



Central Bank of the Islamic Republic of Iran

# Economic Trends

Economic Research & Policy Department

**No. 30**  
**Third Quarter**  
**1381**  
*(2002/2003)*

## Key Economic Indicators

### Real Sector

National Accounts  
Energy  
Industry  
Construction  
Price Trends

### External Sector

Balance of Payments  
External Debt  
Exchange Rate  
Foreign Trade  
Facilities extended from OSF

### Financial Sector

Government Budget  
Monetary and Credit Aggregates  
Bank Deposit and Lending Rates  
Tehran Stock Exchange Activities

### Appendices

Key Features of the Trade and Exchange System  
Summary of the Current Foreign Exchange and Monetary Policies  
3<sup>rd</sup> FYDP Objectives and Policies

*In the Name of God*

**Key Economic Indicators**

**Population & Labor Force (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
Literacy Rate (1380):	
6 years and over	85.1 percent
6-29 years	93.0 percent

**Real Sector (1380) ▲**

GDP Growth (1369=100)	5.4 percent
Non- oil GDP Growth	6.5 percent
GDP Growth (3 <sup>rd</sup> FYDP):	
Average period	6.0 percent
1381	6.5 percent
GDP (current prices)	Rls. 667,176 billion
Gross Fixed Capital Formation (current prices)	Rls. 183,322 billion
Private Consumption Expenditures	Rls. 323,659 billion
Public Consumption Expenditures	Rls. 95,021 billion
Per Capita Income (current prices)	Rls. 8,953 thousand

**Price Changes (CPI, 1376=100)**

Nine Months, 1381 (year on year)	15.2 percent
Inflation Rate:	
Average annual (ending to Azar)	14.4 percent
3 <sup>rd</sup> FYDP (target) :	
Average period	15.9 percent
1381	15.3 percent

**Gov't Fiscal Position (Q3,1381)**

Revenue	Rls. 15,874.0 billion
Expense	Rls. 33,235.8 billion
Disposal of Non-financial Assets	Rls. 25,974.5 billion
Acquisition of Non-financial Assets	Rls. 11,713.2 billion
Net Lending or Borrowing/GDP (1380)	-0.5 percent

**External Sector (Nine months,1381)**

Current Account Balance	US\$ 2,385 million
Trade Balance	US\$ 3,075 million
Exports	US\$ 19,489 million
Imports (FOB)	US\$ 16,414 million
Total Foreign Debts (end of the period)	US\$ 8,735 million
Exchange Rate (IRR/US\$)	
Interbank market (average)	7,977.04

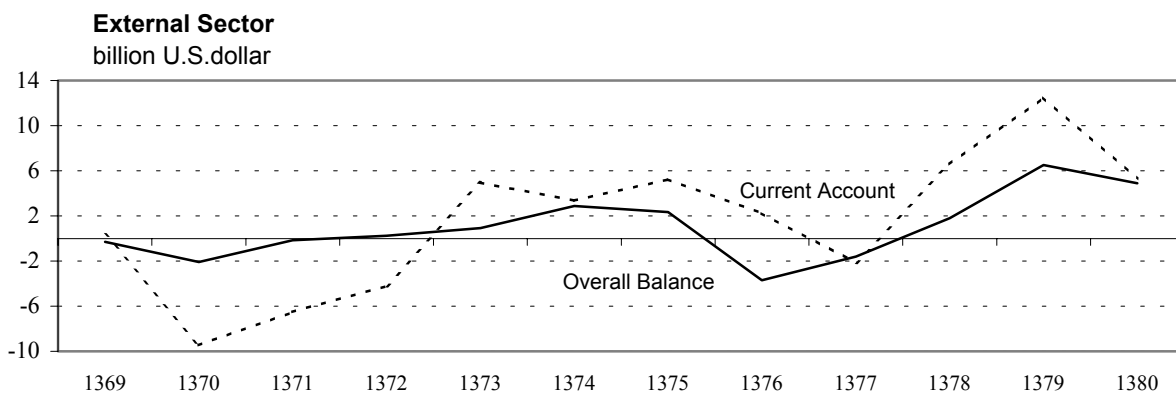
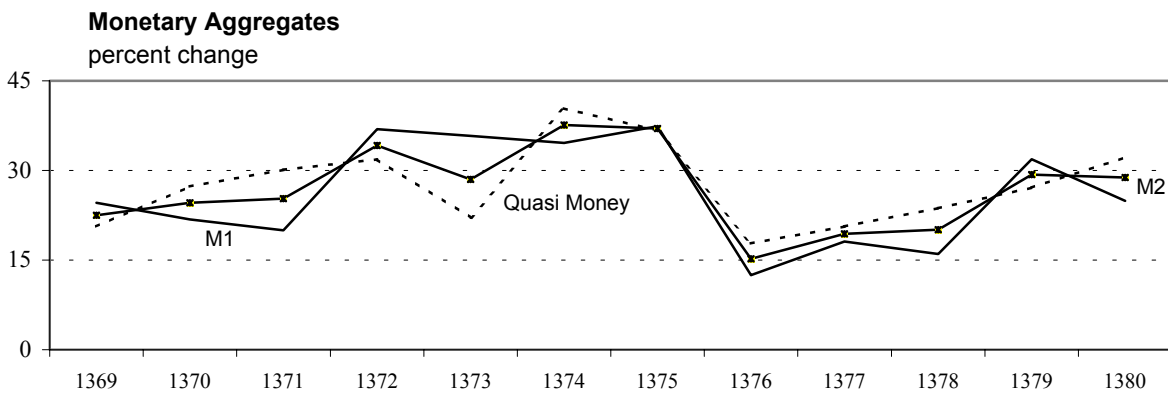
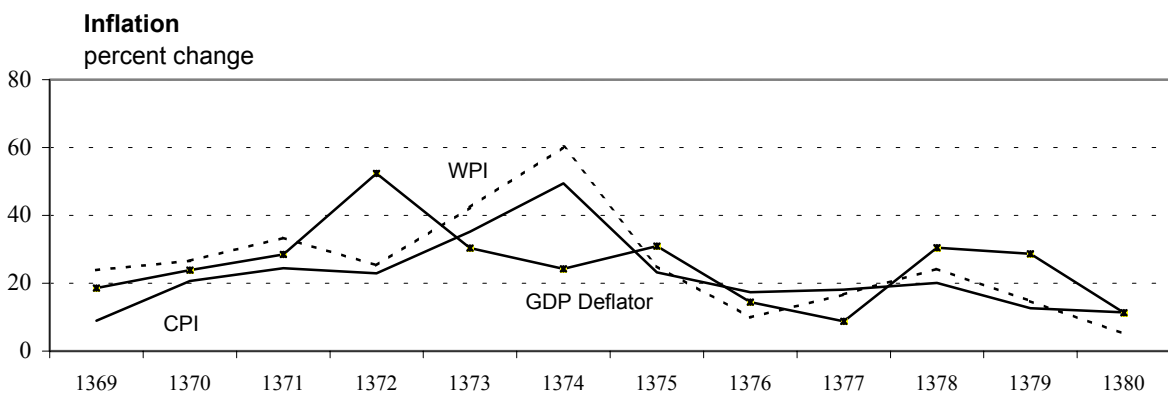
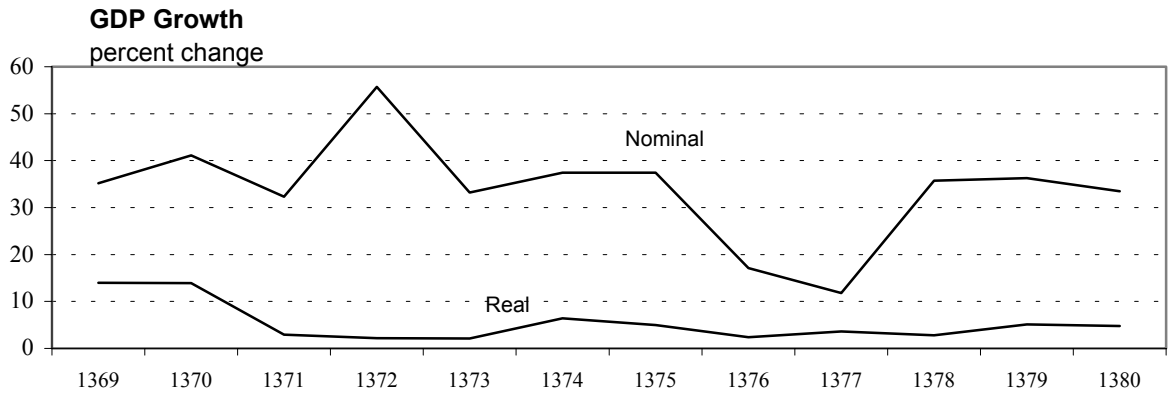
**Monetary Sector (Nine months,1381)**

Liquidity Growth (M <sub>2</sub> )	19.1 percent
Money Growth (M <sub>1</sub> )	13.0 percent
Quasi-Money Growth (QM)	23.9 percent
Growth of Non-public Sector Deposits	22.2 percent

**Tehran Stock Exchange (Q3,1381)**

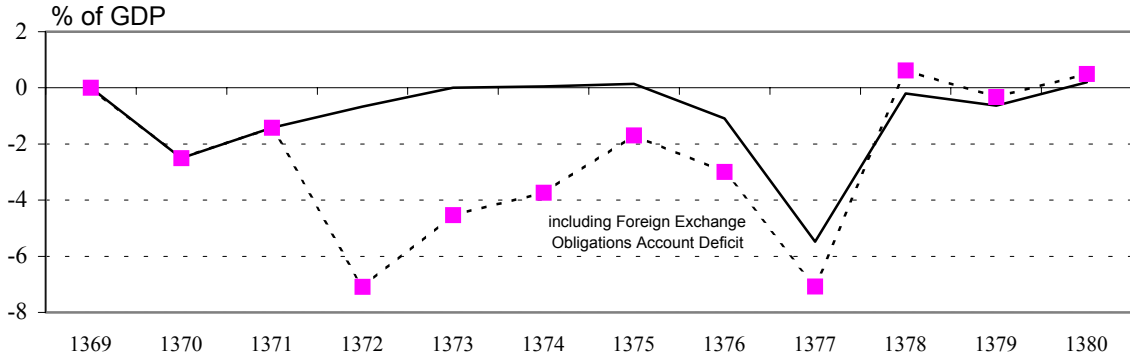
Share Price Index (end of the period) (1369=100)	5,096.97 units
Value of Shares Traded	Rls. 4,438.5 billion
Number of Shares Traded	749.4 million

