)	18
<b>Tehran Stock Exchange (TSE) Activities</b>													
	<b>Share Price Index (end of the period) (1369=100)</b>			Cash Dividend Yield Index (End of the period)	Current Value of Stock Market (End of the period) (billion rials)	Number of Working Days	Number of Accepted Companies (End of the period)						
	Total	Financial	Industry										
1377	1,537.96	4,048.17	1,275.81	2,054.98	26,584.6	244	281						
1378	2,206.19	4,683.57	1,945.89	2,447.39	43,743.5	243	295						
1379	2,978.29	6,347.29	2,621.80	2,898.09	62,486.6	241	307						
1380	3,758.77	8,497.87	3,254.84	3,299.32	81,681.8	243	318						
1379:													
Q3	2,850.20	6,160.40	2,499.63	2,815.60	59,017.4	61	301						
Q4	2,978.29	6,347.29	2,621.80	2,898.09	62,486.6	56	307						
1380:													
Q1	3,387.72	7,837.21	2,914.78	2,929.99	72,312.1	56	307						
Q2	3,347.72	8,495.91	2,798.98	3,214.95	71,865.6	66	310						
Q3	3,538.71	8,827.19	2,975.11	3,247.12	76,473.0	61	313						
Q4	3,758.77	8,497.87	3,254.84	3,299.32	81,681.8	60	318						
1380:													
Mehr	3,340.17	8,311.08	2,810.41	3,233.00	71,836.5	20	311						
Aban	3,423.03	8,487.00	2,883.42	3,242.14	73,881.7	20	311						
Azar	3,538.71	8,827.19	2,975.11	3,247.12	76,473.0	19	313						
Dey	3,659.65	8,651.00	3,128.32	3,261.72	79,136.9	21	314						
Bahman	3,678.38	8,555.48	3,159.40	3,278.66	79,641.1	21	317						
Esfand	3,758.77	8,497.87	3,254.84	3,299.32	81,681.8	18	318						

**Source: Tehran Stock Exchange**

(1) Banks are authorized to determine the provisional rate of profit on 2-4 year investment deposits within the range of 13-17 percent per annum.



## Tehran Stock Exchange (TSE) Activities

	Share Transactions				Public Share Offerings	
	Number (1,000 shares)	Value (billion rials)	Number of Buyers	Number of Transactions	Number (1,000 shares)	Value (billion rials)
1377	1,210,940.4	3,170.4	153,968	285,732	547,412.2	1,179.7
1378	1,181,863.7	5,243.6	244,302	410,684	242,716.0	2,034.8
1379	1,681,491.6	9,176.7	342,764	725,320	326,971.5	2,248.0
1380	1,705,558.5	7,830.9	315,918	616,283	136,499.4	468.5
1379:						
Q3	456,965.3	2,492.0	88,616	185,971	109,199.8	627.0
Q4	462,848.6	3,091.4	52,317	218,636	153,363.2	1,268.4
1380:						
Q1	369,061.3	1,444.9	116,286	166,646	23,263.8	48.4
Q2	447,443.6	2,297.8	51,633	190,072	16,234.5	26.2
Q3	402,783.9	1,825.3	72,633	162,899	39,594.2	124.8
Q4	486,269.7	2,262.9	115,279	96,666	57,406.9	269.1
1380:						
Mehr	124,522.5	531.3	29,259	53,505	1,041.1	4.4
Aban	121,977.5	570.6	35,805	54,720	17,146.7	45.8
Azar	156,283.9	723.4	37,596	54,674	21,406.3	74.6
Dey	132,889.0	640.3	42,056	64,016	18,008.9	93.3
Bahman	144,661.6	618.8	37,511	79,189	16,915.0	58.8
Esfand	208,719.1	1,003.8	35,712	53,374	22,483.0	117.0

Source: Tehran Stock Exchange

(1) Discrepancies are related to figures released by Tehran Stock Exchange.

