

According to preliminary data on national accounts, in 1394, the value-added of the domestic trade sector decreased by 5.8 percent at constant 1390 prices. The value-added figure of this sector grew by 0.7 percent to Rls. 1,466.4 trillion at current prices. This growth resulted from the domestic production of agricultural and industrial commodities worth respectively Rls. 1,889.4 trillion and Rls. 4,051.2 trillion as well as the supply of imported goods into the domestic market valued at Rls. 1,724.5 trillion.

In 1394, the share of domestic trade sector in GDP was 13.2 percent, indicating about 0.2 percentage point rise as compared with the corresponding figure in the year before.

Domestic Market Regulation and Essential Goods Procurement

In order to regulate the domestic market, the government takes measures for the formulation and implementation of trade policies and regulations and maintenance of equilibrium between the domestic and imported goods' markets through constant supervision. Regulation and oversight of prices and national distribution networks as well as coordination and harmonization of measures related to distribution of goods and services are also within the sphere of the responsibilities of the government in this regard.

Performance of the Consumers and Producers Protection Organization

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

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

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

- Promotion of exports and export incentive structures;

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

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

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

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

Imports and Stock of Major Foodstuffs

According to the data released by the Government Trading Corporation of Iran (GTC), wheat stock increased by 19.5 percent to 5.9 million tons in 1394 year-end.

A total of 8.4 thousand tons of red meat were imported by the public sector in 1394. Based on the data released by the State Livestock Affairs Logistics Company (SLAL), red meat stock reached approximately 3.0 thousand tons at end-1394, up by 26.0 percent compared with 1393.

Government Investment

In 1394, approved credits for the acquisition of non-financial–national assets of the domestic trade sector, including domestic market regulation and electronic commerce programs, increased by about 47.3 percent to Rls. 624.1 billion.

In this year, credits paid for the domestic market regulation program declined by almost 69.6 percent to Rls. 60.1 billion, showing a realization of 11.6 percent compared with the approved figure.

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

		1393 ▲	1394	Percentage change
Wheat	Imports	5,277.0	457.0	-91.3
	Year-end stock	4,942.8	5,907.0	19.5
Sugar and cube sugar	Imports ²	261.5	162.0	-38.0
	Year-end stock	448.3	183.0	-59.2
Red meat	Imports	5.4	8.4	53.8
	Year-end stock	2.4	3.0	26.0

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

¹ Excludes the private sector.

² Figures for imports refer to imports of raw sugar.

Table 7.2. Credits for Acquisition of Non-financial–National Assets in Domestic Trade Sector (billion rials)

	Approved figures		Performance		Percentage of realization		Share (percent)	
	1393	1394	1393	1394	1393	1394	1393	1394
Domestic market regulation program ¹	346.9	520.1	198.1	60.1	57.1	11.6	76.2	63.1
E-commerce program ²	76.9	104.0	61.8	35.2	80.4	33.9	23.8	36.9
Total	423.8	624.1	259.9	95.3	61.3	15.3	100.0	100.0

Source: Budget Laws for 1393 and 1394 and Treasury General, Ministry of Economic Affairs and Finance.

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

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

Banking Facilities

Net outstanding facilities extended by banks and non-bank credit institutions to the domestic trade sector rose by 2.2 percent to Rls. 527.9 trillion in 1394 year-end. Net outstanding facilities extended to non-public domestic trade sector went up by 2.3 percent to Rls. 518.0 trillion and the amount extended to public domestic trade sector fell by 0.1 percent to Rls. 9.9 trillion. Share of domestic trade sector in net outstanding banking facilities extended to "trade, services, and miscellaneous" sector was 19.5 percent and in net outstanding facilities extended to all economic sectors, 7.1 percent.

In 1394, the non-public domestic trade sector enjoyed the highest share of outstanding facilities (net) extended by the banking sector by 98.1 percent.

Trade Transactions

Total number of transactions registered in notary offices decreased by 16.0 percent to almost 13.5 million in 1394.