## Major Economic Trends

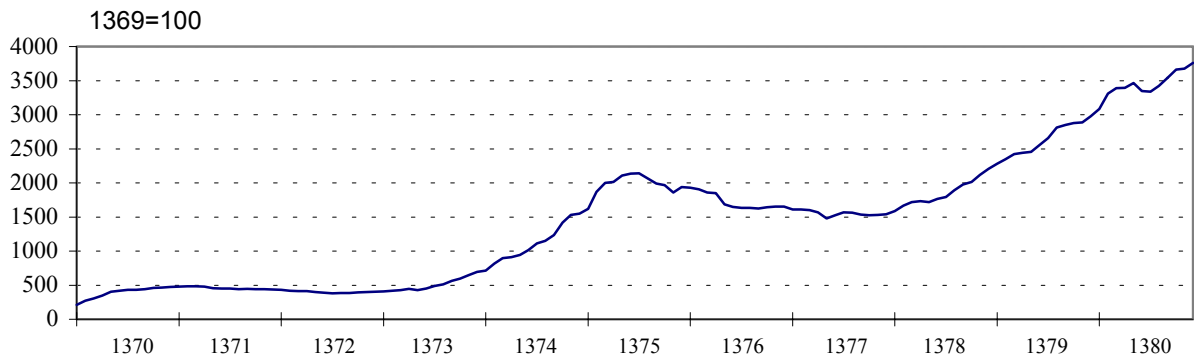


## Major Economic Trends

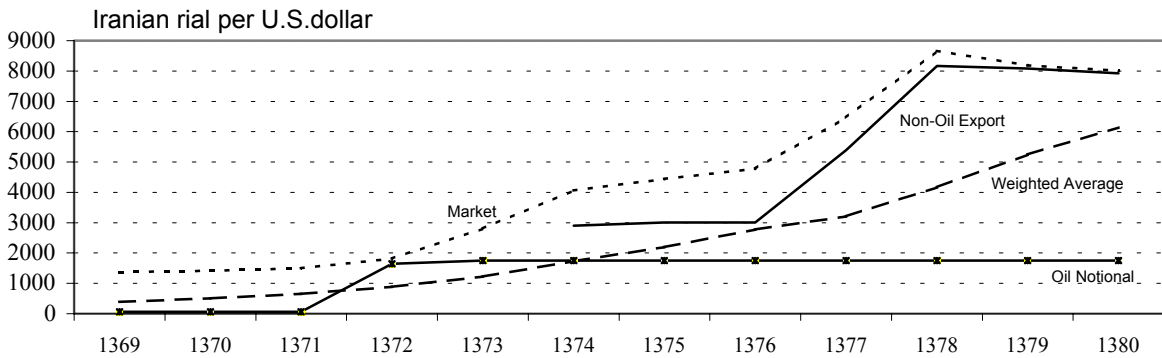
### Government Budget Deficit



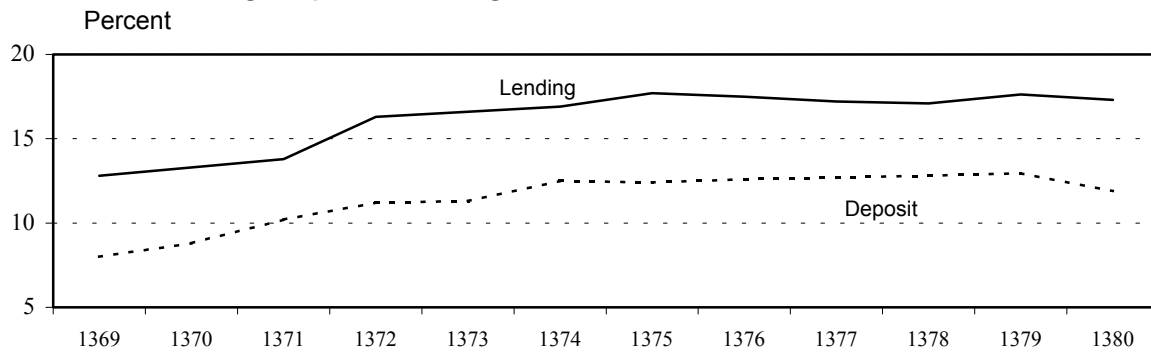
### Share Price Index



### Exchange Rate



### Banks' Average Deposit & Lending Rates



<i>National Accounts (at Current Prices)(1)▲</i>									<i>(billion rials)</i>	
	GDP at basic price	Sectoral value- added								
		Oil	Non-oil	Agriculture	Industries & mining (2)	Manufacturing & mining	Construction	Services(3)		
(Figures in parentheses indicate share percent)										
1377	328,473.6	28,266.5	300,207.1	56,750.8	62,316.3	45,624.7	13,291.0	181,140.0		
	(100.0)	(8.6)	(91.4)	(17.3)	(19.0)	(13.9)	(4.0)	(55.1)		
1378	434,299.9	63,292.8	371,007.1	65,420.6	81,223.4	59,104.0	17,885.2	224,363.1		
	(100.0)	(14.6)	(85.4)	(15.1)	(18.7)	(13.6)	(4.1)	(51.7)		
1379	575,895.1	101,416.1	474,479.0	79,120.9	110,104.9	78,934.1	22,616.1	285,253.2		
	(100.0)	(17.6)	(82.4)	(13.7)	(19.1)	(13.7)	(3.9)	(49.5)		
1380*	667,176.0	100,873.4	566,302.6	85,188.1	136,836.1	98,731.3	27,546.4	344,278.4		
	(100.0)	(15.1)	(84.9)	(12.8)	(20.5)	(14.8)	(4.1)	(51.6)		
	Gross domestic expenditure	Consumption expenditures		Gross fixed capital formation				Net export	National income	Gross national savings
		Private	Public	Private		Public				
				Machinery	Construction	Machinery	Construction			
(Figures in parentheses indicate share percent)										
1377	329,085.9	181,172.4	47,036.6	45,398.4	17,744.1	11,300.5	21,607.8	-6,710.3	276,473.6	101,764.5
	(100.0)	(55.1)	(14.3)	(13.8)	(5.4)	(3.4)	(6.6)	(-2.0)		
1378	436,540.4	225,769.9	55,997.5	56,560.6	22,234.7	15,849.7	29,556.5	28,578.0	368,502.0	157,918.0
	(100.0)	(51.7)	(12.8)	(13.0)	(5.1)	(3.6)	(6.8)	(6.5)		
1379	579,875.0	276,612.0	80,554.0	73,485.4	28,419.5	16,837.1	34,720.2	30,620.3	496,285.9	222,318.0
	(100.0)	(47.7)	(13.9)	(12.7)	(4.9)	(2.9)	(6.0)	(5.3)		
1380*	674,779.9	323,659.0	95,020.8	90,607.5	37,897.2	19,749.9	35,067.4	10,624.6	581,070.7	244,278.8
	(100.0)	(48.0)	(14.1)	(13.4)	(5.6)	(2.9)	(5.2)	(1.6)		

(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 basic price(2)	GDP deflator	Sectoral value – added								
			Oil	Non-oil	Agriculture	Industries & mining(3)	Manufacturing & mining	Construction	Services(4)		
(Figures in parentheses indicate percentage change over the previous period)											
1377	49,769.4	659.9	4,085.6	45,683.8	9,529.5	9,130.2	6,308.1	2,261.4	27,024.1		
	(3.6)	(8.7)	(2.3)	(3.7)	(8.7)	(-3.0)	(-3.3)	(-4.3)	(4.1)		
1378	50,597.2	858.3	3,847.8	46,749.3	8,713.1	10,000.1	6,858.2	2,537.1	28,036.1		
	(1.7)	(30.1)	(-5.8)	(2.3)	(-8.5)	(9.5)	(8.7)	(12.2)	(3.7)		
1379	53,135.8	1,083.8	4,164.3	48,971.5	8,966.4	10,878.3	7,503.1	2,737.3	29,126.8		
	(5.0)	(26.3)	(8.2)	(4.8)	(2.9)	(8.8)	(9.4)	(7.9)	(3.9)		
1380*	55,980.7	1,191.8	3,815.1	52,165.6	9,341.3	12,302.5	8,549.6	3,074.0	30,521.8		
	(5.4)	(10.0)	(-8.4)	(6.5)	(4.2)	(13.1)	(13.9)	(12.3)	(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	49,862.1	28,159.4	5,398.9	4,649.1	3,166.2	1,157.2	2,964.8	1,529.1	-2,431.9	41,112.5	13,644.8
	(3.4)	(6.7)	(6.8)	(11.6)	(0.1)	(4.8)	(-6.1)			(-2.4)	(-14.7)
1378	50,858.1	29,107.7	5,094.0	4,631.1	3,230.5	1,297.8	3,461.1	3,515.0	-955.2	43,319.7	15,404.0
	(2.0)	(3.4)	(-5.6)	(-0.4)	(2.0)	(12.1)	(16.7)			(5.4)	(12.9)
1379	53,502.9	31,183.5	5,731.0	4,985.7	3,482.2	1,142.3	3,573.3	2,929.4	-1,008.9	45,622.6	15,926.7
	(5.2)	(7.1)	(12.5)	(7.7)	(7.8)	(-12.0)	(3.2)			(5.3)	(3.4)
1380*	56,617.9	32,639.1	5,557.2	5,644.0	4,205.7	1,245.1	3,391.1	2,692.2	-2,027.9	47,315.6	16,679.8
	(5.8)	(4.7)	(-3.0)	(13.2)	(20.8)	(9.0)	(-5.1)			(3.7)	(4.7)