## APPENDIX I

### Key Features of Trade and Exchange System

The currency of the Islamic Republic of Iran is the Iranian Rial, and the exchange system is based on a dual exchange rate structure:

a: The "oil-notional" rate is fixed at Rls. 1,750 per US\$, which applies to part of oil and gas export receipts, which is allocated to imports of essential goods and services, debt services, and imports related to large national projects.

b: The "non-oil export" rate, which is applied to non-oil exports receipts and imports of goods and services and other transactions which are not carried out at oil-notional rate. All non-oil exporters are granted the right to deposit their foreign exchange proceeds with banks and receive certificate of deposits (CD). The CDs could be traded on the Tehran Stock Exchange (TSE), sold directly to agent banks within three months of the issuance of CDs or used for opening LCs for import purposes. The non-oil export rate is the rate of certificate of deposit being traded on the TSE. It should be noted that since the beginning of the 3<sup>rd</sup> FYDP (2000/01-2004/05), the export rate at Rls. 3,000 per US\$ was eliminated.

The authority for foreign exchange policy and regulation is vested with Bank Markazi Jomhuri Islami Iran. All foreign exchange transactions must take place through the banking system.

Imports and exports are governed by regulations issued periodically by the Ministry of Commerce after approval by the Cabinet. According to these regulations, import goods are divided into "authorized", "conditional" and "prohibited" goods. "Authorized" goods require no special license or permits for importation, while importation of "conditional" goods requires licensing by respective authorities. "Prohibited" goods are those, which are forbidden by Islamic Sharia, or respective laws. But it should be noted that in view of elimination of certification procedures for almost all import items, the number of goods under conditional categories reduced to a minimum.

All imports are subject to import advance payments. The minimum import advance payments is 10 percent. Most imports are subject to duties including commercial benefit tax. The commercial benefit tax rates are specified in the Export-Import Regulations by the authorities each year.

Persons needing medical treatment abroad may obtain foreign exchange at the CD rate up to the amount specified by the High Council of Health. In case the allocated amount does not fully cover the expenses, the balance could be allocated at negotiated rate. Foreign exchange allowances are provided for students holding fellowships at oil-notional rate by the relevant authorities granting fellowships. For other students studying abroad foreign exchange will be allocated at CD rate.

Iranian nationals travelling abroad may purchase up to 2,000 US dollars at negotiated rate for three travels in each year. Every accompanying person (over 12 years) in-group passports, is eligible to purchase up to maximum of US\$1000 per person, at the negotiated rate, for maximum of four persons.

Iranian nationals and foreigners are allowed to hold interest bearing foreign exchange deposits with authorized domestic banks. Two types of foreign exchange deposits are permitted, i.e. foreign exchange deposits of "external origin", and foreign exchange deposits of "domestic origin". Foreign exchange with external origin could be traded at negotiated rate. Balances of the foreign exchange deposits of "external origin" may be taken out of the country freely. Maximum interest rate payable on foreign exchange time deposits is LIBOR plus one percentage point.

There is no limit on the amount of foreign exchange that travelers may bring into the country. However, for the purpose of repatriation, the amount must be declared at the time of entry. Iranian travelers leaving the country must pay an exit fee of Rls. 70,000.

Foreign investment in Iran is allowed. The right for repatriation of principal and dividends is guaranteed if the investment is made under the 1955 Law for the Attraction and Protection of Foreign Investment. As for portfolio investment, non-residents may invest in instruments traded on the Tehran Stock Exchange.

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## APPENDIX II

### Summary of the Monetary and Foreign Exchange Policies During 2001/02

#### A. Monetary and Credit Policies

The banking system constitutes the core of the financial sector in Iran and plays a critical role in transmitting monetary policy impulses to the entire economic system. Each year after the approval of government's annual budget by the Islamic Consultative Assembly, the Central Bank presents a detailed monetary and credit policy to the Money and Credit Council for approval. Thereafter, certain core elements of monetary and credit policy need to be approved by the Cabinet. This procedure is followed in accordance with Article 19 of Usury-Free Banking Act of 1983 which stipulates that short-term credit policies need to be approved by government and long-term credit policies have to be incorporated within the Five Year Development Plan documents and approved by the Parliament.