Cooperatives

Reviewing the performance of operating cooperatives¹ across the country by end-1394 reveals that of total 82.2 thousand active cooperatives, 7.3 thousand were active in the fields of procurement and distribution of goods and services among producers, consumers, and services sector associations², showing 0.9 percent increase compared with end-1393. Total registered capital of these cooperatives amounted to Rls. 17.3 trillion, indicating 0.1 percent growth compared with 1393. The number of employment opportunities created by cooperatives active in the domestic trade sector increased by 0.5 percent to 268 thousand. By end-1394, the number of the members of the mentioned cooperatives was 6.3 million persons, up by 0.1 percent compared with 1393 year-end. Furthermore, the highest number of cooperatives was related to those cooperatives active in the field of "procurement of consumers' needs", constituting 70.2 percent of total cooperatives active in the domestic trade sector in 1394.

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

	(trillion rials)						
				Percentage change		Share (percent)	
	1392	1393	1394	1393	1394	1393	1394
Public and non-public sectors	460.8	516.4	527.9	12.1	2.2	100.0	100.0
Non-public sector	443.8	506.5	518.0	14.1	2.3	98.1	98.1
Public sector	16.9	9.9	9.9	-41.6	-0.1	1.9	1.9

¹ Excludes profit and revenue receivables.

¹ By end-1394, a total of 203.6 thousand cooperatives were registered. However, only 82.2 thousand cooperatives were active and operating. The conditions for the remaining cooperatives were defined as under construction (27.7 thousand), inoperative (49.9 thousand), dissolved, etc.

² Other types of cooperatives include credit unions, multi-purpose cooperatives, services cooperatives, industrial cooperatives, utility cooperatives, agricultural cooperatives, hand-woven carpets cooperatives, housing cooperatives, and transport cooperatives.

Business Establishments

Based on the data released by Iran Trade and Traders Center, total entities holding a business permit increased by 15.0 percent to 2,105.7 thousand units at end-1394. It is to be noted that 48.2 percent of these business establishments were distribution units, 30.5

percent services units, and 21.3 percent manufacturing units. Among these entities, the number of distribution, services, and manufacturing units holding a business permit experienced 15.9, 15.3, and 12.7 percent increase, respectively, in 1394.

Table 7.4. Cooperatives Active in Domestic Trade Sector

	1393 ▲	1394	Percentage change	
			1393	1394
Number	7,246	7,313	0.9	0.9
Procurement of producers' needs	1,686	1,712	1.4	1.5
Procurement of services sector associations' needs	444	466	3.3	5.0
Procurement of consumers' needs	5,116	5,135	0.5	0.4
Capital (billion rials)	17,292	17,317	0.2	0.1
Procurement of producers' needs	3,119	3,123	0.1	0.1
Procurement of services sector associations' needs	3,704	3,706	0.1	0.1
Procurement of consumers' needs	10,470	10,489	0.3	0.2
Employment opportunities (thousand persons)	267	268	0.3	0.5
Procurement of producers' needs	31	32	1.1	2.7
Procurement of services sector associations' needs	61	61	0.3	0.5
Procurement of consumers' needs	175	175	0.2	0.1
Members (thousand persons)	6,255	6,264	0.1	0.1
Procurement of producers' needs	232	234	0.4	0.7
Procurement of services sector associations' needs	105	105	0.8	0.5
Procurement of consumers' needs	5,918	5,925	0.1	0.1

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

Table 7.5. Number of Entities Holding Business Permits

(thousand units)

	Year-end			Percentage change		Share (percent)	
	1392	1393	1394	1393	1394	1393	1394
Total business establishments	1,608.1	1,830.6	2,105.7	13.8	15.0	100.0	100.0
Manufacturing	357.2	398.3	449.0	11.5	12.7	21.8	21.3
Distribution	769.3	875.4	1,014.3	13.8	15.9	47.8	48.2
Services	481.6	556.9	642.4	15.6	15.3	30.4	30.5

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