



**CENTRAL BANK
OF THE
ISLAMIC REPUBLIC
OF IRAN**

**ECONOMIC REPORT
AND
BALANCE SHEET
1379
(2000/01)**



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BALANCE SHEET
1379
(2000/01)**

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Prepared by:
Economic Research & Policy Department
CENTRAL BANK OF THE ISLAMIC REPUBLIC OF IRAN
P.O.Box 15875/7177, TEHRAN, IRAN

SYMBOLS

—	Negligible fraction
..	Figure not available
...	Statistical data unavailable
*	Figure is not a significant decimal fraction
□	Figure is provisional
▲	Previous figure now revised
▣	More than 500 percent increase
∅	Calculation of percentage change is not possible
●	Figure has been rounded
○	Percentage change has been calculated from round figures
3 rd FYDP	Third Five Year Development Plan

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PART ONE

ECONOMIC DEVELOPMENT
OF IRAN IN 1379
(2000/01)

*In The Name of God,
The Compassionate The Merciful*

CHAPTER ONE

OVERVIEW

With the overall improvement in general economic conditions during the first year of the Third Five Year Development Plan (3rd FYDP), Gross Domestic Product (GDP) grew by 5.1 percent exceeding the projected target figure of 4.5 percent for the first year of the plan. This increase could, in turn, help in achieving one of the plan's overall aims of curbing inflation and increasing employment. The positive upturn in the oil market along with implementation of new foreign trade regulations improved the Balance of Payments (BOP) picture. The increase in the share of Iran's quota in OPEC, which resulted in a rise in production of crude oil and oil products, created a boom in economic activities.

In comparison with the preceding year, the improvement in economic conditions helped to dramatically reduce the inflation rate to a figure of 12.6 percent, the lowest level recorded in the last decade. The improvement in the government's overall fiscal and foreign exchange position, the stabilization of the foreign exchange market, and the reduction of inflationary expectations, were amongst the main factors which effected the inflation rate reduction for the year under review.

The 1379 general budget was compiled within the provisions as set forth in the 3rd FYDP, which proscribed any borrowing from the banking system in the first year of the plan. With this in mind, the government focused attention on job creation, support for economically underprivileged sectors of society, and balancing of its expenditures in line with available revenues. In this respect, both government and Parliament, whilst noting the probable extent of the improvement in world crude oil prices, projected figures for expected oil revenue receipts in the 1379 budget, at relatively lower prices. Therefore in the 1379 approved budget, the government's general revenues and expenditures, excluding special revenues and expenditures, were set at Rls. 107,020.2 billion and 111,335.5 billion, respectively.

In the first fiscal year of the 3rd FYDP, 97.8 percent of the government's general revenues were realized, registering a 13.4 percent growth in comparison with the approved budget figure and amounting to Rls. 104,640.8 billion. In percentage terms, of overall government revenues 56.8 percent was derived from oil revenues, 31.4 percent from taxes, and 11.8 percent from other revenues. The government's general expenditures grew by a far smaller percentage than the increase registered in the previous year i.e. 17.3 percent as against 31.4 percent, and reached the figure of Rls. 109,407.1 billion. This represented 98.3 percent of the expenditure as approved in the budget law. Of overall government expenditures, 78.5 and 21.5 percent were respectively made up of current and development expenditures, which amounted to Rls. 85,847.3 billion and 23,559.8 billion, respectively.

Owing to the government's general expenditures exceeding its revenues, the general budget showed a deficit of Rls. 4,766.3 billion, which was mainly financed through the issuance of Participation Papers. Moreover, for the first time after the establishment of the Oil Stabilization Fund (OSF), the government repaid a portion of its indebtedness resulting from

foreign exchange losses to the Central Bank (CBI). The outstanding balance of this account at the end of the first fiscal year of the 3rd FYDP showed a reduction of Rls. 1,780.4 billion, in comparison to 1378.

The external sector of the economy showed positive developments in 1379. The 36 percent increase in crude oil prices from \$18.60 per barrel in 1378 to \$25.30, brought about a marked improvement of 42 percent growth in export revenues. The BOP surplus resulting from this increase made possible the repayment of a sizeable portion of external debt, an increase in the net foreign assets of the banking system and the CBI, and also enabled the creation of the OSF. In addition to a reduction of 2.8 percent in the government's foreign exchange obligations, actual external debt fell by 23 percent. The net repayments of rescheduled contracts and oil pre-finance and finance agreements, were the main factors in reducing both the country's long-term and total external debt.

Non-oil exports grew by 6.1 percent and reached \$ 4,181 million in 1379. The increase in export revenues, together with improvements in foreign trade regulations, resulted in a growth of 12.3 percent in imports. The relatively limited increase in imports, as compared to the sizeable 35.3 percent growth of exports, raised the trade balance to \$13,375 million.

Among policies implemented in external sector of the economy in 1379, was creating transparency in the foreign exchange market, reducing non-tariff barriers and deregulating administrative routines in import procedures, and easing the regulatory conditions for non-oil exports. The "export rate" was eliminated from the foreign exchange allocation system, and the import certificate was replaced by the Certificate of Deposit (CD).

The upturn in the crude oil market caused foreign exchange revenues to substantially increase during this period. In October 2000, Parliament approved an amendment to the 3rd FYDP Law. This amendment required the government to set up an 'Oil Stabilization Fund', and transfer oil revenues in excess of the figures projected in approved budget into this fund. The main objective for the establishment of OSF was to convert these excess revenues received from the sale of crude oil into other forms of reserves and investments.

In the year under review, one of the main objectives of the economic policy makers was to introduce and utilize indirect instruments of monetary policy. In this respect, on the basis of the 3rd FYDP Law, the CBI was authorized to issue Rls. 3,000 billion Participation Papers with a 6-month maturity at a provisional 19 percent profit rate. However, as the authority for the issuance of these papers was not granted till nearly the end of the year, these instruments had no significant effect in absorbing liquidity. Only Rls.1, 593.1 billion of the issued Participation Papers, were subscribed to by the end of the year. Monetary base grew by 17.5 percent in this year, owing to a marked growth in CBI's assets. Moreover, money multiplier grew by 10 percent and reached the figure of 2.952. Liquidity grew by 29.3 percent as compared to 20.1 percent for the previous year and reached Rls. 249,110.7 billion. Inspection of the factors affecting these changes in liquidity indicate that the increase in this variable has been mainly due to internal factors, the major item being the increase in non-public sector debt in the review year. The effect of changes in the banking system's net claim on the public sector in terms of liquidity on the other hand, was negative.

The volume of money, due to a substantial rise in sight deposits, grew by 31.9 percent in 1379 as against 16 percent in 1378. This resulted in the share of money in the composition of liquidity, in comparison to that of quasi-money, to increase. The increase in the share of sight deposits in the composition of liquidity was higher than that of time deposits.

Stock market activities showed marked growth in 1379 as compared with the previous year. This was mainly due to the growth in manufacturing sector transactions and also reflected relative stability in the foreign exchange, gold, and automobile markets. The ratios of the Rial value of transactions to the average of liquidity and GDP were, respectively, 4.26 and 1.67

percent. Although this figure is indicative of the small size of Tehran Stock Exchange (TSE) when compared with other stock markets in the world, it shows a relative improvement of the capital market position as compared with the respective ratios for the previous year i.e. 2.93 and 1.25 percent.

During the first year of the 3rd FYDP, government support policies in the agriculture sector were continued. These supports took the form of distribution of inputs at reduced prices, guaranteed purchase of major agricultural crops, and the provision of banking facilities at preferential rates. However, owing to unfavorable weather conditions during the year, overall yield figures for major farming crops declined. This decline was due to both decreases in areas under cultivation and in the per-hectare yield figures. An examination of the figures relative to farm crops indicates that production of grains i.e. wheat, barley and rice, declined by 9.8 percent in comparison with the previous farming year and totaled 11,745 thousand tons. This was 6,943 thousand tons or 37.2 percent less than the projected amount in the 3rd FYDP for this year's production. In addition, production figures for major industrial crops such as cotton, tobacco, sugar beet, and oil seeds also declined. In 1379, the two ministries of Jihad Sazandegi and Agriculture were merged into a new ministry entitled the Ministry of Agriculture Jihad.

There was a net increase of 12.6 percent in the subsidy paid to this sector in this year as compared to the previous year, which represented 1.37 percent of GDP. The facilities extended by the banking system to this sector increased by 31.1 percent and amounted to Rls. 29,653.5 billion. Part of this increase was due to rescheduling of farmers' indebtedness because of the continuing drought conditions.

In 1379, in light of OPEC's decision to stabilize crude oil prices, Iran's crude oil production registered an 8.5 percent growth, and reached 3.7 million b/d. Crude oil exports also increased by 12.8 percent to reach 2.3 million b/d, whereas in 1378, crude oil exports had declined by 5.7 percent owing to a reduction in Iran's crude oil production. The largest share in the export of crude oil was to Asian countries and amounted to 61.5 percent of the total oil exports for the year under review. Domestic consumption of oil products declined to 1.1 million b/d, which was 2.8 percent less than the previous year, while domestic prices for oil products increased by 10 percent on average.

The improvements in the government's overall fiscal position and the surplus in BOP, along with the adoption of appropriate monetary policies, effected stability in both prices and the foreign exchange rate. This reduced inflationary expectations and allowed support for manufacturing and mining sectors during the first year of the implementation of the 3rd FYDP. As a result, the value-added for the manufacturing and mining sectors in 1379, at constant 1369 prices, increased, respectively by 8.0 and 6.5 percent, as compared with the preceding year. In this year, Rls.765.9 billion was allocated from the budget for the implementation of national development projects in the manufacturing and mining sectors and for industrial research programs. This was a 62.4 percent increase over the figure realized for the previous year. Moreover, by the end of the year, the amount of outstanding facilities extended through the banks and credit institutions to the non-public manufacturing and mining sector had risen by 30.1 percent to reach Rls. 39.4 thousand billion.

Due to implementation of government support policies for non-oil exports, the value of exports of industrial products registered a 29.8 percent increase and reached \$1.9 billion. This is significant when compared to the 11.4 percent figure that was the average envisioned growth figure in the 3rd FYDP for export of industrial products.