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

**National Accounts (1)▲**
*(billion rials)*

	Gross fixed capital formation in construction by economic sectors					Gross fixed capital formation in machinery by economic sectors				
	Total	Agriculture	Oil & gas	Industries & mining	Services	Total	Agriculture	Oil & gas	Industries & mining	Services
(at Current Prices)	(Figures in parentheses indicate share percent)									
1377	39,351.9	2,166.5	4,286.8	5,966.8	26,931.8	56,698.9	1,102.3	1,400.4	18,586.4	35,609.9
	(100.0)	(5.5)	(10.9)	(15.2)	(68.4)	(100.0)	(1.9)	(2.5)	(32.8)	(62.8)
1378	51,791.2	5,158.3	5,760.1	5,342.9	35,529.9	72,410.3	1,452.9	4,384.7	23,930.8	42,641.9
	(100.0)	(10.0)	(11.1)	(10.3)	(68.6)	(100.0)	(2.0)	(6.1)	(33.0)	(58.9)
1379	63,139.7	4,918.7	4,886.3	8,639.5	44,695.2	90,322.5	1,756.0	4,989.5	30,301.1	53,275.9
	(100.0)	(7.8)	(7.7)	(13.7)	(70.8)	(10.0)	(1.9)	(5.5)	(33.5)	(59.0)
1380*	72,964.6	5,227.3	5,692.8	9,470.8	52,573.8	110,357.4	2,177.7	3,031.6	34,955.5	70,192.6
	(100.0)	(7.2)	(7.8)	(13.0)	(72.1)	(100.0)	(2.0)	(2.7)	(31.7)	(63.6)
(at Constant 1369 Prices)	(Figures in parentheses indicate percentage change over the previous period)									
1377	6,131.0	333.2	588.2	820.5	4,389.1	5,806.3	87.4	155.2	2,214.0	3,349.7
	(-3.0)	(-14.5)	(-4.9)	(14.7)	(-4.5)	(10.2)	(12.7)	(10.4)	(11.4)	(9.3)
1378	6,691.6	628.9	674.5	627.2	4,761.0	5,928.9	94.8	342.4	2,208.5	3,283.3
	(9.1)	(88.7)	(14.7)	(-23.6)	(8.5)	(2.1)	(8.4)	(120.6)	(-0.3)	(-2.0)
1379	7,055.5	546.8	502.9	890.5	5,115.3	6,128.1	96.4	291.5	2,250.8	3,489.4
	(5.4)	(-13.1)	(-25.4)	(42.0)	(7.4)	(3.4)	(1.7)	(-14.9)	(1.9)	(6.3)
1380*	7,596.8	538.6	553.2	921.6	5,583.4	6,889.1	108.6	182.1	2,471.6	4,126.8
	(7.7)	(-1.5)	(10.0)	(3.5)	(9.2)	(12.4)	(12.7)	(-37.5)	(9.8)	(18.3)

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

<b>Energy</b>							
	<b>Petroleum (thousand barrels per day)</b>		<b>Production of electricity (million kw/h) (1)</b>				
	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)	78,332 (10.8)	33,365 (7.1)	3,650 (-26.2)	361 (-13.8)	115,708 (7.9)
1380▲	3,574 (-2.4)	2,383 (-4.4)	81,102 (4.2)	37,787 (13.5)	5,056 (39.0)	329 (-8.4)	124,275 (7.9)
(Figures in parentheses indicate percentage change over the previous period)							
1380▲:							
Q2	3,560 (-5.7)	2,381 (-7.5)	23,513 (21.6)	11,944 (29.1)	1,251 (15.0)	125 (52.4)	36,833 (23.8)
Q3	3,514 (-1.3)	2,356 (-1.0)	19,004 (-19.2)	9,148 (-23.4)	979 (-21.7)	63 (-49.6)	29,194 (-20.7)
Q4	3,436 (-2.2)	2,213 (-6.1)	19,242 (1.3)	7,446 (-18.6)	1,738 (77.5)	59 (-6.3)	28,485 (-2.4)
1381 :							
Q1	3,227 (-6.1)	2,107 (-4.8)	18,344 (-4.7)	10,672 (43.3)	2,631 (51.4)	86 (45.8)	31,733 (11.4)
Q2▲	3,259 (1.0)	2,247 (6.6)	23,759 (29.5)	14,264 (33.7)	2,041 (-22.4)	118 (37.2)	40,182 (26.6)
Q3	3,254 (-0.2)	2,223 (-1.1)	19,273 (-18.9)	11,020 (-22.7)	1,601 (-21.6)	78 (-33.9)	31,972 (-20.4)

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 of large manufacturing establishments (1)</b> (1376=100)	<b>Establishment of new industrial and mining units (2)</b>		<b>Operation of new industrial and mining units (2)</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	6,856	23,814	2,615	6,369
	(1.2)	(-32.5)	(-17.5)	(-16.9)	(9.4)
1378	113.8	8,096	28,980	3,387	10,330
	(12.5)	(18.1)	(21.7)	(29.5)	(62.2)
1379▲	128.7	9,087	67,578	3,264	6,462
	(13.1)	(12.2)	(133.2)	(-3.6)	(-37.4)
1380▲	141.1	17,098	164,288	3,550	13,023
	(9.6)	(88.2)	(143.1)	(8.8)	(101.5)
(Figures in parentheses indicate percentage change over the respective period of the previous year)					
1380▲:					
Q2	139.2	3,252	69,547	845	4,659
	(6.7)	(50.1)	(302.0)	(-8.7)	(145.9)
Q3	142.8	5,124	33,548	878	2,636
	(7.4)	(126.9)	(97.3)	(10.0)	(59.5)
Q4	166.3	6,766	48,510	1,173	4,172
	(18.4)	(141.7)	(85.6)	(31.1)	(137.5)
1381 :					
Q1	130.7	4,758	26,897	710	4,553
	(12.7)	(143.3)	(112.1)	(8.6)	(192.6)
Q2	154.5	6,753	54,879	1,142	4,788
	(11.0)	(107.7)	(-21.1)	(35.1)	(2.8)
Q3	..	7,621	69,463	1,105	5,155
		(48.7)	(107.1)	(25.9)	(95.6)

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

(2) Since 1379 includes mining industries.

## Construction

	Number of construction permits issued in urban areas				Estimated floor-space (million square meters) (1) (2)				Construction indices (1376=100)	
	Tehran	Other large cities	Other urban areas	All urban areas	Tehran	Other 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	21,234 (75.2)	38,487 (-5.3)	76,586 (-11.0)	136,307 (-1.8)	17.2 (69.9)	15.3 (1.1)	17.8 (-5.5)	50.3 (14.1)	142.3 (10.7)	155.2 (15.1)
1380	26,068 (22.8)	45,776 (18.9)	76,042 (-0.7)	147,886 (8.5)	21.9 (27.6)	19.5 (27.4)	18.2 (1.9)	59.6 (18.5)	156.1 (9.7)	160.9 (3.7)
(Figures in parentheses indicate percentage change over respective period of the previous year)										
1380:										
Q2▲	7,509 (60.1)	14,999 (38.2)	19,957 (-7.0)	42,465 (14.8)	5.8 (64.8)	5.1 (25.3)	4.7 (-6.9)	15.7 (23.4)	155.1 (10.4)	159.7 (0.2)
Q3▲	4,822 (-8.6)	8,740 (3.7)	14,986 (1.3)	28,548 (0.2)	3.9 (-10.2)	4.3 (20.5)	3.5 (2.3)	11.7 (3.3)	158.7 (9.1)	163.4 (5.5)
Q4	8,009 (11.3)	12,154 (25.1)	22,864 (7.3)	43,027 (12.6)	6.9 (14.9)	5.6 (34.1)	5.7 (12.8)	18.2 (19.5)	160.8 (9.8)	165.4 (9.6)
1381 :										
Q1	7,209 (25.9)	11,622 (17.6)	18,875 (3.5)	37,706 (11.4)	6.1 (12.2)	5.7 (26.5)	4.5 (6.6)	16.2 (15.1)	169.1 (12.8)	176.4 (13.8)
Q2	6,870 (-8.5)	13,618 (-9.2)	22,174 (11.1)	42,662 (0.5)	3.8 (-34.2)	6.3 (23.7)	5.9 (24.5)	16.1 (2.5)	179.0 (15.4)	190.2 (19.1)
Q3	..	..	..	..	..	..	..	..	189.2 (19.2)	196.6 (20.3)

(1) Since 1378, percentage changes have been calculated from original figures.

(2) Discrepancies in total are due to rounding.

<b>Construction</b>									<i>(billion rials)</i>
<b>Private sector investment in new buildings in urban areas (1)</b>									
	<b>by construction phases</b>				<b>by geographical distribution</b>				
	Newly-started	Semi- finished	Completed	Total	Tehran	Other 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	11,342 (33.4)	18,810 (32.9)	7,141 (16.7)	37,293 (29.6)	13,836 (47.4)	12,509 (46.9)	10,947 (0.6)	37,293 (29.6)	
(Figures in parentheses indicate percentage change over respective period of the previous year) ○									
1380:									
Q2	3,157 (41.6)	4,903 (40.0)	1,880 (19.2)	9,940 (36.0)	3,756 (71.7)	3,267 (48.3)	2,917 (-0.1)	9,940 (36.0)	
Q3	2,766 (23.8)	4,964 (34.3)	1,889 (17.1)	9,618 (27.5)	3,663 (36.5)	3,233 (41.7)	2,722 (5.6)	9,618 (27.5)	
Q4	2,741 (65.6)	4,912 (32.3)	1,565 (11.6)	9,217 (36.1)	3,486 (36.0)	3,029 (56.6)	2,703 (18.8)	9,217 (36.1)	
1381 :									
Q1	3,746 (39.8)	5,815 (44.2)	1,846 (2.1)	11,406 (33.9)	3,818 (30.2)	4,143 (39.0)	3,445 (32.2)	11,406 (33.9)	
Q2	4,540 (43.8)	6,908 (40.9)	2,314 (23.1)	13,762 (38.5)	4,863 (29.5)	4,781 (46.3)	4,118 (41.2)	13,762 (38.5)	
Q3	4,279 (54.7)	7,277 (46.6)	2,471 (30.8)	14,027 (45.8)	5,112 (39.6)	4,889 (51.2)	4,026 (47.9)	14,027 (45.8)	