The approved money and credit policies for 1380 fiscal year (2001/02) stipulates that:

1. In accordance with paragraph B, Note 3 of the 2001/02 Budget Law, the Central Bank is authorized to determine the total credits and facilities of banking system for this year, and the ratio of long-term credits and facilities to the short-term, and regulate credit plans and facilities of the banking system on the basis of the

amount of current and investment deposits after observance of banks legal obligations, and implement these policies in such a way that the targets of economic growth and inflation as envisaged in the 3<sup>rd</sup> FYDP be realized.

2. On the basis of the Money and Credit Council (MCC) approval, the provisional rate of profit on term investment deposits and rate of profit on banking facilities extended by the banks to different economic sectors were determined as follows:

<b>Provisional Rate of Term-investment Deposits</b>	
<b>Investment Deposits</b>	<b>% per annum</b>
Short-term	7
One-year	13
Five-year	17

Furthermore, in order to promote competitive position of banks, they are allowed to determine the provisional rate on 2, 3, and 4 year term investment deposits directly, within the range of 13 to 17 percent. Thereby, the Central Bank and the banks' depositors must be informed about the rates and their effective dates by the banks.

The above rates are mandatory as of May 12, 2001 and provisional rate of return on deposits and facilities whose contracts were signed before the above date, would follow the applied rates upto maturity of the contracts. The above rates are not applied to non-bank credit institutions and private banks.

3. During 1380, except for 25 percent of the increase in banking facilities, which would be free from sectoral allocations, banks are obliged to observe the sectoral shares of the increase in the balance of facilities to non-public sector. Therefore, the shares will apply only to 75 percent of the increase in facilities. The sectors' share of facilities extended by banks are shown in the respective table:

4. The reserve requirement ratios by type of deposits approved by the MCC are as follows:

<b>Expected Rate of Profit on Banking Facilities</b>	
<b>Economic sector</b>	<b>% per annum</b>
Agriculture	14-15
Manufacturing and Mining	16-18
Housing:	
Within housing pattern	17
Out of housing pattern	19
Housing savings fund:	
Within housing pattern	15
Out of housing pattern	16
Export	18
Trade and services	23 (minimum)

<b>Share of Economic Sectors in Banking Facilities Extended to the Non- Public Sector</b>	
<b>Economic sectors</b>	<b>Share (percent)</b>
Agriculture	25.0
Manufacturing and Mining	33.5
Housing	20.0
Construction	9.0
Exports	8.0
Domestic trade and services	4.5
Total	100.0

<b>Type of Deposit</b>	<b>Reserve Requirement Ratios<sup>(1)</sup></b>	
	<b>Commercial Banks</b>	<b>Specialized Banks</b>
Sight deposits	20	10
Savings Gharz-al-hasanah deposits	20	10
Housing savings deposits		2
Short-term investment deposit (includes 6-month special deposits)	20	10
Term-investment deposits		
One-year	20	10
Two-year	10	10
Three-year	10	10
Four-year	10	10
Five-year	10	10

- (1) To maintain the competitive position of banking units in the Free Trade Zones, the reserve requirement ratio against all rial and foreign exchange deposits of banking units in FTZ's was set at its minimum level of 10 percent.

As a result of reduction in average reserve requirement ratio, the released excess reserves of the banks will be used to fulfill the requirements of specialized banks in the form of inter-bank facilities and excess of that will be utilized in long-term investment projects.

5. According to paragraph C, Note 3 of the 2001/02 Budget Law, the increase in outstanding of scheduled facilities of the banks in this year is authorized upto the ceiling of Rls. 4,800 billion. Out of this amount, the share of public sector is 30 percent, and share of cooperative and private sectors is 70 percent. At least 60 percent of cooperative and private sectors' share of scheduled facilities has to be utilized with the aim of employment generation in the underdeveloped areas.
6. According to the Note 2, Article 4 of the budget law relating to the issuance of the participation papers, the MCC determined the ceiling for issuance of participation papers by the non-public sector at Rls. 5 thousand billion.
7. Based on Article 91 of the 3<sup>rd</sup> FYDP law and in order to mop up the excess liquidity, the MCC authorized the Central Bank to issue participation papers according to monetary targets set in the Plan. The ceiling set by the MCC is Rls. 8,000 billion, out of which Rls.2,915 billion with maturity of 6 months and 19 percent provisional profit rate were sold upto the end of the first quarter of 1380.
8. At second quarter of 1380, Rls. 3000 billion new Central Bank (CB) participation papers with maturity of one year were issued and sold at the market. The Rls. 3000 billion of matured papers were also substituted with an equivalent amount of new issues of one year maturity. At the end of second quarter of 1380 a total of Rls. 6000 billion of CB papers were at the hand of public, which will become due for repurchase at the second quarter of 1381. Equal to Rls. 3,600 billion CB papers was sold at the market during the 4<sup>th</sup> quarter of 1380, bringing the total CB papers to Rls. 9,600 billion for the whole year.
9. The provisional profit rate of the government participation papers (after deduction of tax) is determined at 17 percent per annum, and other conditions for issuance of participation papers will remain unchanged as before.
10. The issuance of establishment permits for two private banks (Parsian, Eghtesade Novin) in the first quarter of 2001/02 is considered as the first step in privatization of banking operations. In the fourth quarter of 1380 Karafarinan, a non-bank credit institution, received establishment permit from the CB and its name was changed to "Bank Karafarin" as the third private bank.