A new Ministry of Industries and Mines was created both in line with objectives stipulated in the 3rd FYDP Law in respect to reforming policy-making and administrative infra-structural aspects of the manufacturing and mining sectors, and with another approved Parliamentary bill which called for the 'centralization of manufacturing and mining affairs'. New foreign exchange and trade regulations were pronounced and the government, by

allocating funds from the OSF to provide foreign exchange facilities to manufacturing entities, paved the way for the renovation of private sector industrial units. Production of major industrial goods increased favorably in this year, so that amongst 83 selected industrial goods, 49 registered an increase in production.

The trend of economic indices for the construction and housing sector in 1379 denotes a boom in this sector's activities and achievement of the targets as set forth for the first year of the 3rd FYDP. The value-added figure for the construction sector, at constant 1369 prices grew by 8.7 percent. The trend in the increase of housing prices that commenced at the end of 1378 continued in 1379, especially in Tehran, and was due to the demand for housing units exceeding the available supply. Private sector investment in new construction in urban areas showed a 30.4 percent increase as compared with the previous year and reached Rls. 28.8 thousand billion. Review of construction permit data, issued by the municipalities, indicates a continued boom in construction activities, especially in Tehran. The number of permits issued and the total proposed floor-space of new construction licensed by those permits, as granted by the Tehran municipality, registered a 60.2 and 61.0 percent increase respectively when compared with the previous year. Governmental development expenditure in this sector grew by 30.0 percent and was amongst the factors leading to the boom in 1379. Government development expenditures took the form of national and provincial construction programs and urban research and development on housing construction methods. In addition, banks and credit institutions respectively provided Rls. 11.5 thousand billion and Rls. 40.4 thousand billion in facilities to the construction and housing sector.

Unemployment is amongst the pivotal issues of the 3rd FYDP. The plan proposed the creation of about 3.8 million job opportunities during 1379-1383, an average of 765 thousand new job opportunities per year. A comparison of the quantitative targets set by the 3rd FYDP in respect to job creation, indicates that during the year under review about 100 thousand less job opportunities were created than the projected figure in the Plan ⁽¹⁾. In practice the plan's target figures for new employment can not merely be realized through economic growth and investment. Other appropriate measures are necessary and must be put in place to achieve these goals.

Provision of direct incentives to employers aimed at creating productive employment, extending of directed credits by specialized banks for expansion of productive industries, and financing of the Employment Support Fund were amongst the effective steps taken in creating job opportunities in the year under review.

In 1379, GDP on the basis of preliminary data, at constant 1369 prices, grew by 5.1 percent and amounted to Rls. 51,245.0 billion. The value-added for all economic sectors showed positive growth. In both the agricultural and oil sectors of the economy, which had recorded a downturn in the previous year, a marked improvement was recorded which shows a continuing positive trend.

The gross fixed capital formation continued to increase as in the previous year and grew by 9.4 percent this year. Increase in the volume of gross fixed capital formation in machinery for the public sector and in construction for the private sector were the main factors affecting this upward trend.

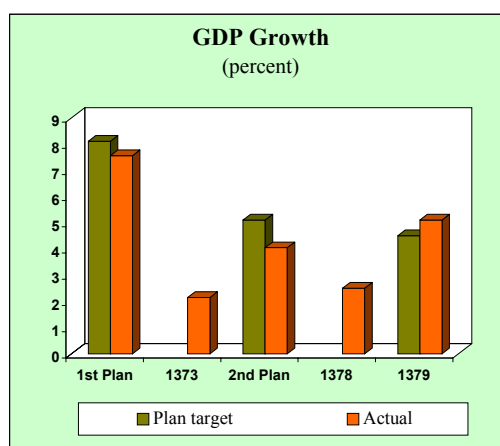
Private and public consumption expenditures at constant prices respectively increased by 4.8 and 0.3 percent. The percentage share in GDP for overall consumption expenditures i.e. both private and public sectors, showed a 1.6 percent reduction and went from 70.8 percent in 1378 to 69.2 percent in 1379. The per capita income figure stood at Rls. 7,207 thousand, registering a 30.6 percent growth as compared with the previous year.

(1) The projected figure in the 3rd FYDP for the first year of the plan was 500 thousand job opportunities.

CHAPTER TWO

NATIONAL PRODUCT, EXPENDITURE AND INCOME⁽¹⁾

The positive trend of major economic indicators during the first year of the 3rd FYDP is indicative of the improvement in overall general economic conditions. Preliminary estimates show that GDP, at constant 1369 prices, grew by 5.1 percent, which exceeded the projected target for the first year of the Plan by 0.6 percent and totaled Rls. 51,245 billion. This growth paved the way for realization of the objectives of the 3rd FYDP especially in curbing inflation and reducing unemployment.



The positive developments in the global crude oil market and gradual implementation of new foreign trade regulations within the framework of the 3rd FYDP directives led to an improvement in the BOP. Increase in global demand for oil, rise in Iran's quota in OPEC, and the consequent increase in production of crude oil and oil products are amongst the most important factors behind the economic boom. Despite the continuation of drought in some regions, more favorable weather conditions in the second half of the year improved farming sector performance and in turn the agriculture group as a whole. This helped slow the downward trend of the previous year and the value-added for the agriculture group only registered a 0.1 percent decline. Increase in foreign exchange revenues and improvement in government fiscal position triggered greater activity in the manufacturing and mining sectors as compared to 1376-1377. The increase in investment in the construction sector also helped the rise in the value-added for this sector in this period. Moreover, all sub-groups of the services sector with the exception of public services, showed positive and noticeable growth.

	GDP GROWTH BY ECONOMIC SECTORS				(percent)
	1376	1377	1378	1379	
Agriculture	2.5	7.4	-6.9	-0.1	
Manufacturing and mining	4.8	-0.9	9.9	7.9	
Oil and gas	-4.8	1.8	-6.0	8.4	
Services	3.1	4.1	4.2	5.2	
GDP	2.4	3.6	2.5	5.1	

(1) National accounts statistics have been revised and the new base year has changed to 1369 (1990/91).

National Product

On the basis of preliminary estimates, GDP at base price grew by 5.1 percent and amounted to Rls. 51,245 billion at constant 1369 (1990/91) prices. Major factors contributing to the economic growth in this year were the growth in manufacturing and mining of 7.9 percent, oil and gas of 8.4 percent, and services of 5.2 percent with their respective shares in the GDP being of 19, 18.6, and 49.9 percent.

Agriculture

On the basis of preliminary data released by the Ministry of Agriculture Jihad, the value-added for the farming sub-group, despite continued drought conditions in central and southeastern regions, grew by 0.2 percent at 1369 constant prices. This is to be regarded as an enormous improvement when compared to the 11.9 percent reduction recorded in the previous year. This growth resulted from an increase in the production of major farming crops such as rice, grain, potato, cotton, sugar cane, grape, and dried fruits. However, production of wheat, barley, onion, and tomato declined in the year under review. The value-added for the animal husbandry and hunting sub-group declined by 1.4 percent despite an increase in production of major livestock products such as red meat, poultry, eggs, and milk, due to the relatively mild increase in intermediate expenses. Harvesting of sea products and cultivation of various fishery products also grew by 3 percent. The value-added for the forestry sub-group grew by 18.7 percent, at constant 1369 prices, in comparison to 1378, due to increase in the harvesting of various forestry products and production of charcoal. The percentage share of farming, animal husbandry, fishing, and forestry sub-groups in the GDP were 9.2, 4.9, 0.2 and 0.1 percent respectively in the year under review.

VALUE-ADDED IN THE AGRICULTURE GROUP

(At Constant 1369 Prices)

(billion rials)

			Percentage change		Share (percent)	
	1378	1379	1378	1379	1378	1379
Farming	5,022.0	5,031.8	-11.9	0.2	62.9	63.1
Animal husbandry and hunting	2,755.1	2,716.4	3.1	-1.4	34.5	34.0
Fishing	113.6	117.4	3.0	3.0	1.4	1.5
Forestry	91.4	108.5	1.7	18.7	1.2	1.4
Agriculture group	7,982.1	7,973.7	-6.9	-0.1	100.0	100.0

Oil

Following the adoption of constructive policies by OPEC, not only the price of crude oil increased substantially, but the level of OPEC production raised in 1379. The global increase in the demand for crude oil along with Iran's quota increase led to an increase in crude oil and oil product exports. The result of this chain of events, was an 8.4 percent growth for the value-added for the oil and gas sector, at constant 1369 prices for the year under review. Production of crude oil grew by 8.5 percent in 1379 and topped 3,661 thousand b/d, while crude oil exports grew by 12.8 percent and reached 2,345 thousand b/d⁽¹⁾.

Manufacturing and Mining

Preliminary data suggests that the manufacturing and mining sector enjoyed a 7.9 percent growth at constant 1369 prices. Increase in foreign exchange revenues, and

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

improvement in the government's overall fiscal position helped stimulate activity in manufacturing and mining sectors which led to further development in 1379. According to data released by the Ministry of Industry, the value-added for the manufacturing sector grew by 8 percent at constant 1369 prices.

On the basis of data provided by the Ministry of Energy and the National Iranian Oil Products Distribution Company, the value-added for public utilities i.e. electricity, gas, and water, grew by 2.2 percent as a whole at constant 1369 prices in the year under review. Electricity and gas respectively showed a 7.2 and 3.8 percent growth while water registered a 4.4 percent reduction. The amount of electricity produced in 1379 amounted to 114,976 million kwh. During this period, 63,510 million cubic meters of natural gas was also drawn out.

The value-added for the construction sector, with approximately 5 percent share in GDP, grew by 10.4 percent. This growth was due to both a rise in investment in this sector and increase in the number of construction permits issued and the projected amount of new construction.

VALUE-ADDED IN THE MANUFACTURING AND MINING GROUP
(At Constant 1369 Prices)

			Percentage change		Share (percent)	
	1378	1379	1378	1379	1378	1379
	(billion rials)					
Manufacturing	6,240.4	6,737.3	8.9	8.0	63.5	63.4
Mining	499.1	520.5	21.6	4.3	5.1	4.9
Electricity, gas and water	745.7	761.9	5.3	2.2	7.6	7.2
Construction	2,368.4	2,613.8	12.1	10.4	24.0	24.5
Manufacturing & mining group	9,853.6	10,633.5	9.9	7.9	100.0	100.0

Services

The services sector which had 49.9 percent share in GDP at current prices, grew by 5.2 percent in 1379 at constant prices, with all its constituents showing positive growth, excepting the public services sub-group.