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

<b>Price Trends (1376=100)</b>					<i>(percentage change)</i>			
	<b>Wholesale price index</b>				<b>Consumer price index</b>			
	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)								
1380:								
Q2	0.7 (4.7)	1.0 (6.4)	-0.2 (0.3)	0.1 (0.9)	1.5 (11.7)	-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)
1381:								
Q1	3.8 (7.7)	4.4 (9.6)	1.6 (2.5)	4.1 (1.4)	5.5 (14.0)	6.7 (11.7)	4.4 (18.5)	3.8 (16.3)
Q2	2.4 (9.5)	2.6 (11.4)	1.0 (3.8)	4.5 (5.9)	2.8 (15.5)	1.0 (13.8)	4.2 (16.3)	5.5 (18.3)
Q3	0.8 (10.0)	0.3 (11.2)	1.0 (5.0)	5.8 (14.0)	2.5 (16.0)	0.1 (13.3)	3.6 (14.0)	6.4 (21.7)
(Figures in parentheses indicate percentage change over respective month of the previous year)								
1381:								
Tir	1.3 (9.5)	1.5 (11.6)	0 (3.2)	1.6 (5.6)	0.3 (15.3)	-0.4 (14.2)	1.9 (17.4)	1.0 (16.5)
Mordad	0.2 (9.4)	0.1 (11.6)	0.3 (3.7)	0.7 (1.9)	0.3 (14.9)	-0.1 (14.0)	0.5 (16.0)	0.9 (16.2)
Shahrivar	0.2 (9.6)	-0.3 (11.0)	0.7 (4.4)	4.7 (10.4)	1.6 (16.3)	-0.5 (13.3)	1.0 (15.6)	5.7 (22.1)
Mehr	-0.5 (9.5)	-0.7 (10.6)	-0.1 (4.5)	1.2 (13.2)	-0.2 (15.3)	-1.3 (12.4)	1.1 (12.0)	0.9 (21.9)
Aban	0.6 (10.0)	0.6 (11.1)	0.5 (5.0)	1.1 (13.3)	1.4 (16.3)	1.2 (13.2)	2.5 (15.0)	1.3 (22.4)
Azar	2.0 (10.6)	2.5 (11.7)	0.6 (5.5)	1.5 (15.7)	2.0 (16.4)	2.8 (14.2)	0.2 (14.9)	1.4 (20.8)

**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)					
1380:						
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)
1381:						
Q1	4.2 (11.5)	5.6 (6.1)	3.8 (7.6)	3.0 (25.7)	3.9 (6.2)	3.9 (22.2)
Q2	3.9 (12.9)	4.0 (11.1)	3.8 (9.9)	-11.7 (11.0)	2.3 (6.6)	4.5 (19.3)
Q3	2.7 (13.6)	1.8 (14.7)	1.9 (11.1)	-0.6 (-9.1)	0.9 (7.3)	4.5 (17.2)
	(Figures in parentheses indicate percentage change over respective month of the previous year)					
1381:						
Tir	1.9 (12.4)	2.0 (9.0)	1.7 (9.5)	-11.4 (11.4)	0.2 (6.6)	2.4 (20.0)
Mordad	1.0 (12.9)	0.1 (11.6)	1.4 (9.9)	0 (11.4)	0 (6.5)	1.3 (18.6)
Shahrivar	1.1 (13.6)	0.2 (12.8)	0.6 (10.4)	-1.0 (10.3)	0 (6.6)	2.6 (19.2)
Mehr	0 (12.4)	-0.6 (12.7)	-0.1 (10.1)	0 (-9.1)	-0.4 (5.8)	0.5 (16.3)
Aban	1.8 (13.9)	2.4 (14.6)	1.1 (11.2)	0 (-9.1)	2.5 (8.5)	2.2 (18.0)
Azar	1.2 (14.5)	2.0 (16.8)	1.1 (11.9)	0 (-9.1)	-1.2 (7.5)	0.8 (17.3)

<i>Balance of Payments (Current Account)</i>								<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	-1,485	610	12,500
1380	19,339	4,565	23,904	18,129	5,775	-495	705	5,985
1380 :								
First six months	10,940	2,275	13,215	8,943	4,272	-364	307	4,215
Nine months	15,553	3,400	18,953	13,348	5,605	-910	427	5,122
Twelve months	19,339	4,565	23,904	18,129	5,775	-495	705	5,985
1381 :								
First three months	4,665	1,096	5,761	4,635	1,126	-261	197	1,062
First six months	9,795	2,427	12,222	10,744	1,478	-695	355	1,138
Nine months	15,508	3,981	19,489	16,414	3,075	-1,341	651	2,385
<i>Balance of Payments (Capital Account)</i>								<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			-1,211	2,361	1,150	4,760		
1380 :								
First six months			-1,403	-95	-1,498	3,365		
Nine months			-1,935	306	-1,629	2,702		
Twelve months			-1,211	2,361	1,150	4,760		
1381 :								
First three months			-422	623	201	908		
First six months▲			-384	2,211	1,827	2,250		
Nine months			-918	3,622	2,704	2,334		

(1) Includes value of export of goods through cross border markets, shuttle trade and export of electricity since 1378.

(2) Since the first half of 1379 onwards also includes changes in OSF.

<b>External Debt (at the End of the Period)(1)</b>						<i>(million dollars)</i>
		<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		2,652		4,562		7,214
1380:						
	First six months	3,371		3,901		7,272
	Nine months	2,909		3,593		6,502
	Twelve months	2,652		4,562		7,214
1381:						
	First three months	2,718		4,768		7,486
	First six months	2,546		5,792		8,338
	Nine months	2,357		6,378		8,735
<b>External Debt Profile</b>						<i>(million dollars)</i>
Maturity	1381	1382	1383	1384		1385 onwards
Amount	1,315	2,472	1,388	802		2,758
<b>Exchange Rate (IRR/US\$)</b>						
		<b>Oil-notional rate (average selling and buying rates)</b>		<b>Non-oil export rate (2) (average selling and buying rates)</b>		<b>Parallel market rate (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
1380:						
	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
1381:						
	Q1	7,924.33		7,924.33		7,994.33
	Q2	7,930.40		7,930.40		8,003.88
	Q3	7,977.04		7,977.04		8,020.04
1381:						
	Tir	7,925.56		7,925.56		7,997.52
	Mordad	7,928.58		7,928.58		7,999.88
	Shahrivar	7,937.52		7,937.52		8,015.38
	Mehr	7,957.67		7,957.67		8,013.29
	Aban	7,979.65		7,979.65		8,021.23
	Azar	7,993.58		7,993.58		8,025.50

- (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 \$ 24.6 billion at the end of Azar 1381. Moreover, classification of external debts according to short, medium and long-term is based on the original maturity.
- (2) Includes export and import certificate rates during Mordad 1376 until the end of 1378, and since the beginning of 1379 it has been changed to certificate of deposit rate. Moreover, since the beginning of 1381, multiple exchange rates are unified and thereafter reference exchange rate is determined in interbank market.

<b>Foreign Trade</b>							
	<b>Non-oil exports (1)</b>			<b>Imports (CIF)</b>			
	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	16,214 (13.5)	4,224 (12.3)	261 (-1.0)	27,464 (5.7)	17,627 (22.9)	642 (16.3)	
1380 :							
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(2)	3,438 (19.1)	854 (5.0)	248 (-12.1)	5,636 (8.6)	4,748 (36.9)	842 (26.0)	
1381 :							
Q1	3,140 (-19.1)	965 (1.8)	307 (25.8)	6,248 (-13.3)	4,550 (7.6)	728 (24.2)	
Q2	3,639 (-11.1)	1,126 (9.9)	309 (23.6)	5,309 (-31.3)	6,009 (29.2)	1,132 (88.0)	
Q3	3,472 (-8.1)	1,360 (24.5)	392 (35.5)	6,112 (4.2)	5,622 (30.4)	920 (25.2)	
1381 :							
Tir	1,304 (16.6)	369 (13.3)	283 (-2.8)	2,000 (-30.3)	2,567 (56.4)	1,284 (124.2)	
Mordad	1,206 (-18.5)	346 (-2.8)	287 (19.3)	1,678 (-33.5)	1,409 (-13.4)	840 (30.2)	
Shahrivar	1,129 (-24.4)	411 (20.0)	364 (58.7)	1,631 (-30.3)	2,033 (47.2)	1,246 (111.0)	
Mehr	1,118 (-22.9)	450 (15.6)	402 (50.0)	2,088 (4.7)	1,949 (30.5)	933 (24.5)	
Aban	1,250 (-4.3)	508 (30.5)	406 (36.4)	2,316 (10.6)	2,204 (48.5)	952 (34.3)	
Azar	1,104 (8.1)	402 (28.0)	364 (18.4)	1,708 (-3.9)	1,469 (10.3)	860 (14.8)	
<b>Facilities Extended From OSF</b> <span style="float: right;">(million dollars)</span>							
	Approved projects	Contracts concluded by economic sectors					Total
		Manufacturing	Mining	Agriculture	Transportation	Technical and engineering services	
1380	1,195.0	417.5	1.3	1.9	50.0	62.0	532.7
1381:							
Q1	174.7	116.2	0	0.5	0	6.9	123.6
Q2	270.3	191.5	0	0.2	50.0	0	241.7
Q3	445.2	309.9	0	0	0	0	309.9

(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 (1)(2)**

(billion rials)