## **B. Foreign Exchange Policies and Regulations**

The exchange market and exchange rate policies in 2000/01 and the first quarter of 2001/02 were aimed at maintaining a relatively stable nominal exchange rate, with liberalization of exchange regulations. One major development in the foreign exchange system of Iran in recent years was the elimination of export rate (Rls. 3,000 per US\$) and the establishment of a fully functioning market for foreign exchange transactions in Tehran Stock Exchange. As of the beginning of this new system (March 2000/01), the exchange system is principally based on two exchange rates; an oil-notional rate which is solely applied to government budget, approved specific transactions, and a non-oil export rate which is used for other foreign exchange transactions. As of the beginning of 1379 and the first quarter of 1380 the following policies have been implemented:

1. Non-oil exporters are entitled to receive certificate of deposits (CDs) after the surrender of foreign exchange to their agent bank. Hence, the foreign exchange certificate of deposit was substituted for import certificate. These CDs can be used to open letter of credit for import purposes, to be sold either through TSE to other importers, or directly to agent banks within three months of the issuance of CDs.
2. Since May 2001, CDs can be issued in Swiss Franc, Sterling Pound, Japanese Yen, and UAE Dirham in addition to US dollar and Euro.
3. The manufacturing units are allowed to import raw materials, spare parts and other required equipment against export of their own products, and settle their foreign exchange obligations through this mechanism.
4. The minimum deposit requirement for the opening letters of credit for imports by non-public sector was reduced to 10 percent.
5. Following the phased expansion of the "positive import list" from authorized imports with non-oil export receipts, the "positive list" was effectively replaced by a "negative list" at the end of 1379 and beginning of 1380. In line with the targets set in the 3<sup>rd</sup> FYDP, all non-tariff barriers, quotas and certification procedures (except for obligatory standard reasons) by line ministries and specialized government agencies for imports of raw materials and industrial products (except for car and transportation vehicles), were eliminated and replaced by commercial benefit taxes.
6. The number of export commodity groups which are subject to surrender requirement was reduced to 66.
7. The exporters who export and settle their accounts through banking system are exempted from pledging collaterals or advance payments. The export ceilings on uncollateralized non-oil exports with regard to surrender requirements will not be applied to exporters who settle their accounts through banking system, exporters with more than five years of experience and with good reputation and approval of Export Promotion Center, and the exporters of technical and engineering services. Moreover, exports of all non-oil goods and services were exempted from all taxes and customs duties in line with the guidelines of the 3<sup>rd</sup> FYDP.
8. In line with policies of the 3<sup>rd</sup> FYDP, upto fifty percent of accumulated deposits in government Oil Stabilization Fund could be lent to non public sector. However, banks should collect sufficient guarantees to ensure that repayments of the facilities will be made in foreign exchange. As of the beginning of 1380, banks were allowed to extend foreign exchange facilities from OSF resources to non public sector. The individual ceiling for real

persons was set at five million US dollars. Moreover, the individual ceiling of facilities for exports was determined at \$ 25 million; while for the amounts in excess of the said ceiling the prior approval of the OSF Trustee Board, and the Central Bank is required.