VALUE-ADDED IN THE SERVICES GROUP
(At Constant 1369 Prices)

			Percentage change		Share (percent)	
	1378	1379	1378	1379	1378	1379
	(billion rials)					
Trade, restaurant and hotel	7,826.9	8,180.7	0.4	4.5	28.5	28.4
Transportation, warehousing and communication	5,859.6	6,390.8	9.4	9.1	21.4	22.1
Monetary and financial institutions services	580.1	630.6	4.4	8.7	2.1	2.2
Real estate, professional and specialized services	8,079.3	8,598.8	7.5	6.4	29.5	29.8
Public services	4,002.2	3,942.2	-3.3	-1.5	14.6	13.7
Social, personal and household services	1,071.6	1,096.3	11.2	2.3	3.9	3.8
Services group	27,419.7	28,839.4	4.2	5.2	100.0	100.0

The increase in foreign exchange reserves stimulated the activities of the industrial sector by enabling the purchase of their required raw materials and capital goods imports and gave rise to a general increase in imports. These developments also had a positive effect on the value-added for trade, transportation, and warehousing sub-groups. The trade, restaurant, and

hotel sub-group, with a share of 14.9 percent in GDP, grew by 4.5 percent, at constant 1369 prices. This was largely due to increase in the amount of goods transacted by the retail and wholesale trade sub-groups as compared to the previous year. The value-added for transportation, warehousing, and communications, which held a 6.6 percent share in GDP, grew by 9.1 percent. During this period real estate, professional, and specialized services with a large percentage share in GDP, grew by 6.4 percent. The net profit received by banks led to 8.7 percent growth in monetary and financial institution services for the year, while the value-added of public services decreased by 1.5 percent and dampened growth of the services sector as a whole.

National Expenditure

Review of the gross domestic expenditure is indicative of growth in all its components. On the basis of preliminary data, private consumption expenditures, with the highest share of 47.3 percent in gross domestic expenditure, showed 4.8 percent growth, at constant 1369 prices, and totaled Rls. 29,696.4 billion. Increase in ‘food, beverages, and tobacco’ and ‘housing and utility’ expenses, which together make up the lion’s share of household consumption expenditures, was considered to be the main reason for this increase. During the year under review, governmental consumption expenditures, including all those of the ministries, affiliated institutions, municipalities, and social welfare organizations, grew by a moderate 0.3 percent due to the success in measures undertaken by these bodies to economize their expenses in comparison to the previous year. The percentage share of governmental consumption expenditures in gross domestic expenditure was 14.4 percent and amounted to Rls. 5,765.6 billion at constant 1369 prices.

Gross fixed capital formation, with 31.1 percent share in gross domestic expenditures, grew by 9.3 percent at constant 1369 prices. Gross fixed capital formation for machinery and construction registered growths of 12.8 and 6.0 percent respectively. Increase in the export of goods and non-factor services at current and constant prices made the net export of goods and services positive. Export of goods and services amounted to Rls. 9,034.9 billion in 1379 while import of goods and services amounted to Rls. 5,645.3 billion at constant prices.

Taking into account the performance of all sectors, gross domestic expenditure grew by 5 percent at constant prices, and national income increased by 5.2 percent. These respectively amounted to Rls. 39,971.6 billion at constant 1369 prices and Rls. 429,595.6 billion at current prices.

In this year, per capita income increased by 29.8 percent and amounted to Rls. 6,722.9 thousand.

CHAPTER THREE

AGRICULTURE

Performance of the agriculture sector was well below expectations in 1379 mainly due to the continuation of drought conditions. Both in terms of total land area under cultivation and the yield per hectare, almost all farming crops showed a decline due to the weather conditions. During this agricultural year grain yields lessened by 9.8 percent as compared to last year, while livestock products increased by 2 percent.

In the year under review, government support policies for the agriculture sector continued. This support took various forms and included the distribution of agricultural inputs at subsidized prices, guaranteed prices for purchase of major agricultural crops and the provision of banking facilities at preferential rates. Distribution of various pesticides increased by 4.6 percent to 27.1 thousand tons, whilst 3,026 thousand tons of chemical fertilizers, and 199.3 thousand tons of improved seed were also distributed among farmers, that represented a 27.9 percent growth and a 9.5 percent reduction, respectively, in comparison to the previous year.

The guaranteed purchase price for agricultural products increased by 22 to 40 percent in 1379. The guaranteed purchase price for wheat increased 30.2 percent and was set at Rls. 875 per kilo.

The government continued its policy of direct importation of foodstuffs in 1379 as previous years. This importation is carried out both in order to meet shortfalls in the country's foodstuff requirements, and to regulate imbalances in the domestic foodstuff market and controlling prices. On the basis of the Customs Office figures, imports (weight) of wheat and sugar decreased by 8.8 and 30.7 percent respectively. The decision to reduce wheat importation was primarily the result of optimistic projections of domestic wheat production for 1379 and the substantial increase in wheat stock held at the end of the previous year. In the case of sugar importation, the reduction has been made in order to support domestic production. Continuation of drought in various parts of the country forced premature slaughter of livestock herds and thereby increased the supply of domestic red meat. This in turn reduced imports of red meat by 37 thousand tons.

The subsidy paid on major agricultural crops increased by 12.6 percent over the previous year and amounted to Rls. 7,617.7 billion. This subsidy was equivalent to 1.39 percent of GDP which had a 0.22 percentage point reduction over the previous year. The subsidy payment for all agricultural products increased except for pesticides and seed subsidies, red meat, and tea. The proportional share of the subsidy paid out for major agricultural products as a percentage of the total subsidy payment, declined from 98.3 percent in 1378 to 96.2 percent in 1379.

The amount of banking facilities provided to non-public agricultural sector increased by 31.1 percent over the previous year to reach Rls. 29,653.5 billion ⁽¹⁾. Part of this increase was due to rescheduling of farmers' loan repayments owing to the continuation of drought.

(1) Excludes profit and revenues receivable.

In 1379, as the first year of the 3rd FYDP, extensive changes were made in policy making and reforming of the administrative structure of agriculture sector. As a major step in this direction, the two ministries of Agriculture and Jihad Sazandegi were merged into one to form the Ministry of Agriculture Jihad. Moreover, following the establishment of the Oil Stabilization Fund (OSF) through which foreign exchange facilities were provided to the productive sectors of the economy, including the agriculture sector, the government provided the necessary stimulus for new investment in the agriculture sector, modernization of agriculture's traditional structure and a more active role for the private sector in productive activities of this sector.

Water Resources

On the basis of data provided by the Ministry of Energy, the average rainfall in the agricultural year 1378/79 was a scant amount of 148.3 millimeters, a 24.1 percent reduction over the previous year's 195.5 millimeters. This was the lowest amount of rainfall recorded over the past two decades.

The water supply program continued in 1379 by the building of irrigation networks and constructing repository dams.

As one of its objectives for 1379, the Ministry of Energy had planned to set up irrigation and drainage networks to provide water for a further 76 thousand hectares during the course of this year. In the event, the Ministry fell short of this target by approximately 10 percent and only set up major irrigation and drainage networks over 49 thousand hectares and a further 20 thousand hectares with secondary networks. This, however, was a 40.8 percent improvement over the Ministry's performance in the preceding year. The Ministry further managed to repair and refurbish a number of existing irrigation networks covering some 107 thousand hectares which although represented a 7.9 percent increase in comparison to the previous year, still fell 22.3 percent short of the target set for the review year. In sum, the Ministry of Energy managed to provide 298 million cubic meters of water which represents achievement of 98.3 percent of the water supply target set out in the Ministry's program for 1379.

The repository dam, underground water supply, and other small local water provision projects also continued in this year. The total dam-regulated water capacity amounted to 26,805 million cubic meters at the end of 1379. This represents a 1.1 percent increase in overall dam-regulated water capacity and realized almost nearly 100 percent of the target set out in the Ministry's program for the year in review. Other regional water provision projects were planned to provide a target figure of 2,188 million cubic meters of water through pumping of underground water from wells and the building of minor local use dams. 96.4 percent of this target figure was also successfully achieved. It was proposed that through full utilization of existing water capacity, 130 million cubic meters of water be added to the total volume of water in the system. This goal was not realized and the total volume of water in the system remained as in the previous year i.e. 1,917 million cubic meters. The total volume of water provided from underground sources was 48,982.6 million cubic meters, registering a 1.4 increase over the targeted figure and a 2.7 percent increase over the previous year's figure.

Production

Farming Crops

Production of wheat, barley and rice declined in agricultural year 1378/79 by 9.8 percent and amounted to 11,745 thousand tons, which was 6,943 thousand tons and 37.2 percent less than the 3rd FYDP forecasts. The area under rice cultivation decreased by 9 percent to 534 thousand hectares due partially to the continuing drought in some regions and the marked reduction in the average amount of rainfall in general. Production of rice fell by 377 thousand tons (16.1 percent) and amounted to 1,971 thousand tons. This was 863 thousand tons

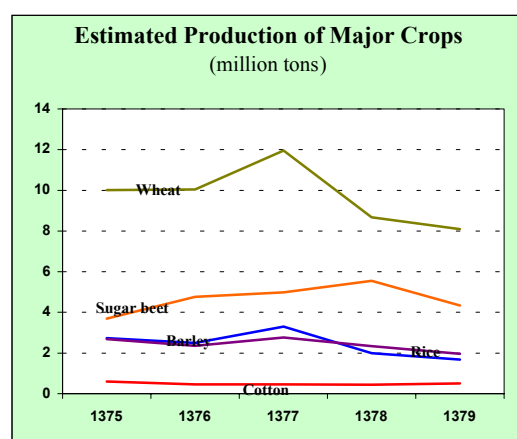
(30 percent) short of the forecasted figure in the 3rd FYDP. Another factor for this reduction in rice production this year was the 29.9 percent fall in producer price index for rice as compared to the previous year.

Production of most industrial crops (such as sugar beet, cotton, sugar cane, oil seeds, and tobacco) declined by an aggregate figure of 1,054 thousand tons or 12.4 percent over 1378 to total 7,464 thousand tons. The area under cultivation of these crops was 663 thousand hectares, which was 25 thousand hectares less than the previous year. The major exception to this trend was cotton and sugar cane production which increased by 12.7 and 5.9 percent respectively. This was due to an increase in area under cotton cultivation of 13.9 percent and a rise in the yield per hectare figure of sugar cane by 5.9 percent.