	Revenue			Expense (current exp.)	Operating balance (3)	Disposal of non-financial assets			Acquisition of non- financial assets	Net disposal of non- financial assets
	Total	Taxes	Other revenue			Total	Oil (4)(5)	Other		
(Figures in parentheses indicate percentage change over the previous period)										
1377	31,006.1	18,686.6	12,319.5	53,545.6	-22,539.5	22,619.9	22,619.9	0	17,424.7	5,195.2
	(19.6)	(7.7)	(43.5)	(19.1)		(-37.9)	(-37.9)		(-14.9)	(-67.5)
1378	47,828.2	25,831.4	21,996.8	68,219.3	-20,391.1	44,487.6	44,487.6	0	25,023.6	19,464.0
	(54.3)	(38.2)	(78.6)	(27.4)		(96.7)	(96.7)		(43.6)	(274.7)
1379	45,192.3	32,842.1	12,350.2	85,847.3	-40,655.0	59,448.5	59,448.5	0	23,559.8	35,888.7
	(-5.5)	(27.1)	(-43.9)	(25.8)		(33.6)	(33.6)		(-5.8)	(84.4)
1380	50,522.3	38,796.6	11,725.7	104,772.0	-54,249.7	74,957.1	74,957.1	0	24,087.6	50,869.5
	(11.8)	(18.1)	(-5.1)	(22.0)		(26.1)	(26.1)		(2.2)	(41.7)
1381 (approved budget)	82,669.9	62,415.5	20,254.4	155,635.1	-72,965.2	102,558.1	100,060.0	2,498.1	54,987.1	47,571.0
1380:										
Q2▲	14,262.4	10,876.2	3,386.2	25,890.0	-11,135.7	17,761.9	17,761.9	0	8,082.5	9,679.4
	(47.0)	(41.2)	(69.0)	(22.0)		(-3.1)	(-3.1)		(117.0)	(-33.7)
Q3▲	12,727.2	9,837.0	2,890.2	26,679.7	-14,594.5	18,582.0	18,582.0	0	6,567.8	12,014.2
	(-10.8)	(-9.6)	(-14.6)	(3.1)		(4.6)	(4.6)		(-18.7)	(24.1)
Q4▲	13,828.6	10,383.0	3,445.6	30,972.3	-15,738.6	20,283.1	20,283.1	0	5,713.2	14,569.9
	(8.7)	(5.6)	(19.2)	(16.1)		(9.2)	(9.2)		(-13.0)	(21.3)
1381:										
Q1	11,387.1	9,924.5	1,462.6	29,750.1	-19,804.2	30,873.6	30,831.3	42.3	3,652.7	27,220.9
	(-17.7)	(-4.4)	(-57.6)	(-3.9)		(52.2)	(52.0)		(-36.1)	(86.8)
Q2	14,787.7	12,515.7	2,272.0	44,106.8	-29,570.5	28,239.0	28,140.1	98.9	12,263.3	15,975.7
	(29.9)	(26.1)	(55.3)	(48.3)		(-8.5)	(-8.7)	(133.7)	(235.7)	(-41.3)
Q3	15,874.0	13,455.5	2,418.5	33,235.8	-16,433.4	25,974.5	25,750.3	224.3	11,713.2	14,261.3
	(7.3)	(7.5)	(6.4)	(-24.6)		(-8.0)	(-8.5)	(126.8)	(-4.5)	(-10.7)
1381:										
Tir	5,032.7	4,109.7	923.1	16,674.0	-11,078.9	11,092.2	11,072.8	19.5	2,519.6	8,572.7
	(18.3)	(14.0)	(41.9)	(46.0)		(2.3)	(2.2)	(40.1)	(52.3)	(-6.7)
Mordad	5,066.5	4,304.0	762.5	16,554.8	-11,706.1	8,563.1	8,530.0	33.1	3,906.9	4,656.2
	(0.7)	(4.7)	(-17.4)	(-0.7)		(-22.8)	(-23.0)	(69.9)	(55.1)	(-45.7)
Shahrivar	4,688.5	4,102.0	586.4	10,878.1	-6,785.5	8,583.7	8,537.4	46.3	5,836.9	2,746.8
	(-7.5)	(-4.7)	(-23.1)	(-34.3)		(0.2)	(0.1)	(39.9)	(49.4)	(-41.0)
Mehr	4,676.3	3,747.9	928.4	10,317.9	-5,379.7	8,502.8	8,446.4	56.4	3,126.0	5,376.8
	(-0.3)	(-8.6)	(58.3)	(-5.1)		(-0.9)	(-1.1)	(21.8)	(-46.4)	(95.7)
Aban	6,147.4	5,364.9	782.5	11,924.7	-5,369.4	8,787.7	8,705.8	81.9	4,943.0	3,844.7
	(31.5)	(43.1)	(-15.7)	(15.6)		(3.4)	(3.1)	(45.2)	(58.1)	(-28.5)
Azar	5,050.2	4,342.7	707.5	10,993.2	-5,684.3	8,684.0	8,598.0	86.0	3,644.2	5,039.9
	(-17.8)	(-19.1)	(-9.6)	(-7.8)		(-1.2)	(-1.2)	(5.0)	(-26.3)	(31.1)

(1) Discrepancy in total is due to rounding.

(2) The 1381 Budget Law was formulated on the basis of GFSM 2001 methodology. Therefore, revenue includes taxes and other revenue, and sale of oil which was previously classified under revenue is transferred to "disposal of non-financial assets". In this classification, government expenditures are divided into two headings: expense (current expenditures) and acquisition of non-financial assets (development expenditures). As a result, the operating balance is the differential of revenue and expense, and the net disposal of non-financial assets is the differential of disposal and acquisition of non-financial assets. Thus, 1381 figures are not fully comparable with respective previous periods.

(3) Includes revolving funds of provinces.

(4) Includes sale of foreign exchange until 1381.

(5) In 1381, oil revenue includes that part of crude oil revenue which is allocated to imported subsidized goods' exchange rate differential, while it is not transferred to the Treasury.

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

	Net lending (+) / borrowing (-) (2)	Transaction of financial assets and liabilities	Disposal of financial assets						Acquisition of financial assets	Change in foreign exchange obligations account (4)
			Sales of participation papers	Foreign borrowing	Use of OSF	Privatization proceeds	Returns from previous years	Other (3)		
1377	-17,344.3	17,344.3	2,500.0	0	0	0	479.0	14,365.3	0	-5,076.7
1378	-927.1	927.1	1,884.3	154.0	0	4.2	640.0	-1,755.4	0	-1,812.6
1379	-4,766.3	4,766.3	2,049.8	175.0	0	0.2	1,287.2	1,254.1	0	1,780.4
1380	-3,380.1	3,380.1	2,305.3	228.9	0	93.6	615.8	136.5	0	2,347.6
1381 (approved budget)	-25,394.3	25,394.3	2,400.0	513.5	35,420.0	15,000.0	1,490.0	188.6	-29,617.8	...
1380:										
Q2	-1,456.4	1,456.4	90.9	0.7	0	0	175.3	46.1	1,143.3	1,241.0
Q3	-2,580.2	2,580.2	1,059.2	60.4	0	-0.3	110.0	360.9	990.0	799.9
Q4	-1,168.7	1,168.7	1,154.5	167.8	0	93.6	50.7	-297.9	0	619.8
1381:										
Q1▲	7,416.8	-7,416.8	94.4	0	0	82.8	349.5	3,745.5	-11,689.0	26.6
Q2▲	-13,594.9	13,594.9	3.7	38.1	7,881.0	440.7	266.8	-3,119.5	8,084.1	-25.7
Q3	-2,172.1	2,172.1	0	1.6	10,920.0	148.0	98.0	3,148.5	-12,144.2	-175.0
1381:										
Tir▲	-2,506.3	2,506.3	3.7	0	0	127.1	32.7	-2,982.7	5,325.5	0.6
Mordad▲	-7,049.9	7,049.9	0	1.7	3,939.5	128.4	191.1	-565.5	3,354.7	-0.6
Shahrivar▲	-4,038.7	4,038.7	0	36.4	3,941.5	185.2	43.0	428.8	-596.0	-25.7
Mehr	-2.9	2.9	0	0	7,258.5	62.5	43.1	664.0	-8,025.3	-5.2
Aban	-1,524.7	1,524.7	0	1.6	2,131.2	11.3	26.2	1,970.6	-2,616.3	-223.2
Azar	-644.5	644.5	0	0	1,530.3	74.2	28.7	513.9	-1,502.6	53.4

(1) Discrepancy in total is due to rounding.

(2) Net lending/borrowing is the sum of operating balance and the net disposal of non-financial assets.

(3) Use of revolving fund is included in the monthly and seasonal periods. In 1377, includes Rls. 6,636 billion borrowing from the banking system.

(4) In this column, (-) means increase in the stock and (+) means decrease in the stock of the account.

**Government Budget and Fiscal Data (1)(2)**

(billion rials)

(Figures in parentheses indicate percentage change over the previous period)	Tax revenues						
	Direct taxes				Indirect taxes		
	Total	Corporate tax	Income tax	Wealth tax	Total	Import tax	Tax on goods and services
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	28,784.6	21,783.2	7,001.4
1380:							
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 (1.2)	4,874.2 (11.5)	3,517.1 (5.1)	1,357.1 (32.5)
1381:							
Q1	5,960.0 (8.2)	2,999.9 (5.8)	2,259.2 (3.8)	701.0 (40.8)	3,964.5 (-18.7)	2,998.5 (-14.7)	966.0 (-28.8)
Q2	6,701.2 (12.4)	4,173.0 (39.1)	1,926.4 (-14.7)	601.8 (-14.1)	5,814.5 (46.7)	3,750.8 (25.1)	2,063.7 (113.6)
Q3	6,464.0 (255.1)	3,935.1 (279.3)	1,957.4 (209.6)	571.5 (278.9)	6,991.4 (247.2)	4,180.9 (168.5)	2,810.5 (515.3)
1381:							
Tir	2,611.0 (41.3)	1,685.9 (80.6)	703.4 (3.4)	221.7 (-5.1)	1,498.7 (-14.8)	1,120.3 (-21.1)	378.4 (11.6)
Mordad	1,579.3 (-39.5)	783.4 (-53.5)	604.8 (-14.0)	191.1 (-13.8)	2,724.7 (81.8)	1,444.6 (28.9)	1,280.1 (238.3)
Shahrivar	2,510.9 (59.0)	1,703.7 (117.5)	618.2 (2.2)	189.0 (-1.1)	1,591.1 (-41.6)	1,185.9 (-17.9)	405.2 (-68.3)
Mehr	2,055.9 (-18.1)	1,258.0 (-26.2)	616.0 (-0.4)	182.0 (-3.7)	1,692.0 (6.3)	1,170.4 (-1.3)	521.5 (28.7)
Aban	2,220.5 (8.0)	1,325.1 (5.3)	673.0 (9.3)	222.4 (22.2)	3,144.3 (85.8)	1,445.5 (23.5)	1,698.8 (225.7)
Azar	2,187.5 (-1.5)	1,352.0 (2.0)	668.4 (-0.7)	167.1 (-24.9)	2,155.1 (-31.5)	1,565.0 (8.3)	590.1 (-65.3)

(1) Discrepancy in total is due to rounding.

(2) According to the new budget classification and revenue breakdown among tax and other revenue headings, 1381 figures are not comparable with those of previous periods.