9. The regulations on LCs at CD rate were facilitated and simplified. Banks were authorized to extend the maturity of opened LCs at CD rate and endorse import documents with minor discrepancies.
10. The ceilings and foreign exchange quotas of universities and research centers for registration and subscription fees and other payments to international conferences and seminars were eliminated. Moreover, sale and transfer of foreign exchange by banks to local corporations and organizations, government agencies, real and legal persons for international conferences and organizations, were allowed at negotiated rates.
11. To enhance transparency of commercial activities within Free Trade and Industrial Zones and Special Economic Zones, the Central Bank announced regulations regarding opening LC and / or order registration with draft in these zones.
12. To support non-oil exporters against likely losses due to reduction in the world commodity prices and exchange rate fluctuations, the Cabinet approved payment of subsidies to exporters on the discretion of the Ministry of Commerce.
13. To support exporters, none of the domestic banks can put a ban on exporters against non – fulfillment of their commitments due to surrender requirement, while all of the former lists were regarded null and void. Moreover, a committee was set up in the Export Promotion Center to decide on the surrender requirements issues.
14. To establish a competitive financial environment and to give more freedom to the customers in using foreign exchange for services, all non-public banks are authorized to render services in the following fields:
  - a. receipt of deposits from real and legal persons, transactions and transfer of foreign exchange according to the existing regulations.
  - b. foreign exchange operations, including opening of LCs and issuance of import- export drafts, issuance of exchange letters of guarantee and concluding of one-year refinance contracts.
  - c. foreign exchange operations in concluding finance agreements and entering inter-bank exchange markets.
15. To facilitate foreign trade transactions, and arbitration of international trade disputes, the Arbitration Center of Iran Chamber of Industries and Mines was given the authority for international trade arbitration.
16. For deregulation and facilitating the export process, the Cabinet exempted export of goods and services to the Central Asian Republics and Afghanistan from depositing surrender requirement.
17. In order to expand the coverage of foreign exchange transactions in the services sector through the banking system, and to reduce the demand for foreign exchange in the parallel market, the Central Bank announced the bylaw for transaction and accounting procedures for this sector in March 13, 2002, effective since March 21, 2002.

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### APPENDIX III

#### **Third Five Year Development Plan 1379-83 (2000/01-2004/05)**

The Third Five Year Development Plan is formulated with a view to various aspects of the existing realities of the country, the challenges that the economy faces and the emphasis on having a comprehensive and balanced plan.

The 3<sup>rd</sup> FYDP is a package of articles, policies, and guidelines covering 26 sectoral and intrasectoral areas and provide a comprehensive framework for resolving structural impediments and economic difficulties during the Plan period.

The core elements of the general policy framework of the Plan are as follows:

1. The "High Council of Administrative" will be established in order to reform administrative system and human resource management.
2. The financial position of all public enterprises will be assessed with the aim of either liquidating, privatizing merging or restructuring them.
3. "State Tax Affairs Organization" will be established as a public institution under the supervision of the Minister of Economic Affairs and Finance with the objective of raising the efficiency of the tax system and eliminating the existing organizational bottlenecks.
4. "Oil Stabilization Fund" will be created for reducing budget reliance on oil revenue and ensuring the sustainability and preservation of national wealth.
5. The net increase in scheduled banking facilities will be reduced by 10 percent on an annual basis, taking 1378 approved figure as the benchmark. Government's support for economic activities in the form of preferential lending rates and loan repayment guarantees will become transparent and taken care of within the government's annual budgets.
6. The amount of official external obligations will be regulated, so that net present value of these obligations will not exceed US\$25 billion and debt service ratio (excluding buy-back agreements) will not exceed 30 percent of government foreign exchange receipts at the final year of the Plan period.

7. Government will issue upto Rs. 5,000 billion specific participation papers for recapitalization of the banks. The proceeds from the sale of these papers will be used for strengthening financial position and government capital investment of the undercapitalized banks.

8. The Central Bank will prepare the condition for the operation of private banks and private non-bank credit institutions.

9. The government is authorized to extend facilities to investors who participate in job creating plans and small scale industries in proportion to their financial contributions in projects.