YIELD OF MAJOR FARMING CROPS
(kilogram-hectare)

	1378	1379	Percentage change
Wheat	1,830	1,586	-13.4
Barley	1,425	1,412	-0.9
Rice	4,000	3,691	-7.7
Cotton	2,042	2,020	-1.0
Sugar beet	29,828	26,577	-10.9
Sugar cane	86,000	91,038	5.9
Tea (green)	8,088	7,194	-11.1
Oil seeds	1,143	1,188	3.9
Tobacco	957	1,050	9.8
Pulses	504	553	9.8
Potatoes	21,323	21,645	1.5
Onions	29,946	30,545	2.0
Pistachio	512	1,105	116.0

Source: Ministry of Agriculture Jihad



ESTIMATED PRODUCTION AND AREA UNDER CULTIVATION OF MAJOR FARMING CROPS
(thousand hectares-thousand tons)

	1378		1379		Percentage change	
	Area	Production	Area	Production	Area	Production
Wheat	4,739	8,673	5,101	8,088	7.6	-6.7
Barley	1,403	1,999	1,194	1,686	-14.9	-15.7
Rice	587	2,348	534	1,971	-9.0	-16.1
Cotton	216	441	246	497	13.9	12.7
Sugar beet	186	5,548	163	4,332	-12.4	-21.9
Sugar cane	26	2,236	26	2,367	0	5.9
Tea (green)	34	275	31	223	-8.8	-18.9
Oil seeds	237	271	208	247	-12.2	-8.9
Tobacco	23	22	20	21	-13.0	-4.5
Pulses	935	471	1,016	562	8.7	19.3
Potatoes	161	3,433	169	3,658	5.0	6.6
Onions	56	1,677	44	1,344	-21.4	-19.9
Pistachio	256	131	275	304	7.4	132.1

Source: Ministry of Agriculture Jihad

Production of many agricultural crops declined in this year. The exceptions to this general trend were pistachio, pulses, cotton, potato, and sugar cane crops. Production of pistachio grew by a massive 132.1 percent in 1379 to give a total yield figure of 304 thousand tons. This was a marked achievement when viewed in the light of the previous agricultural year's noticeable decline in production which was brought about by an unusual seasonal cold spell. The pistachio yield this year was 21.6 percent above the forecasted figure in the 3rd FYDP.

Livestock Products

On the basis of data released by the Ministry of Agriculture Jihad, livestock products, i.e red meat, poultry, milk and eggs increased slightly by 2 percent and amounted to 7,735 thousand tons.

LIVESTOCK PRODUCTS

	(thousand tons)		
	1378▲	1379	Percentage change
Red meat	721	729	1.1
Milk	5,564	5,623	1.1
Poultry	725	803	10.8
Egg	570	580	1.8

Source: Ministry of Agriculture Jihad

Fisheries Products

Fisheries products harvested in 1379 grew by 3 percent as compared to the previous year and amounted to 424.5 thousand tons. A total of 12.7 thousand tons of fisheries products valued at \$70.1 million were exported, which registered a 38 and a 27.9 percent increase respectively in weight and value over the previous year. The rise in the export value was due mainly to increased exports of shrimp and caviar.

FISHERIES PRODUCTS

	(ton, million dollars)				
	1377	1378	1379	Percentage change	
				1378	1379
Production	400,000	412,000	424,500	3.0	3.0
Caspian sea	101,500	110,000	98,000	8.4	-10.9
Persian Gulf	226,500	234,200	260,500	3.4	11.2
Inland water	72,000	67,800	66,000	-5.8	-2.7
Export					
Value	52.3	54.8	70.1	4.8	27.9
Amount	6,855	9,192	12,681	34.1	38.0

Source: Fisheries Corporation

Import and Stock of Major Foodstuffs

Government support policies in the area of foodstuff procurement, as outlined above, continued. On the basis of data provided by State Grain Organization, imports of wheat and sugar declined by 10.1 and 3.5 percent, respectively. Reduction in wheat imports was due to initial projections of wheat production of an increase of 6.7 percent over the previous year, and the increase of wheat stock of 648 thousand tons. The government imported 849 thousand tons of sugar which was 3.5 percent less than that of the previous year, in order to stimulate domestic producers into increasing sugar cane and sugar beet production. The quantity of imported red meat was 11 thousand tons, a decrease of 45 percent over the last year. Part of this reduction was compensated through the increase in the supply of domestic red meat. The increase in the supply of domestic red meat resulted from the forced premature slaughter of livestock herds due to the continuing drought conditions that prevailed in various parts of the country.

IMPORT AND STOCK OF MAJOR FOODSTUFFS

	(thousand tons)					
	Import		Percentage change	Stock at the end of		Percentage change
	1378▲	1379		1378	1379	
Wheat	6,746	6,068	-10.1	1,032	1,680	62.8
Sugar (1)	880	849	-3.5	572	510	-10.8
Red meat	20	11	-45.0	6	17	183.3

Source: State Grain Organization, Organization for Expansion of Commercial Services, and Livestock Support Corporation

(1) Excludes sugar imported by the private sector.

Guaranteed Purchase of Major Agricultural Products

The support policy for the guaranteed purchase of major agricultural crops continued this year with an average increase of 31 percent. The greatest recorded increase was the 40 percent in the price paid for Amol Grade 2 and 3 rice. This was done in an effort to encourage farmers to plant these higher yielding varieties of rice.

The guaranteed purchasing price of wheat increased by 30.2 percent over the previous year and reached Rls. 875 per Kilo. As a result, the amount of wheat purchased from farmers grew by 12.8 percent and amounted to 4.4 million tons.

	GUARANTEED PURCHASING PRICE OF AGRICULTURAL CROPS		(Rial per kilogram)
	1378	1379	Percentage change
Wheat	672	875	30.2
Barley	535	694	29.7
Rice (Khazar and Mazand variety)	1,949	2,695	38.3
Rice (Sefidrood, Tarom and Asgari variety)	1,742	2,350	34.9
Rice (high yielding variety)	1,323	1,856	40.3
Corn	598	775	29.6
Sugar beets	175	225	28.6
Sunflower	1,490	1,818	22.0
Soya	1,300	1,586	22.0
Tea (green)	1,064	1,360	27.8
Lentil	1,469	1,905	29.7
Kidney bean	1,330	1,723	29.5
Navy bean	1,441	1,868	29.6
Pinto bean	1,441	1,868	29.6
Potatoes	293	380	29.7
Onions	252	327	29.8

Source: Ministry of Agriculture Jihad

Subsidies

On the basis of data released by the Ministry of Economic Affairs and Finance, overall government subsidy payments increased by 15.1 percent and reached Rls. 7,920.1 billion or 1.44 percent of GDP. This was 1.64 percent less than the previous year. The major portion of the subsidy was paid for major agricultural products. While this figure increased by 12.6 percent and amounted to Rls. 7,617.7 billion, its proportionate share in the total subsidy showed a slight reduction to become 96.2 percent as against 98.3 percent in the previous year. The relative share of subsidy paid on all agricultural crops remained almost the same as the previous year, except for tea, on which no subsidy was paid. The wheat subsidy held the largest share in overall subsidy payments and rose by 12.2 percent to reach Rls. 5,835 billion.

The chemical fertilizer supplied to farmers was increased, thereby raising subsidy costs paid for this production input by 15.4 percent to a total of Rls. 543.1 billion. According to the data released by the Ministry of Agriculture Jihad, 3,026.3 thousand tons of chemical fertilizer was distributed to farmers, registering a 27.9 percent rise over the previous year. Moreover, about 1,865.1 thousand tons of fertilizers was produced domestically, in the year under review.

The subsidy paid on pesticides and seed decreased by Rls. 0.9 billion and amounted to Rls. 58 billion. On the basis of data released by the Ministry of Agriculture Jihad, overall use of insecticides increased by 4.6 percent and reached 27.1 thousand tons over the previous year. Seed distribution fell by 9.5 percent and totaled 199.3 thousand tons. The largest share of seed distributed was for wheat production which amounted to 177 thousand tons, followed by barley (11 thousand tons), and corn (6 thousand tons).

SUBSIDY PAID ON MAJOR AGRICULTURAL PRODUCTS AND FOODSTUFFS

(billion rials)

	1378	1379	Percentage change	Share (percent)	
				1378	1379
Wheat	5,200.0	5,835.0	12.2	75.6	73.7
Chemical fertilizer	470.7	543.1	15.4	6.8	6.9
Rice, vegetable oil, sugar & cube sugar	118.5	160.0	35.0	1.7	2.0
Milk and its products	480.6	623.0	29.6	7.0	7.9
Meat	335.0	323.6	-3.4	4.9	4.1
Tea (green)	38.0	0	-100.0	0.5	0
Pesticides and seeds	58.9	58.0	-1.5	0.9	0.7
Insurance of agricultural crops	62.0	75.0	21.0	0.9	0.9
Total	6,763.7	7,617.7	12.6	98.3	96.2
Total subsidy paid	6,881.3	7,920.1	15.1	100.0	100.0

Source: Ministry of Economic Affairs and Finance

Government Investment

Government development expenditures for expansion of 'agriculture and water resources' increased by 54.5 percent over the previous year and amounted to Rls. 5,462.5 billion. Considering the reduction of the development expenditures, the share of development expenditures for expansion of 'agriculture and water resources' out of total development expenditures rose to 23.2 percent, showing 9 percentage point increase compared with respective figure of the previous year. Government development expenditures for 'water resources' increased by 55.3 percent and totaled Rls. 3,653 billion. The 'water provision' program had the highest share of this figure, accounting for 38.3 percent of the national credits allocated to development of 'agriculture and water resources'. 'Water supply to cities and industries' and 'irrigation networks and drainage' programs held 25.2 and 25 percent share respectively in national credits.

Government development expenditures for the increase of 'agriculture and natural resources' also rose by 52.8 percent and amounted to Rls. 1,809.5 billion. 'Water and soil' and 'forests and pastures' programs with 21.3 and 17.5 percent share respectively, held the highest shares of national credits allocated to the expansion of 'agriculture and natural resources'. National credits provided for the 'research on agriculture and natural resources' program substantially increased to a total of Rls. 353.7 billion representing a 31.6 percent rise over the previous year.