<b>Monetary and Credit Aggregates (Outstanding at the End of the Period)(1)</b>							(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	97,184.8 (15.2)	142,956.7 (24.9)	29,188.7 (16.0)	113,768.0 (27.5)	178,000.6 (32.2)	291,768.6 (30.3)	320,957.3 (28.8)
1380: (Figures in parentheses indicate percentage change over the last month of the previous year)							
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	97,184.8 (15.2)	142,956.7 (24.9)	29,188.7 (16.0)	113,768.0 (27.5)	178,000.6 (32.2)	291,768.6 (30.3)	320,957.3 (28.8)
1381:							
Q1	97,093.1 (-0.1)	140,941.4 (-1.4)	23,959.6 (-17.9)	116,981.8 (2.8)	198,384.5 (11.5)	315,366.3 (8.1)	339,325.9 (5.7)
Q2▲	110,627.0 (13.8)	153,306.2 (7.2)	25,911.2 (-11.2)	127,395.0 (12.0)	211,880.0 (19.0)	339,275.0 (16.3)	365,186.2 (13.8)
Q3	106,086.0 (9.2)	161,543.6 (13.0)	25,635.4 (-12.2)	135,908.2 (19.5)	220,557.9 (23.9)	356,466.1 (22.2)	382,101.5 (19.1)
1381: (Figures in parentheses indicate percentage change over the respective month of the previous year)							
Tir	103,934.7 (35.0)	145,841.7 (24.4)	24,429.3 (18.3)	121,412.4 (25.7)	204,212.2 (35.0)	325,624.6 (31.4)	350,053.9 (30.4)
Mordad	105,789.5 (29.8)	149,738.3 (26.1)	26,013.5 (22.1)	123,724.8 (27.0)	208,083.8 (34.6)	331,808.6 (31.7)	357,822.1 (30.9)
Shahrivar▲	110,627.0 (35.2)	153,306.2 (24.1)	25,911.2 (21.8)	127,395.0 (24.6)	211,880.0 (35.0)	339,275.0 (30.9)	365,186.2 (30.2)
Mehr	108,495.2 (32.0)	154,624.4 (26.3)	25,734.2 (21.9)	128,890.2 (27.2)	215,340.5 (33.6)	344,230.7 (31.1)	369,964.9 (30.4)
Aban	106,558.2 (31.5)	157,820.8 (27.9)	25,689.4 (20.1)	132,131.4 (29.6)	215,181.8 (31.0)	347,313.2 (30.4)	373,002.6 (29.7)
Azar	106,086.0 (27.1)	161,543.6 (26.4)	25,635.4 (18.6)	135,908.2 (27.9)	220,557.9 (30.2)	356,466.1 (29.3)	382,101.5 (28.6)

(1) Excludes commercial banks' branches abroad. Moreover, since Aban 1378, it includes non-public sector's deposits with non-bank credit institutions.

<b>Monetary and Credit Aggregates (Outstanding at the End of the Period)(1)</b>							(billion rials)
	<b>Net foreign assets(2)</b>			<b>Banks claims on non-public sector</b>			<b>Banking system claims on public sector</b>
	Central Bank	Banks	Banking system	Commercial banks	Specialized banks	All banks(3)	
(Figures in parentheses indicate percentage change over the last month of the previous year)							
1377	2,465.4	-3,101.0	-635.6	69,553.0	28,667.0	98,220.0	109,976.1
	(-58.5)	(-237.6)	(-107.8)	(27.0)	(36.7)	(29.7)	(36.3)
1378	4,449.8	-1,120.4	3,329.4	95,199.9	42,505.0	137,912.9	117,116.9
	(80.5)	(63.9)	▣	(36.9)	(48.3)	(40.4)	(6.5)
1379	7,576.8	-2,066.6	5,510.2	124,118.9	56,313.2	180,870.7	122,785.3
	(70.3)	(-84.5)	(65.5)	(30.4)	(32.5)	(31.1)	(4.8)
1380	11,740.8	-1,665.7	10,075.1	168,932.7	72,513.3	242,542.6	138,457.2
	(55.0)	(19.4)	(82.8)	(36.1)	(28.8)	(34.1)	(12.8)
(Figures in parentheses indicate percentage change over the last month of the previous year)							
1380:							
Q2	12,635.8	585.6	13,221.4	143,053.9	61,359.0	204,981.5	130,953.1
	(66.8)		(139.9)	(15.3)	(9.0)	(13.3)	(6.7)
Q3	13,708.8	957.7	14,666.5	155,267.6	66,108.1	222,079.8	133,451.2
	(80.9)		(166.2)	(25.1)	(17.4)	(22.8)	(8.7)
Q4	11,740.8	-1,665.7	10,075.1	168,932.7	72,513.3	242,542.6	138,457.2
	(55.0)	(19.4)	(82.8)	(36.1)	(28.8)	(34.1)	(12.8)
1381:							
Q1	63,908.8	-2,495.9	61,412.9	177,054.0	76,371.5	254,647.5	151,026.6
	(444.3)	(-49.8)	▣	(4.8)	(5.3)	(5.0)	(9.1)
Q2▲	81,933.9	-6,698.2	75,235.7	190,056.4	82,235.1	274,256.6	158,206.5
	▣	(-302.1)	▣	(12.5)	(13.4)	(13.1)	(14.3)
Q3	69,325.0	-8,640.6	60,684.4	206,970.4	88,257.1	297,880.4	185,095.4
	(490.5)	(-418.7)	▣	(22.5)	(21.7)	(22.8)	(33.7)
(Figures in parentheses indicate percentage change over the respective month of the previous year)							
1381:							
Tir	71,882.2	-7,599.4	64,282.8	181,367.8	78,570.1	261,274.6	149,619.4
	(485.2)	▣	(425.9)	(35.9)	(33.0)	(35.4)	(14.7)
Mordad	79,965.0	-7,027.7	72,937.3	184,792.1	80,223.9	266,465.6	152,094.1
	▣	▣	(414.7)	(34.1)	(33.3)	(34.2)	(16.4)
Shahrivar▲	81,933.9	-6,698.2	75,235.7	190,056.4	82,235.1	274,256.6	158,206.5
	▣	▣	(469.0)	(32.9)	(34.0)	(33.8)	(20.8)
Mehr	80,103.9	-7,419.1	72,684.8	194,406.3	83,980.1	280,605.1	162,635.2
	▣	▣	(459.3)	(32.5)	(33.3)	(33.4)	(23.8)
Aban	84,518.1	-9,126.6	75,391.5	200,756.1	85,924.0	289,113.1	154,838.5
	(473.5)	▣	(362.0)	(33.1)	(33.0)	(33.8)	(17.7)
Azar	69,325.0	-8,640.6	60,684.4	206,970.4	88,257.1	297,880.4	185,095.4
	(405.7)	▣	(313.8)	(33.3)	(33.5)	(34.1)	(38.7)

(1) Excludes commercial banks' branches abroad.

(2) Since 1381, banking system's foreign assets and liabilities are valued at unified exchange rate.

(3) 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	64,636.3 (6.2)	7,553.5 (21.9)	17,721.4 (24.3)	48,546.0 (17.1)	380,999.8 (25.5)	33,904.6 (23.7)	4,065.1 (-55.6)
(Figures in parentheses indicate percentage change over the last month of the previous year)							
1380:							
Q2	64,776.0 (6.4)	7,958.8 (28.5)	13,940.3 (-2.2)	44,278.0 (6.8)	335,934.6 (31.7)	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	64,636.3 (6.2)	7,553.5 (21.9)	17,721.4 (24.3)	48,546.0 (17.1)	380,999.8 (25.5)	33,904.6 (23.7)	4,065.1 (-55.6)
1381:							
Q1	69,392.3 (7.9)	8,717.5 (15.4)	22,881.4 (27.0)	50,035.4 (3.1)	405,674.1 (6.5)	54,080.3 (59.5)	5,261.9 (29.4)
Q2▲	75,772.3 (17.2)	12,386.2 (64.0)	19,663.1 (11.0)	50,384.9 (3.8)	432,463.1 (13.5)	65,365.0 (92.8)	4,308.9 (6.0)
Q3	101,691.8 (57.3)	11,079.5 (46.7)	17,175.1 (-3.1)	55,149.0 (13.6)	482,975.8 (26.8)	70,220.4 (107.1)	5,401.0 (32.9)
(Figures in parentheses indicate percentage change over respective month of the previous year)							
1381:							
Tir	68,482.9 (3.3)	9,707.1 (45.0)	21,174.7 (51.3)	50,254.7 (15.8)	410,894.0 (27.0)	54,015.8 (36.1)	4,943.2 (-37.0)
Mordad	70,357.8 (7.5)	11,142.4 (43.0)	21,019.2 (55.6)	49,574.7 (12.9)	418,559.7 (27.1)	60,105.1 (90.0)	4,735.6 (-40.0)
Shahrivar▲	75,772.3 (17.0)	12,386.2 (55.6)	19,663.1 (41.1)	50,384.9 (13.8)	432,463.1 (28.7)	65,365.0 (71.6)	4,308.9 (75.9)
Mehr	78,833.6 (22.7)	12,785.3 (55.4)	19,993.4 (42.9)	51,022.9 (13.7)	443,240.3 (29.7)	71,978.8 (87.3)	5,319.7 (79.6)
Aban	74,102.0 (15.8)	10,877.3 (37.5)	17,227.5 (20.1)	52,631.7 (16.0)	443,951.6 (27.7)	65,118.3 (71.9)	5,668.8 (40.3)
Azar	101,691.8 (57.2)	11,079.5 (36.9)	17,175.1 (9.9)	55,149.0 (22.4)	482,975.8 (35.8)	70,220.4 (76.1)	5,401.0 (18.7)

(1) Excludes commercial banks' branches abroad.