10. In order to achieve the export targets during the 3<sup>rd</sup> FYDP:

a. The customs duties and tariff of imported raw material and intermediate goods used in production of exportable goods, will be refunded after the export of goods.

b. The exported goods and services are exempted from any tax or levy.

c. The export of goods and services is exempted from any permits except the mandatory standards and the certificates commonly applicable in international trade.

d. In order to promote the export of non-oil commodities and technical and engineering services, a portion of surplus revenue received from oil exports will be allocated to increase the working capital of Export Development Bank.

11. The government is required to remove the non-tariff barriers, in order to promote foreign trade.

12. In order to design export strategies and determine the facilities to be extended to export sector, the High Council of Non-oil Export Promotion will be established under the chairmanship of the President.

**Quantitative Targets in 3<sup>rd</sup> FYDP  
1379-83 (2000/01-2004/05)**

(percentage change)

	1379	1380	1381	1382	1383	Annual Average
GDP	4.5	5.5	6.5	6.7	6.8	6.0
Non-oil/gas GDP	5.9	7.0	7.2	6.8	7.1	6.8
Total investment	6.0	6.9	7.3	7.8	7.9	7.1
Private	6.1	9.5	9.7	9.6	7.6	8.5
Public	5.6	2.8	3.3	4.7	8.4	5.0
Private consumption expenditures	3.3	3.4	3.5	3.6	3.7	3.5
Public consumption expenditures	6.1	0.3	1.5	3.5	1.9	2.5
Liquidity (M <sub>2</sub> )	20.8	18.0	15.7	14.2	13.1	16.4
Inflation	19.9	17.4	15.3	14.0	13.0	15.9

- Negligible fraction
- .. Figures not available
- ... Statistical data unavailable
- \* The Figures is not a significant decimal fraction
- Figures are provisional
- ▣ More than 500 percent increase
- ▲ Previous figures now revised
- \* Figures are estimated
- ∅ Calculation of percentage change is not possible
- Figure has been rounded
- Percentage change has been calculated from round figures
- FYDP Five Year Development Plan

### Correspondence of Iranian and Gregorian Calendars<sup>(1)</sup>

Month	1376		1377		1378		1379		1380		
Farvardin	1	<u>1997</u>		<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>	
	31	March	21	March	21	March	21	March	21	March	20
		April	20	April	20	April	20	April	20	April	20
Ordibehesht	1	April	21	April	21	April	21	April	21	April	21
	31	May	21	May	21	May	21	May	21	May	21
Khordad	1	May	22	May	22	May	22	May	22	May	22
	31	June	21	June	21	June	21	June	21	June	21
Tir	1	June	22	June	22	June	22	June	22	June	22
	31	July	22	July	22	July	22	July	22	July	22
Mordad	1	July	23	July	23	July	23	July	23	July	23
	31	Aug	22	Aug	22	Aug	22	Aug	22	Aug	22
Shahrivar	1	Aug	23	Aug	23	Aug	23	Aug	23	Aug	23
	31	Sept	22	Sept	22	Sept	22	Sept	22	Sept	22
Mehr	1	Sept	23	Sept	23	Sept	23	Sept	23	Sept	23
	30	Oct	22	Oct	22	Oct	22	Oct	22	Oct	22
Aban	1	Oct	23	Oct	23	Oct	23	Oct	23	Oct	23
	30	Nov	21	Nov	21	Nov	21	Nov	21	Nov	21
Azar	1	Nov	22	Nov	22	Nov	22	Nov	22	Nov	22
	30	Dec	21	Dec	21	Dec	21	Dec	21	Dec	21
Dey	1	Dec	22	Dec	22	Dec	22	Dec	22	Dec	22
	30	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>		<u>2002</u>	
		Jan	20	Jan	20	Jan	20	Jan	20	Jan	20
Bahman	1	Jan	21	Jan	21	Jan	21	Jan	21	Jan	21
	30	Feb	19	Feb	19	Feb	19	Feb	19	Feb	19
Esfand	1	Feb	20	Feb	20	Feb	20	Feb	20	Feb	20
	29/30	March	20	March	20	March	20	March	20	March	20

(1) There are 31 days in each of the first six months of the Iranian calendar, 30 days in each of the next 5 months, 29 days in the last month, except in leap year when it has 30 days.