**GOVERNMENT DEVELOPMENT EXPENDITURES FOR EXPANSION OF
AGRICULTURE AND WATER RESOURCES**

(billion rials)

	1378	1379	Percentage change	Share (percent)	
				1378	1379
Agriculture and natural resources	1,183.9	1,809.5	52.8	33.5	33.1
Water resources	2,352.7	3,653.0	55.3	66.5	66.9
Total	3,536.6	5,462.5	54.5	100.0	100.0

Source: Budget Law for 1379, and Management and Planning Organization

Banking Facilities

Facilities provided by banks and credit institutions to the agriculture sector increased in 1379 by 31.1 percent and amounted to Rls. 29,653.5 billion. A portion of these facilities was due to rescheduling of farmers' overdue loans as a result of the continuing drought.

A review of credit performance of banks in the agricultural sector indicates that the commercial banking share in total outstanding facilities provided, declined slightly from 41.9 to 41.7 percent. The equivalent amount of this decrease was added to the Agriculture Bank's share of outstanding facilities. Non-bank credit institutions also provided Rls. 0.2 billion facilities to the private agricultural sector in this year.

OUTSTANDING FACILITIES EXTENDED BY BANKS AND CREDIT INSTITUTIONS TO AGRICULTURE SECTOR (1)					
	(billion rials)				
	1378	1379	Percentage change	Share (percent)	
				1378	1379
Commercial banks	9,473.2	12,367.2	30.5	41.9	41.7
Agriculture Bank	13,148.7	17,286.1	31.5	58.1	58.3
Credit institutions	0	0.2	0	0	*
Total	22,621.9	29,653.5	31.1	100.0	100.0

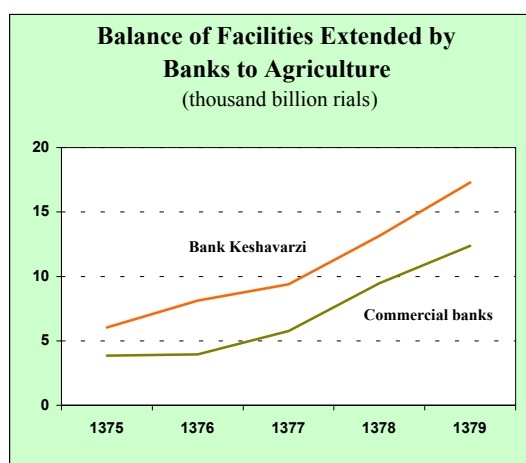
(1) Excludes profit and revenues receivable.

Banks' overdue claims on agriculture sector (non-public) increased by 35.9 percent, and the ratio of those claims to total outstanding facilities was 7.1 percent.

The outstanding balance of facilities extended by the Agriculture Bank to public and private sectors increased by 31.2 percent by year end and amounted to Rls. 17,428.8 billion. On the basis of data released by this bank, a total of Rls. 10,664 billion in the form of direct credits and banking facilities was provided to farmers registering a 32.4 percent rise over the previous year.

A review of the reports provided by Agriculture Bank shows that of the total payments made by this bank, the largest share was paid to farmers who held 34.4 percent of the outstanding facilities. This represented a 102.1 percent growth over the last year and amounted to Rls. 2,419.4 billion. Out of total facilities extended to the farming sector as a whole, Rls. 839.9 billion was allocated for new infra-structural capital investments with the balance going towards working capital requirements. New investments consisted mainly of irrigation related items (Rls. 618.8 billion) and in agricultural machinery (Rls. 137.1 billion).

An examination of the outstanding balance of facilities provided by Agriculture Bank according to their original maturity dates, indicates that facilities with maturity dates of less than 2 years increased by 33.4 percent and represented the greatest share of facilities in this year as in previous years. Although short-term facilities increased for the second consecutive year, its percentage share of total facilities decreased, thereby increasing the percentage share of facilities with original maturity dates of 2 to 10 years. This fact indicates Agriculture Bank's desire to provide investment funds for longer-term projects. Among the extended facilities, the greatest increase was related to medium-term facilities which registered a 261 percent growth i.e. Rls. 1,272.8 billion to total Rls. 1,760.5 billion.



**COMPARISON OF FACILITIES EXTENDED BY AGRICULTURE BANK
BY ORIGINAL MATURITY(1)**

(billion rials)

	1378	1379	Percentage change	Share (percent)	
				1378	1379
Less than 2 years	3,917,191	5,225,352	33.4	88.2	74.2
2-10 years	487,654	1,760,459	261.0	11.0	25.0
10-15 years	35,084	53,319	52.0	0.8	0.8
Total	4,439,929	7,039,130	58.5	100.0	100.0

(1) Excludes profit and revenues receivable.

Insurance of Agricultural Products

In 1379, the Agricultural Products Insurance Fund insured 1,658 thousand hectares of land under cultivation against losses from natural disasters, for 17 major agricultural and horticultural products. Despite the increase in the number of insured products, the amount of insured farmland decreased by 14 percent or 269 thousand hectares. This was owing to a reduction of the overall area under cultivation. In this year, 94 thousand hectares of insured farmlands suffered losses, and the Fund paid out Rls. 35,840 million in compensation. The average amount of compensation per hectare was Rls. 380 thousand, an increase of 31.5 percent over the previous year. In addition to insuring agricultural products, the Agriculture Bank paid Rls. 18.9 billion and one billion rials as compensation, respectively, for animal husbandry and pasturing, forestry and water yielding to the insured to expand insurance of livestock products.

INSURED FARMLANDS AND AMOUNT OF COMPENSATION

	Insured farmlands (thousand hectares)		Percentage change	Compensation (million rials)		Percentage change
	1378	1379		1378	1379	
Wheat	1,278.1	1,026.6	-19.7	10,138	13,737	35.5
Rice	103.1	92.7	-10.1	2,495	1,483	-40.6
Cotton	129.0	154.4	19.7	2,947	3,278	11.2
Sugar beet	193.8	179.3	-7.5	510	1,074	110.6
Soya	23.2	19.1	-17.7	1,483	1,144	-22.9
Potatoes	21.3	27.4	28.6	826	2,947	256.8
Sunflower	11.2	7.1	-36.6	609	271	-55.5
Corn	71.9	57.5	-20.0	1,844	1,297	-29.7
Barley	80.8	48.4	-40.1	463	850	83.6
Onions	1.9	1.6	-15.8	18	146	□
Grapes	2.5	6.5	160.0	603	2,296	280.8
Apples	1.6	3.1	93.8	261	1,661	□
Citrus	1.9	2.5	31.6	26	12	-53.8
Dates	1.9	5.4	184.2	1,558	956	-38.6
Pomegranate	0	0.2	□	0	216	□
Tea	4.5	0.5	-88.9	257	900	250.2
Brassica	0	25.5	□	0	3,572	□
Total	1,926.7	1,657.8	-14.0	24,038	35,840	49.1

Source: Insurance Fund for Agricultural Products

Rural Cooperatives and Cooperative Unions

The number of rural cooperatives and their total members remained basically the same as in the previous year and amounted to 2,948 and 4.4 million members. Khorasan Province, with 334 and a capital of Rls. 34,986 million, was the top ranked province. In this year, rural cooperatives extended Rls. 346.7 billion in loans for various uses to their farmers, which had a 4.2 percent increase over the previous year. The number of rural cooperative unions increased by 2.8 percent to a total of 255 unions, with a capital of Rls. 102.9 billion, showing 5.5 percent increase over the previous year.

One of the main functions of rural cooperatives is the purchase of agricultural products from their farming members. Under this initiative, in 1379, a total of 4,414.4 thousand tons of agricultural products were purchased from farmers, showing 4.8 percent increase over the previous year.

RURAL COOPERATIVES AND COOPERATIVE UNIONS

	1378	1379	Percentage change
Rural cooperatives			
Number	2,949	2,948	*
Number of members (thousand persons)	4,421	4,423	*
Capital (million rials)	313,763	332,003	5.8
Loans paid (million rials)	332,873	346,723	4.2
Rural cooperative unions			
Number	248	255	2.8
Number of member corporations	2,944	2,999	1.9
Capital (million rials)	97,501	102,883	5.5

Source: Central Organization of Rural Cooperatives

Export of Agricultural Products

On the basis of data released by the Customs, a total of 1,446 thousand tons of agricultural products valued at \$ 976.5 million was exported in the year under review, registering 3.2 percent reduction in weight and 4.1 percent increase in value. In general, export of agricultural products constituted 10.1 percent of the weight and 25.9 percent of the value of non-oil exports.

EXPORT OF AGRICULTURAL PRODUCTS

	(thousand dollars, ton)					
	1378		1379		Percentage change	
	Value	Weight	Value	Weight	Value	Weight
Dried fruits	427,348	328,548	427,753	350,226	0.1	6.6
Vegetables	172,867	794,118	167,930	614,884	-2.9	-22.6
Livestock products	118,671	62,690	167,711	92,406	41.3	47.4
Sea products	41,406	7,492	49,655	12,550	19.9	67.5
Agricultural processing industries products	177,634	301,313	163,407	375,821	-8.0	24.7
Export of agricultural products	937,926	1,494,161	976,456	1,445,887	4.1	-3.2
Total non-oil exports	3,361,953	17,567,081	3,762,840	14,281,012	11.9	-18.7

Source: Customs' foreign trade statistics

Import of Agricultural Products

During this period, 12,378.3 thousand tons of agricultural products valued at \$ 2,600.7 million was imported and registered 3.3 percent increase in weight and 1.2 percent reduction in value, indicating reduction in unit value of imported agricultural products by 4.4 percent. Import of agricultural products constituted 18.1 and 47.6 percent of the value and weight of the total imports, respectively.

IMPORT OF AGRICULTURAL PRODUCTS					(thousand dollars, ton)	
	1378		1379		Percentage change	
	Value	Weight	Value	Weight	Value	Weight
Wheat	801,301	6,155,936	739,026	5,612,752	-7.8	-8.8
Barley	53,556	423,487	160,309	1,049,743	199.3	147.9
Rice	325,854	1,021,836	339,131	1,167,242	4.1	14.2
Tea	49,151	17,713	60,094	20,958	22.3	18.3
sugar and cube sugar	280,782	1,339,393	212,564	928,262	-24.3	-30.7
Vegetable oils	500,065	978,686	408,643	1,055,379	-18.3	7.8
Animal oils	16,158	28,137	8,134	17,097	-49.7	-39.2
Red meat	62,811	27,668	26,089	16,264	-58.5	-41.2
Fish	3,550	2,983	2,510	1,953	-29.3	-34.5
Poultry	17,045	14,353	22,331	22,656	31.0	57.8
Other agricultural goods	522,738	1,969,264	621,825	2,486,018	19.0	26.2
Import of agricultural products	2,633,011	11,979,456	2,600,656	12,378,324	-1.2	3.3
Total imports	12,682,652	21,548,880	14,346,866	25,980,942	13.1	20.6

Source: Customs Foreign Trade Statistics

Import of wheat constituted 28.4 percent of value and 45.3 percent of the weight of import of agricultural products, which had the greatest share in imports despite reduction both in weight and value over the previous year. Thus, import of wheat was limited to \$ 739 million due to initial projections concerning increase in domestic wheat production. Imports of vegetable oils and rice with 18.3 percent reduction and 4.1 percent increase in value, respectively, amounted to \$ 408.6 million and \$ 339.1 million. Import of red meat with the greatest reduction (58.5 percent) was limited to \$ 26.1 million.