**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)	14,807.0 (177.5)	10,116.8 (-30.4)	1,959.9 (-78.3)
(Figures in parentheses indicate percentage change over the last month of the previous year)						
1380:						
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)	14,807.0 (177.5)	10,116.8 (-30.4)	1,959.9 (-78.3)
1381:						
Q1	31,793.6 *	5,532.3 (135.8)	53,221.5 (4.7)	14,379.7 (-2.9)	8,285.3 (-18.1)	2,096.0 (6.9)
Q2▲	32,303.9 (1.6)	5,087.1 (116.7)	56,509.3 (11.1)	23,119.4 (56.1)	10,966.2 (8.4)	1,802.2 (-8.0)
Q3	32,311.7 (1.6)	5,305.8 (126.1)	58,588.3 (15.2)	16,556.5 (11.8)	17,731.6 (75.3)	2,024.6 (3.3)
(Figures in parentheses indicate percentage change over the respective month of the previous year)						
1381:						
Tir	31,796.1 (15.4)	5,300.0 (12.6)	54,400.1 (19.6)	19,805.3 (223.3)	9,044.6 (-45.5)	1,512.5 (-82.2)
Mordad	31,799.9 (15.4)	4,349.8 (1.2)	55,060.8 (21.4)	20,365.4 (92.7)	7,602.6 (-45.4)	1,373.4 (-84.7)
Shahrivar▲	32,303.9 (17.2)	5,087.1 (9.7)	56,509.3 (21.6)	23,119.4 (144.4)	10,966.2 (-25.5)	1,802.2 (8.9)
Mehr	32,306.4 (17.2)	4,969.4 (5.1)	57,179.6 (22.2)	20,612.0 (115.8)	17,423.7 (6.8)	1,618.8 (-0.1)
Aban	32,309.1 (17.2)	5,110.5 (10.0)	57,402.1 (22.1)	18,356.2 (130.0)	7,602.6 (-45.4)	1,373.4 (-84.7)
Azar	32,311.7 (17.2)	5,305.8 (12.2)	58,588.3 (22.0)	16,556.5 (82.0)	17,731.6 (-4.6)	2,024.6 (210.5)

(1) Excludes commercial banks' branches abroad.

(2) Since 1378, includes special term deposits.

<b>Bank Profit Rates</b>													<i>(% per annum)</i>	
<b>Term-investment deposit rates</b>								<b>Expected rates of return 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	Others				
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	7	9	13	13-17	13-17	13-17	17	16-18	15-16	17-19	14-15	23(min.)	18	
1381 (provisional)(1)(2)	7	9	13	13-17	13-17	13-17	17	15-17	14-15	16-18	13-14	22(min.)	17	
<b>Tehran Stock Exchange (TSE) Activities</b>														
	Share price index (end of the period) (1369=100)			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			2,054.98	26,584.6	244	281							
1378	2,206.19			2,447.39	43,743.5	243	295							
1379	2,978.26			2,898.09	62,486.6	241	307							
1380	3,758.77			3,299.32	81,681.8	243	318							
1380														
Q2	3,347.72			3,214.95	71,865.6	66	310							
Q3	3,538.71			3,247.12	76,473.0	61	313							
Q4	3,758.77			3,299.32	81,681.8	60	318							
1381: Q1	4,294.06			3,348.47	93,784.5	56	319							
Q2	4,756.68			3,615.93	104,710.1	65	322							
Q3	5,096.97			3,635.62	115,574.5	61	324							
1381:														
Tir	4,577.25			3,415.38	100,492.4	23	322							
Mordad	4,722.68			3,607.75	103,890.3	21	322							
Shahrivar	4,756.68			3,615.93	104,710.1	21	322							
Mehr	4,548.93			3,625.09	100,411.9	20	323							
Aban	4,914.89			3,634.29	111,048.9	21	323							
Azar	5,096.97			3,635.62	115,574.5	20	324							

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.
- (2) The expected rates of return on banking facilities in 1381 are effective since Shahrivar, 15.



### *Tehran Stock Exchange (TSE) Activities(1)*

	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	1,202,740.4	3,116.7	153,968	285,732	547,412.2	1,179.7
1378	1,181,863.7	5,243.6	234,761	431,142	242,716.0	2,034.8
1379	1,681,491.6	9,176.7	342,764	707,065	326,971.5	2,248.0
1380	1,705,558.5	7,830.9	315,918	616,283	136,499.4	468.5
1380:						
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
1381:						
Q1	641,668.8	3,613.1	123,435	203,394	111,562.6	475.3
Q2	990,691.9	6,491.4	123,059	236,540	216,995.0	1,377.6
Q3	749,447.6	4,438.5	49,376	176,735	122,828.6	527.1
1381:						
Tir	388,595.3	2,066.0	57,527	87,806	98,082.0	564.8
Mordad	264,561.6	2,390.4	43,191	75,641	64,784.7	515.1
Shahrivar	337,535.0	2,035.0	40,002	70,754	54,128.3	297.7
Mehr	150,923.3	812.1	30,970	53,948	36,619.4	112.8
Aban	283,276.9	1,452.7	41,646	62,291	41,360.3	144.4
Azar	315,247.4	2,173.7	36,755	60,496	44,848.9	269.9

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 unified market exchange rate structure. Prior to March 20, 2002, the exchange rate system consisted of two officially approved rates, the "oil-notional rate" which used to be applied for government budget purposes and some priority sector's external transactions. The second rate called "non-oil export" or "certificate of deposit" rate was effectively equivalent to market exchange rate (the so called, Tehran Stock Exchange TSE rate) and applied to non-oil export receipts and non-priority import transactions.

Active preparations were made to unify the exchange rates from the beginning of 1381 Iranian fiscal year (March 21, 2002), leading to a unified managed float system. The unification of exchange rates was launched along with elimination of all exchange restrictions on current account transactions which existed prior to March 2002. Therefore all foreign exchange transactions that formerly took place in TSE market were shifted to a newly established interbank market. The basic official rate (oil-notional) was eliminated, and the exchange rate was unified at the rate prevailing at TSE market before the unification.

Imports and exports are governed by regulations proposed by the Ministry of Commerce and approved 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 was reduced to a minimum.

## APPENDIX II

### Summary of the Current Foreign Exchange and Monetary Policies During 1381

#### A. Foreign Exchange and Trade Policies in 1381, first nine months

The country's foreign exchange system underwent notable development as the unified rate of exchange was applied since the beginning of 1381 (March 21, 2002). On this basis, the CB introduced the managed float regime. Thus, all foreign exchange regulations in the areas of transactions of goods, services, and banking operations were revised with the aim of complying to the new regime. Other policy and regulation developments in this area are as follows:

1. In order to facilitate and regulate foreign exchange transactions, transactions of foreign exchange CDs on the TSE were eliminated as of beginning of 1381 and currencies are transacted at reference rate in interbank market. In this market, in addition to the CB, other banks can buy and sell foreign currencies. Thus, exporters are availed with full options in managing their foreign exchange resources.

2. To further liberalize the non-oil export process, and on the basis of the approval of the High Council of Export Promotion, export of all goods and services was exempted from surrender requirement as of beginning of 1381.

3. To maintain coordination between foreign exchange and trade policies, the Ministry of Commerce revised the regulations pertaining to duties and tariffs, based on the Cabinet approval. In this regard, downward adjustments were put into effect by a ratio of 5/22 as of beginning of 1381.

4. To compensate losses incurred by the exporters owing to exchange rate fluctuations, likely drastic fall of world prices of exported goods and also finance of export rewards, the Cabinet envisaged certain measures in this context. It was also stipulated that the mentioned incentives be financed through Export Guarantee Fund.

5. To promote private sector activities and accelerate non-oil exports, the by-law for the establishment of private Export Promotion Funds was approved by the Cabinet.

6. New conditions were set for using short-term credit lines (refinance) for importers. On the basis of the CB circular, import of spare parts and production machinery by the private sector was authorized through these facilities.

7. The new Law for Attraction and Protection of Foreign Investment was approved on Khordad 4, 1381. In this Law, the maximum share of foreign investment in each economic sector is set at 25 percent and in each activity at 35 percent. The oil sector is exempted from mentioned ceilings. Furthermore, the executive by-law for the said law was approved by the Cabinet.

8. Central Bank announced the guidelines for the issuance of establishment permits of exchange bureaus (a similar guideline for free trade zones was also issued).

The main foreign exchange and trade policies (before and after the implementation of exchange rate unification) are presented in the following table:

Major Changes in Foreign Exchange and Trade Policies and Regulations

	<b>Pre-unification</b>	<b>Post -unification(as of 1381-2002/03)</b>
<b>A.Forex regulations</b>		
1.Prepayment on LCs for imports	Minimum 10% for private sector	At banks' discretion
2.Import of goods using forex with external origin	Financed through forex with external origin and 100% prepayment on LC	Regardless of the origin of forex, LC prepayment subject to banks' discretion
3.Import of goods from FTZs	Banks (domestic network) were not authorized to open LC	Banks in the mainland can open LC for imports , prepayment subject to banks' discretion and market rate will be applied in opening LC
4.Transportation	Opening revolving LC for freight up to \$500 thousand	Opening revolving LC for freight up to \$ 1,000,000
5.Insurance cost for import of goods	Purchase of foreign exchange paid on insurance costs for import of goods through: forex quotas of organizations, purchase from TSE, non-oil export proceeds, or forex accounts with external origin	Through banking system
6.Inspection	Submission of inspection certificate was mandatory	Submission of inspection certificates subject to owner of goods' discretion
7.Purchasing of forex	At negotiated rate	At interbank market rate
8.Selling forex to passengers	Maximum \$2,000 per passport and \$1,000 for four persons (accompanied)sold three times a year at negotiated rate	Maximum \$2,000 per passport and \$1,000 per accompanying persons at interbank rate without restrictions on number of travel
9. Selling forex for medical treatment	Receipt of promissory note as collateral a Rls. 2,500 per U.S. dollar up to certain ceilings as determined by High Council of Health and at negotiated rate for amounts in excess	Without receipt of collateral and at interbank rate
10.Selling forex for missions abroad	On the basis of rates stipulated in forex quotas of organizations	At interbank rate
11. Sabbatical leave	Up to maximum ceiling of forex quota of organizations	No ceiling , as allocated by the respective organizations
12.Repatriation of salary of foreign workers	In public sector, up to \$ 500 at CD rate and amounts in excess at negotiated rate, in the private sector, negotiated rate will be applied to whole remittance	At interbank rate for both public and private sectors
13.Financing marketing expenses, lawyer's fee, principal and return of foreign investments , consulate revenues of embassies, bank comission fees, settlement of forex commitments of exporters and importers	At negotiated rate and confirmation of competent bodies	At interbank rate and confirmation of competent bodies in certain cases
14. Opening forex accounts	Distinted into forex with internal and external origins, minimum amounts for opening account: saving account:\$100 , current and term-investment :\$1,000, long-term investment account received interest equal to Libor plus one percent	Elimination of the condition for origin of the forex , the minimum amounts and interest rate will be determined by banks
<b>B. Trade policies</b>		
15.Import of goods		Changing non-tariff barriers to tariff ones, through raising customs tariffs, reducing centers issuing import permits to one ministry (Ministry of Commerce ), changing the base rate for conversion of dollar value of imports for collection of customs duties and commercial benefits from Rls. 1,750 /US dollar to Rls. 8,000 (approximately), increasing the list of permitted imports
16.Export of goods		Elimination of surrender requirements

Source: The Central Bank of I.R.I.