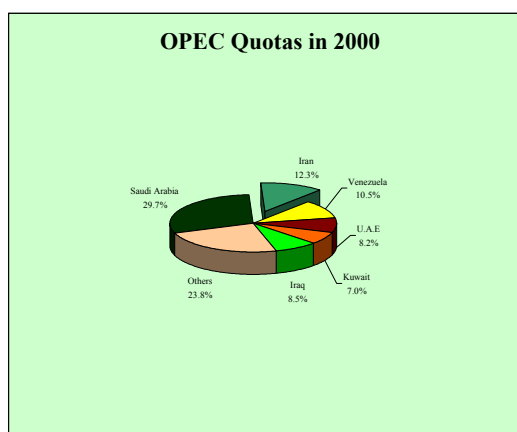
In general, the trade balance of agricultural products with a deficit of \$ 1,625 million registered 4.1 percent reduction compared to the deficit of the previous year (\$ 1,695 million).

CHAPTER FOUR

ENERGY

As the impact of the South East Asian and Latin American financial crises subsided, the global economy started to recover from the beginning of 1999 and in 2000 managed to rebound with a growth of 4.7 percent. Along with this improvement in the world economy, the global demand for crude oil increased, and OPEC raised its members' production ceilings to prevent a sharp rise in crude oil prices.

In 2000, in order to sustain global economic growth and maintain the price of oil in the OPEC basket within the range of 22 to 28 US dollars, OPEC members raised their production ceiling by 3.7 million barrels per day (mb/d). Production thereby went up from 23.0 mb/d at the end of 1999 to 26.7 mb/d at the end of 2000. Despite the sustained rise in OPEC's production ceiling, the price of each barrel of OPEC basket stood at a higher level than the OPEC price ceiling of 28 dollars for the months of April, June, September, October and November 2000.



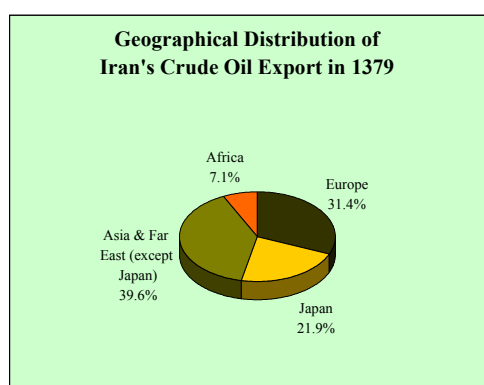
In accordance with OPEC's policy of maintaining stability in world oil prices, Iran's crude oil production reached 3.7 mb/d, showing an 8.5 percent increase. In this year, export of Iran's crude oil rose 12.8 percent, to stand at 2.3 mb/d, while export of oil products declined by 8.1 percent to total 181 thousand b/d.

On the basis of the 2nd FYDP (1374-1378) Law, it was prescribed that duties levied for the expansion of oil, gas, and electricity be paid into the Treasury and an equivalent sum as approved in the budget be paid to the respective organizations for the execution of development projects in energy sector. In the framework of the 3rd FYDP (1379-1383), these duties are excluded from the general budget and have been allocated exclusively to the respective industries. Hence, since the beginning of the 3rd FYDP, government development expenditures in oil, gas, and electricity sector was reduced, so that total payments to these sectors amounted to Rls. 515.2 billion, registering 93.9 percent decline compared to 1378. It is worth noting that, total duties of the mentioned sectors amounted to Rls. 11,511.3 billion. However, it is projected that investment in this sector will enjoy a significant rise during 1379, through the direct allocation of the said duties.

OPEC

In 1379, OPEC's average crude oil production reached 30.8 mb/d, registering a 5.2 percent rise, compared to the year before. The share of Middle-Eastern member countries rose by 6.3 percent and reached 21 mb/d. The share of other members registered a 2.9 percent growth and reached 9.8 mb/d. In the year under review, Saudi Arabian crude oil production stood at 9.1 mb/d and its share of total OPEC's crude oil production was 29.7 percent. At the 109th session of the OPEC Ministerial meeting held in March 2000, the production ceiling of OPEC members, with the exception of Iran, was increased to the ceiling which existed prior to March 1999. At its extraordinary conference held in June 2000, OPEC members increased their production ceiling to 25.4 million b/d, in order to support consumers and maintain price stability. Also, at its 111th meeting held in September 2000, in Vienna, OPEC again raised its production ceiling by 500 thousand b/d. In total, approximately 3.7 mb/d was added to the OPEC production ceiling in the wake of these four meetings.

With regard to the downward trend of crude prices in late 2000, at the 113th session of OPEC held in January 2001, ten members cut their production ceiling by 1.5 mb/d due to seasonal adjustments in the demand for oil in the second quarter of the year. As the global economy slowed down in the second half of 2000, OPEC, at its 114th session, in March 2001, reduced its production ceiling, at which point, Iran's production quota was set at 3.6 mb/d, constituting 14.7 percent of OPEC's total production.



OPEC AVERAGE CRUDE OIL PRODUCTION

(thousand b/d)

	1999	2000	Percentage change	Share (percent)	
				1999	2000
Saudi Arabia	8,550	9,145	7.0	29.2	29.7
Iran	3,550	3,770	6.2	12.1	12.2
United Arab Emirates	2,325	2,515	8.2	7.9	8.1
Kuwait	2,025	2,150	6.2	6.9	7.0
Iraq	2,580	2,625	1.7	8.8	8.5
Qatar	725	795	9.7	2.5	2.6
Middle Eastern Members Total	19,755	21,000	6.3	67.4	68.1
Venezuela	3,175	3,235	1.9	10.8	10.5
Nigeria	2,030	2,105	3.7	6.9	6.8
Indonesia	1,405	1,430	1.8	4.8	4.7
Others	2,935	3,055	4.1	10.1	9.9
Other members Total	9,545	9,825	2.9	32.6	31.9
Grand Total OPEC	29,300	30,825	5.2	100.0	100.0

Iran Crude Oil Production

In 1379, average crude oil production of Iran reached 3.7 mb/d, showing an 8.5 percent rise compared with the previous year.

Exports

Iran's oil exports, including exports of oil products, rose by 11.0 percent and reached 2.5 mb/d, and the proportionate share of crude oil to oil products was 92.8 percent and 7.2 percent, respectively.

In the year under review, export of crude oil enjoyed 12.8 percent growth and amounted to 2.3 million b/d, while export of oil products fell by 8.1 percent to total 181 thousand b/d. The average price of each barrel of crude oil increased to \$ 25.26, registering a 28.2 percent rise as compared with the previous year.

Geographical Distribution of Crude Oil Exports

In 1379, out of total crude oil exports, 61.5 percent was exported to Asia, a noticeable increase as compared with 1378. Japan's proportionate share declined to 21.9 percent, as did Europe's share to 31.4 percent, which was significantly lower than in 1378. Moreover, 7.1 percent of crude oil export went to Africa. In 1378, there was no crude oil export to the American and Oceania continents.

Refinery Developments

In 1379, the crude oil delivered to domestic refineries fell by 3.2 percent and totaled 1.3 mb/d. The Esfahan refinery registered the greatest reduction in crude oil input and received 27 thousand b/d less than the previous year.

CRUDE OIL DELIVERED TO DOMESTIC REFINERIES

(thousand barrels per day)

	1378	1379	Percentage change	Share percent
Abadan	312	310	-0.6	23.6
Isfahan	280	253	-9.6	19.2
Tehran	210	200	-4.8	15.2
Arak	150	150	0	11.4
Bandar Abbas	220	220	0	16.7
Other (1)	188	183	-2.7	13.9
Total	1,360	1,316	-3.2	100.0

Source: Ministry of Petroleum

(1) Includes Tabriz, Shiraz, Kermanshah refineries, and Lavan Topping Plant.

The highest portion of crude oil, 23.6 percent, went to the Abadan refinery with 310 thousand b/d, while Lavan Topping plant, with 21 thousand b/d, 1.6 percent, had the lowest share.

Domestic Consumption of Oil Products

In 1379, the average consumption of oil products reached 1,099 thousand b/d, showing 2.8 percent decline compared to 1378. Overall oil products consumption declined in this year, with the exception of fuel oil which grew by 2.7 percent or 231 thousand b/d.

In the year under review, consumption of gas oil registered the highest share in domestic consumption of oil products (31.7 percent) and reached 348 thousand b/d.

Domestic Prices of Oil Products

During 1379, the average price of oil products was increased by 10 percent in line with the 1379 Budget Bill, hence, prices of gasoline, gas oil, kerosene, and fuel oil increased respectively from Rls. 350, 100, 100, and 50 to Rls.385, 110, 110, and 55 per liter.

Investment in Oil Sector

With the exclusion of revenues from duties levied on oil industry from the general budget and its direct allocation to oil sector, the volume of government development expenditures in the oil sector dropped significantly to a figure of Rls. 59.7 billion. It is worth noting that in accordance with the 2nd FYDP Law, duties levied on oil sector made up the bulk of government development expenditures for that industry during 1374-1378. After this period these duties were directly transferred to the oil sector. In the year under review, Rls. 26.1 billion was allocated to energy research program within the framework of social affairs.

Natural Gas

Production of natural gas, excluding oil well gas injections, grew by 3.9 percent in comparison to 1378 and amounted to 83.2 billion cubic meters. Of this figure, 62.8 billion cubic meters was allocated for domestic consumption, showing 7.0 percent rise over 1378. In addition, 6.6 billion cubic meters was also allocated to other local and petrochemical uses. This year 83.4 percent of the natural gas produced was used domestically and the remainder was flared. No export of natural gas took place in this year.

In view of the exclusion of gas revenues out of the duties levied on gas industry from the general budget, this sector was excluded from receiving government development expenditures in 1379.

Electricity

In 1379, approximately 121 billion kw/h of electricity was generated, a 7.1 percent rise as compared to the previous year. Out of total electricity generated, 115.0 billion kw/h or 95.3 percent, was generated by the Ministry of Energy affiliated power plants, while the remaining 5.6 billion kw/h was produced by other institutions.

In the year under review, out of total electricity generated, about 77.8 billion kw/h, or 64.5 percent, was generated by steam power plants, 33.1 billion kw/h, or 27.5 percent by gas and combined cycle plants, 3.6 billion kw/h or 3.0 percent by hydro power turbine, and 4.0 billion kw/h or 3.0 percent, by diesel power plants.

Steam power plant electricity generation registered a rise of 10.1 percent and held the highest share in electricity generation. At the same time, due to the continuing drought, electricity generated by hydro power plants declined by 26.4 percent.

In the year under review, electricity consumption rose by 6.7 percent to total 90.4 billion kw/h. The agricultural sector enjoyed the highest consumption growth of generated electricity totaling 9.1 billion kw/h which was an increase of 14.1 percent over the 8 billion kw/h consumption figure for the previous year. Electricity consumption figures also rose for other sectors of the economy namely industrial, general, commercial, and household groups, which registered increases of 9.2, 6.1, 7.6, and 5.1 percent respectively. Street lighting consumption decreased by 10.4 percent. Industrial and household uses respectively held 34.6 and 32.0 percent shares in consumption and together consumed the highest amount of total electricity consumption.

By the end of 1378, in accordance with the 3rd FYDP, the Council of Economy increased the average selling price of electricity by 10 percent. This increased the average price of electricity per kw/h from Rls.72 in 1378 to Rls. 80 in 1379.

During 1379, with the exclusion of revenues received from duties levied on electricity from the general budget and its direct allocation to the concerned sector, the volume of government development expenditures in the electricity sector was substantially reduced. In this

year, the volume of government payments to this sector reached Rls. 455.5 billion, registering an 84.6 percent decline compared with the preceding year. Of this figure, Rls. 405.3 billion, or 98.9 percent, was allocated to national expenditures and Rls. 5.2 billion, or 1.1 percent, as provincial expenditures. Out of total investments in electricity sector, Rls. 288.2 billion, or 63 percent, was paid for transmission program costs and Rls. 162 billion, or 35.6 percent, for generating programs.

CONSUMPTION OF ELECTRICITY BY GROUPS

(million kw/h)

	1378	1379	Percentage change		Share (percent)	
			1378	1379	1378	1379
Household	29,754	31,266	3.7	5.1	35.1	34.6
Industry	26,504	28,937	9.8	9.2	31.3	32.0
General	10,622	11,271	50.1	6.1	12.5	12.5
Commercial	5,567	5,991	-34.4	7.6	6.6	6.6
Agriculture	8,019	9,147	18.2	14.1	9.5	10.1
Others	4,190	3,754	69.2	-10.4	4.9	4.2
Total	84,656	90,366	9.0	6.7	100.0	100.0

CHAPTER FIVE

MANUFACTURING AND MINING

Manufacturing and mining sectors of the economy remained relatively stable and their recorded growths were in line with targets set for the first year of the 3rd FYDP. Improvement in government fiscal position and surplus in external current account balance, together with monetary policies aimed at financing the required resources underpinning growth, resulted in price and foreign exchange stability and the weakening of inflationary pressures. These factors provided the necessary basis for the support of the manufacturing and mining sectors. According to preliminary data, the value-added for manufacturing and mining sectors in 1379 at 1369 constant prices went up respectively by 8.0 and 4.3 percent. When compared to the average annual growth for the manufacturing and mining sectors projected in the 3rd FYDP, respectively, of 8.0 and 5.5 percent, the manufacturing sector performance was on target, while that of mining sector was weaker than projected. The production index of large manufacturing establishments grew by 6.0 percent in this year, compared with the previous year. The performance of other indices also indicates a relative growth in manufacturing and mining activities in the year under review.

In 1379, Rls. 765.9 billion was allocated to manufacturing and mining sectors from the government's budget in order to implement national development projects in the manufacturing and mining sectors and to also carry out industrial research programs. This was a 62.4 percent increase, as compared with the preceding years allocation, of which the greater portion of 40.6 percent was allocated to the mining sector. Moreover, banks and credit institutions extended considerable facilities to the non-public manufacturing and mining sector, thereby increasing the outstanding facilities provided to this sector, with a 30.1 percent rise to reach Rls. 39.4 thousand billion at the end of 1379.

From the Ministry of Industries and Mines statistics, the number of new manufacturing and mining permits granted, the amount of investment and total employment in this sector registered growths of 10.4, 115.0 and 25.7 percent, respectively. This fact is indicative of the private sector's inclination to invest in productive activities and create further new capacities in the manufacturing sector.

Production of major industrial products enjoyed favorable growth, so that out of 83 selected industrial products, 49 items registered an increase in production in which 60 percent showed over 10 percent growth. Moreover, raw steel production and petrochemicals also increased by 4.8 and 7.3 percent, respectively.

With regard to government support policies for non-oil exports, industrial exports showed a marked increase in the year under review, so that the value of industrial exports, with 29.8 percent growth, reached \$1.9 billion, and the unit value of exportable goods, with 32.8

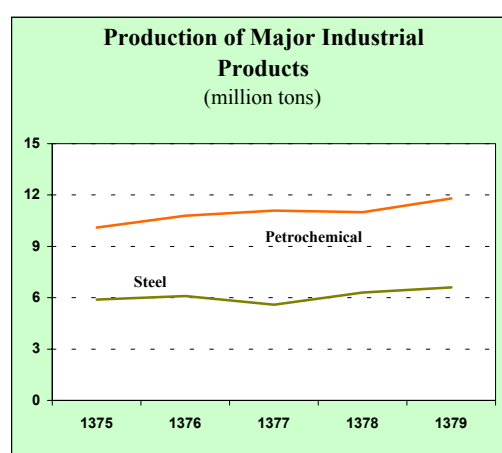
percent rise, amounted to \$198.1. The growth rate of export of industrial products was a notable achievement, which exceeded the growth projections in the 3rd FYDP of 11.4 percent.

The TSE indices generally reflected a bullish market for the year especially in industrial sector stocks. According to the TSE's industrial index, manufacturing companies share prices showed an average 29.8 percent growth to reach 2,621.8 units at the end of the review year.

In accordance with the 3rd FYDP Law, policy making and reorganization of the administrative infrastructure for manufacturing and mining sectors underwent substantial changes this year. Ratification of the bill concerning the 'centralization of manufacturing and mining affairs' in the Ministry of Industries and Mines by the Parliament, along with the announcement of new foreign exchange and trade regulations, were among these changes. Moreover, the government through use of the OSF, allocated resources in the form of foreign exchange facilities to manufacturing units, with priority being given to private and cooperative sectors, for new investment and renovation of these industries, as well as encouraging active participation of the private sector in industrial activities.

Production

Stable conditions were created in this year to enhance investment in, and expand the capacities of, the manufacturing and mining sectors. These conditions consisted of the stability of the foreign exchange market, control of the monetary base, and financing the foreign exchange requirements of these industrial firms through the TSE. The value of output, at constant 1376 prices, and the production index of large manufacturing establishments which constituted the major portion of the value-added in the manufacturing sector respectively grew by 5.3 and 6.0 percent compared with the previous year.



The employment index for large manufacturing establishments showed a slight decline of 0.7 percent, mainly due to the 5.6 percent decline in the textile industry employment index. Conversely, the wages and salaries, and fringe benefits index went up by 23.9 percent compared to the previous year. This index only fell in the clothing and fur skin tanning and dressing industries. The referenced indices for production and employment in 1379 showed a 6.1 percent growth in the value of the employees' per capita output at constant prices compared with 1378 and reached Rls. 123.2 million. Data released by the Ministry of Industries and Mines indicates that production of 59 percent of selected industrial goods grew, compared with the previous year.

	MAJOR MANUFACTURING ESTABLISHMENTS INDICES (1)			(1376=100)	
	1377	1378	1379	Percentage change	
				1378	1379
Production	101.2	113.8	120.6	12.4	6.0
Employment	101.7	102.1	101.4	0.4	-0.7
Wage, salary, and fringe benefits	123.7	156.9	194.4	26.8	23.9
Per capita wage, salary and fringe benefits (in nominal terms)	121.6	153.5	191.6	26.2	24.8
Per capita wage and fringe benefits (in real terms) (2)	102.9	108.2	120.0	5.2	10.9

(1) Includes establishments with 100 employees or more.

(2) Adjusted with CPI in urban areas.

In the year under review, certain industrial units suffered production reductions and setbacks. The major factors responsible for this circumstance were obsolete and worn-out machinery, increase in overhead costs, legal and managerial problems, and insufficient demand for these units' products which in turn led to liquidity and cash flow shortages. In other instances, infra structural and administrative problems, along with the production of inferior quality goods, led to the under-utilization of manufacturing capacity in a number of industrial units.

In the mining sector, metallic ore production substantially increased. Increase in domestic demand, together with the boom in construction and housing sector and export of manufactured goods from this sector, following provision of financing in both rial and foreign exchange for manufacturing units, positively affected the growth of production in this sector.

In 1379, production figures for raw steel and steel products were respectively 6.6 and 5.3 million tons. Production of aluminum also increased. The production of smelting and casting aluminum at Iran Aluminum Corporation grew by 3.4 and 2.1 percent, respectively. In this year, the Al-Mahdi Aluminum Complex produced 22.2 thousand tons of aluminum bar, showing 8.2 percent rise, compared with 1378. In the review year, the production of copper in the form of electrolytic anode, cathode, and casting products respectively grew by 17.5, 18.3, 28.2 percent, to reach 181.2, 155.9, and 82.2 thousand tons.

PRODUCTION OF SELECTED METALS				(thousand tons)	
	1377	1378	1379	Percentage change	
				1378	1379
Steel (1)					
Slab and bar	5,608.0	6,303.4	6,604.0	12.4	4.8
Steel manufactured products	4,480.8	5,260.9	5,304.4	17.4	0.8
Aluminum (2)					
Smelting	106.7	113.2	117.0	6.1	3.4
Casting	110.4	116.9	119.3	5.9	2.1
Copper					
Electrolytic Anode	150.0	154.2	181.2	2.8	17.5
Electrolytic Cathode	129.0	131.8	155.9	2.2	18.3
Casting	46.4	64.1	82.2	38.1	28.2

Source: Ministry of Industries and Mines

(1) Includes Mobarakeh Steel Complex, Esfahan Iron Melting Corporation and Khuzestan Steel Corporation.