9. In order to ease the foreign trade procedures, the Cabinet eliminated surrender requirement in exports and authorized exporters in using their export proceeds in the following ways:

- a. Export proceeds are convertible to rial in interbank market and banks are required to purchase exporters' foreign exchange resources.
- b. Export proceeds can be deposited with the domestic banks and remunerated at international market level.
- c. Export proceeds can be used for import and order registration.

10. To ease trade restrictions and combat with smuggling of goods, Ministry of Commerce announced the list of those intermediate and capital goods which are importable without foreign exchange transfer. Import of these goods is permitted after order registration and payment of commercial profit.

11. In order to promote non-oil export by the private sector, Ministry of Commerce announced the by-law for the payment of export rewards for 1381. According to this circular, goods with 10 to 100 percent of their value-added from domestic origin, receive a reward of 1 to 3 percent of their export values. In addition, equal to 1 to 3 percent of the value of export shall be rewarded for new marketing and export of new commodities.

## B. 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 Money and Credit Council (MCC) approved the following policy decisions to be implemented in 1381 (2002/03):

1. Banks are authorized to extend 25 percent of increase in the outstanding of non-public sector facilities free from sectoral allocations. The share of various sectors out of total increase in the outstanding facilities of the non-public sector after deducting the share of free uses and facilities out of Gharz-al-hasaneh deposits to meet urgent needs are shown in the following table:

2. The accelerated rate of growth of liquidity in the last two years and its ensuing effect on prices, required the CB to be vested with the necessary instrument. As a result, the MCC authorized the CB to substitute the new issuance of participation papers for the issued papers in 1380 in this year, and gave the permission of issuance of new papers upto Rls.10000 billion at its own discretion.

3. The MCC overviewed the extension of "employment Gharz-al-hasaneh" facilities through mechanism envisaged in the Article 56 of the 3<sup>rd</sup> Plan Law, on the basis of the plan proposed by the Ministry of Labor and Social Affairs, and approved the by-law.

4. The MCC supported the extension of banking facilities for certain durable consumer goods, which is emphasized in the Budget Law for 1381 (2002/03).

5. The MCC reduced the rate of return on banking facilities by one percentage point on the average without changing the banking deposit rates.

6. The MCC approved the conditions for issuance of participation papers in 1381 (2002/03) as follows:

- a. The maturity for the government participation papers to be 5 years, and for the Central Bank at the Bank's discretion.
- b. Banks are not authorized to purchase such papers at the initial placement.
- c. The profit shall be paid on quarterly basis.
- d. The papers are bearer.
- e. Sale of papers before the maturity is possible through following forms:
  - Selling to other persons on the basis of seller's and buyer's agreement with no limitation
  - Through offering on TSE
  - Selling participation papers to banks and banks pay back principal and profit (on a daily basis) on behalf of the issuer

### Sectoral Allocation of Banking Facilities Extended to Non-public Sector (1)

	(percent)
Agriculture	25.0
Manufacturing and mining	33.0
Housing	20.0
Construction	8.5
Export	9.5
Domestic trade, services and miscellaneous	4.0
<b>Total</b>	<b>100.0</b>

(1) Private banks and non-bank credit institutions are not subject to sectoral allocation.

f. The provisional rate of return on Central bank participation papers in 1381 is 17 percent and for other participation papers is 15 percent per annum.

7. The MCC approved that the Central Bank shall revise the mechanism of calculating the profit accrued to investment deposits and present it to the MCC for approval.

8. The reserve requirement ratios on various deposits, with the private banks were announced by the CB as follows:

<b>Reserve Requirement Ratios</b>	<b>(Percent)</b>
Sight deposits	20
Savings Gharz-al-hasaneh deposits	20
Short-term investment deposits	15
Special short-term investment deposits (6-month)	15
Long-term investment deposits (1-year)	15
Long-term investment deposits (2-year and more)	10
Other deposits <sup>(1)</sup>	25

(1) Includes cash deposits received for issuing guarantee, advance receipt for transactions and advance receipt from customers for opening letters of credit, etc.

9. Setting the provisional rate of profit was vested with the private banks; however, it was suggested that they set the rates at the maximum of 2-3 percent above the profit rates approved by the MCC for public banks to create a sound competitive environment for banks. Furthermore, it was recommended that at the end of fiscal year and finalizing of the profit of bank, the differential of the provisional and the actual profit as specified in the Usury-free Banking Law be settled with customers.

10. Setting expected rates of return on facilities extended by private banks was vested with these banks.

### **C. Policies Approved in the Budget Law for 1381 (2002/03)**

In accordance with the 1381 Budget Law, the Central Bank is obliged to design and implement all credits and facilities (in rial) extended by the banking system in 1381 and the ratio of long-term to short-term credits and facilities, and credit and facilities plans of the banking system on the basis of current and term-investment deposits, after deducting reserve requirements. Thus, the targets of the 3<sup>rd</sup> FYDP for economic growth and curbing inflation shall be realized. The mechanism of sectoral allocation of the credits and facilities as recommended by the MCC shall be approved by the Cabinet till the end of Farvardin 1381 (April 2002).

Banks are required to allocate credits as approved by the government at most till the end of Dey 1381 (January 2003).

According to Paragraph (C) Note (3), increase in the ceiling of the outstanding of banking facilities in 1381, observing other objectives stipulated in the development plans, was authorized upto Rls. 4,200 billion. The share of public sector out of this increase was 25 percent and of cooperative and private sectors was 75 percent.

At least 65 percent of the share of cooperative and private sectors shall be distributed among provinces to be extended to projects aiming at job creation in less developed regions, on the basis of indices set by the Cabinet with the suggestion of Management and Planning Organization and the High Council of Employment, to be given to applicants through agent banks.

According to Paragraph (A) Note 21, for regulating foreign exchange commitments and maintaining BOP equilibrium, the Central Bank is obliged to observe the conditions mentioned in this Note in the framework of Money and Banking Law and monetary and foreign exchange policies in creating new foreign exchange obligations and fulfilling previous obligations.

It is mentioned in Paragraph (B) of this Note that the Central Bank is responsible for regulating and creating equilibrium in foreign exchange market and management of BOP with the supervision of the committee named in Article 86 of the 3<sup>rd</sup> FYDP Law.

Moreover, the government is authorized to provide and guarantee equal to \$ 2 billion credit required for the finance of acquisition of non-financial assets (development expenditures) as stipulated in the budget law appendices. The rial equivalent of the mentioned amount will be deposited in Treasury account after selling foreign exchange at floating rate to the Central Bank.

The rial equivalent of the mentioned item shall be allocated to finance the projects subject to the Paragraph which is determined under a specific title for the same purpose. Moreover, government is required to allocate the credits subject to this Paragraph until the end of Shahrivar, 1381.

According to Paragraph (N) Note (21), the government is authorized to issue upto Rls. 2,400 billion participation papers to accelerate the implementation of acquisition of non-financial assets and deposit the revenues received as is determined in the third part of the 1381 Budget Law appendix.

According to the mentioned Note, the Ministry of Energy and its affiliated organizations are authorized to utilize upto Rls. 1,600 billion through issuing participation papers for completing the executive operations of acquisition of non-financial assets of the electricity sector.

## 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 provides 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:

- 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.
- The exported goods and services are exempted from any tax or levy.
- The export of goods and services is exempted from any permits except the mandatory standards and the certificates commonly applicable in international trade.
- 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
- \* Figures are estimated
- Figures are provisional
- ▣ More than 500 percent increase
- ▲ Previous figures now revised
- \* The figure is not a significant decimal fraction
- ∅ 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	1377	1378	1379	1380	1381	
Farvardin	1 31	<u>1998</u> March 21 April 20	<u>1999</u> March 21 April 20	<u>2000</u> March 21 April 20	<u>2001</u> March 21 April 20	<u>2002</u> March 20 April 20
Ordibehesht	1 31	April 21 May 21	April 21 May 21	April 21 May 21	April 21 May 21	April 21 May 21
Khordad	1 31	May 22 June 21	May 22 June 21	May 22 June 21	May 22 June 21	May 22 June 21
Tir	1 31	June 22 July 22	June 22 July 22	June 22 July 22	June 22 July 22	June 22 July 22
Mordad	1 31	July 23 Aug 22	July 23 Aug 22	July 23 Aug 22	July 23 Aug 22	July 23 Aug 22
Shahrivar	1 31	Aug 23 Sept 22	Aug 23 Sept 22	Aug 23 Sept 22	Aug 23 Sept 22	Aug 23 Sept 22
Mehr	1 30	Sept 23 Oct 22	Sept 23 Oct 22	Sept 23 Oct 22	Sept 23 Oct 22	Sept 23 Oct 22
Aban	1 30	Oct 23 Nov 21	Oct 23 Nov 21	Oct 23 Nov 21	Oct 23 Nov 21	Oct 23 Nov 21
Azar	1 30	Nov 22 Dec 21	Nov 22 Dec 21	Nov 22 Dec 21	Nov 22 Dec 21	Nov 22 Dec 21
Dey	1 30	Dec 22 <u>1999</u> Jan 20	Dec 22 <u>2000</u> Jan 20	Dec 22 <u>2001</u> Jan 20	Dec 22 <u>2002</u> Jan 20	Dec 22 <u>2003</u> Jan 20
Bahman	1 30	Jan 21 Feb 19	Jan 21 Feb 19	Jan 21 Feb 19	Jan 21 Feb 19	Jan 21 Feb 19
Esfand	1 29/30	Feb 20 March 20	Feb 20 March 20	Feb 20 March 20	Feb 20 March 20	Feb 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 and 29 days in the last month, except in leap year when it has 30 days.

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