(2) Includes products of Iran Aluminum Corporation.

According to the data released by the Ministry of Industries and Mines, the total number of active mines reached 2700, with confirmed reserves amounting to 24 billion tons. Under the legislative law calling for the 'centralization of the manufacturing and mining industry', it was stipulated that a new body entitled 'Organization for Renovation and Development of Iranian Mines and Mining Industry' be created and charged with surveying, planning, and implementing projects for the betterment of the metallurgy industry. These projects were to be aimed at mobilizing and refurbishing all aspects of this sector's activities including methods of extraction and utilization of products. In addition to this, the Geology and Mineral Exploration Organization was charged to modify its Articles of Association in order to take on the responsibility for policy-making, supervision, and research on all aspects of the nation's geological affairs which includes exploration and preparation of preliminary, technical and economic feasibility reports.

In 1379, total production of petrochemical products reached 11.8 million tons, registering a marked growth of 7.3 percent, as compared to a 1.2 percent reduction in 1378. The highest growth recorded in this period was at the Khark and Esfahan Petrochemical complexes where

production respectively rose by 54.5 and 35.3 percent. In the review year, three petrochemical complexes, namely Bandar Imam with 38.0 percent, Razi with 16.8 percent and Shiraz with 14.8 percent produced nearly 70 percent of total petrochemical products. In this year, over 1,829 thousand tons of chemical fertilizer was supplied to the domestic market through various manufacturing units.

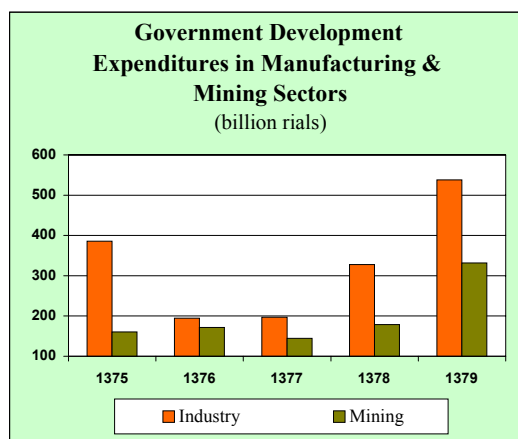
Data of trade activities for the National Petrochemical Industry Corporation indicates that 3,128 thousand tons of petrochemical products, valued at \$ 829 million were exported this year. This indicates an 8.5 percent weight increase and a large 43.1 percent increase in value over the previous year.

PRODUCTION AND EXPORT OF PETROCHEMICALS (thousand tons-percent)					
	1377	1378	1379	Percentage change	
				1378	1379
Production	11,139.0	11,001.4	11,807.9	-1.2	7.3
Capacity utilization ratio	84.1	77.4	75.7	-8.0	-2.2
Ratio of actual production to planned	95.2	92.1	89.2	-3.3	-3.1
Export					
Amount (thousand tons)	3,621	2,884	3,128	-20.4	8.5
Value (million dollars)	451.8	579.5	829.0	28.3	43.1

Source: National Petrochemical Industry Corporation

Government Investment

In 1379, government allocated an amount of Rls. 840.1 billion for manufacturing, mining and industrial research programs within the context of national and provincial development expenditures, which was a 65.9 percent increase over the previous year. Programs entitled under 'industrial research', 'mobilization of mines', 'mineral exploration', 'establishment and expansion of metal and metal smelting industries', with respective shares of 34.3, 17.8, 14.4 and 8.9 percent together absorbed a 75.4 percent share of national expenditures in the manufacturing, mining, and research program.



Moreover, the credit and technical assistance program's share for the manufacturing and mining sectors was equal to 18.8 percent of national expenditures. The highest growth in manufacturing was related to the establishment and development of metal and metal smelting industries being 61.6 percent and in the mining sector, the heading under the program 'mining exploration' grew by 97.2 percent. In the review year, Rls. 263.0 billion was paid for the industrial research program, showing a 24.5 percent growth compared with the previous year. A further Rls. 74.2 billion was paid out to the provinces for their independent utilization in the manufacturing and mining sectors. These represented significant investment increases of 110.8 percent for manufacturing and 127.1 percent for mining sectors in comparison with the previous year. Increase in general budget revenues, and the government's focus on mining exploration and research programs were the major reasons behind the growth of expenditures for both of these sectors and industrial research program in the review year.

**GOVERNMENT DEVELOPMENT EXPENDITURES IN
MANUFACTURING AND MINING SECTOR**

(billion rials)

	1377	1378	1379	Percentage change		Share (percent)	
				1378	1379	1378	1379
National expenditures	314.4	471.7	765.9	50.0	62.4	100.0	100.0
Manufacturing	136.0	88.1	192.3	-35.2	118.2	18.7	25.1
Mining	140.4	172.3	310.6	22.7	80.3	36.5	40.6
Industrial research	37.9	211.3	263.0	457.1	24.5	44.8	34.4
Provincial expenditures	26.9	34.7	74.2	28.7	113.9	100.0	100.0
Manufacturing	23.1	28.1	59.2	21.7	110.8	80.9	79.8
Mining	3.9	6.6	15.0	70.1	127.1	19.1	20.2
Total	341.3	506.4	840.1	48.4	65.9		

Source: Budget Laws for 1379-1380 and budget bill for 1381.

Banking Facilities

Banks and credit institutions increased facilities to the manufacturing and mining sectors, so that the outstanding facilities, both public and non-public, by the end of 1379 (March 2001), registered a 27.7 percent rise over the corresponding figure of the year before to reach Rls. 52.8 thousand billion. In this year, the outstanding amount of facilities provided by banks and credit institutions to the public manufacturing and mining sector grew by 21.2 percent and amounted to Rls. 13.4 thousand billion. Moreover, the change in the outstanding facilities extended by banks and credit institutions to the manufacturing and mining sectors, both public and non-public, respectively were Rls. 9.1 and Rls. 2.4 thousand billion. The respective share in the change of these outstanding facilities was 20.5 percent for the public sector and 79.5 percent for the non-public sector. Commercial banks still held a large portion of facilities extended to the non-public manufacturing and mining sector. The commercial banks held 93.2 percent of the change in the outstanding facilities for this sector with the remainder being held by specialized banks and credit institutions. It is expected that with the measures envisaged in the 3rd FYDP to expand the capital market and support the specialized banks, the credit institutions and specialized banks will play a more crucial role in these sectors' activities. In this respect, the increase in the banking system's capital of Rls. 5000 billion, in accordance with the 3rd FYDP Law is to be noted. Furthermore, in the review year, conditions and regulations for the extension of foreign exchange facilities of the 3rd FYDP were approved. Priority was to be given to investment activities aimed at promoting new capacities in manufacturing, industrial, mining, agricultural, and transportation projects. Entrepreneurs and engineering and technical services providers of both cooperative and private sectors were also to receive support as well as support by way of purchase of imported inputs and investment for expansion and reconstruction of existing manufacturing capacities.

**FACILITIES EXTENDED BY BANKS AND CREDIT
INSTITUTIONS TO MANUFACTURING AND MINING SECTOR (1)** (billion rials)

	Year-end			Percentage change		Change in outstanding (percent)	Share of change in outstanding
	1377	1378	1379	1378	1379		
Non-public sector	23,285.2	30,259.2	39,375.6	29.9	30.1	9,116.4	79.5
Commercial banks	20,466.2	27,319.4	35,812.8	33.5	31.1	8,493.4	74.1
Specialized banks	2,819.0	2,913.9	3,482.7	3.4	19.5	568.8	5.0
Credit institutions	...	25.9	80.1		209.3	54.2	0.5
Public sector	10,023.7	11,073.1	13,424.6	10.5	21.2	2,351.5	20.5
Total	33,308.9	41,332.3	52,800.2	24.1	27.7	11,467.9	100.0

(1) Excludes profit and revenues receivable.

In 1379, the banking system's overdue claims from the non-public manufacturing and mining sectors rose by 18.6 percent and reached Rls. 3.3 thousand billion. The ratio of banks' overdue claims from the manufacturing and mining sector to total facilities extended to non-public sector was approximately 8.5 percent.

The outstanding facilities extended by the specialized Bank of Industry and Mine for the manufacturing and mining sector at the end of 1379 reached Rls. 3,269.3 billion, showing a 20.3 percent rise compared to the end of 1378. This bank extended Rls. 497.6 billion worth of facilities to 1,253 applicants in this sector, showing an 8.5 and a 53.9 percent growth in the amount and the number, respectively as compared with the previous year.

PAYMENTS BY THE BANK OF INDUSTRY AND MINE

	(billion rials)						
	1377	1378	1379	Percentage change		Share (percent)	
				1378	1379	1378	1379
Direct investment and legal partnership							
Number	230	7	8	-97.0	14.3	0.9	0.6
Amount	47.6	194.1	89.8	307.8	-53.7	42.3	18.1
Banking facilities (1)							
Number	321	807	1,245	151.4	54.3	99.1	99.4
Amount	68.3	264.7	407.7	287.6	54.0	57.7	81.9
Total							
Number	551	814	1,253	47.7	53.9	100.0	100.0
Amount	115.9	458.8	457.6	295.9	8.5	100.0	100.0

Source: Bank of Industry and Mine

(1) Includes other contracts except direct investment and legal partnership.

In accordance with provisions aimed at 'centralizing manufacturing and mining affairs and establishment of new Ministry of Industries and Mines' in the 3rd FYDP, approved by the Parliament in 1379, the Bank of Industry and Mine was affiliated to this new ministry, with the provision that it was to keep its legal, fiscal and administrative identity as a 'development bank'. Moreover, in conformity with the 3rd FYDP Law and its executive by-law, 3 percent of outstanding of the banks' reserve requirement at the end of 1378 was to be placed at the disposal of the three specialized banks. Each of the specialized banks shall receive one percent of these deposits, and extend these facilities within their sector for selected projects based on their level of creating worthwhile permanent employment. In this sector the Bank of Industry and Mines also further decided that these facilities would only be extended to small-scale industries. Additionally, under other sections of the budget law, each year other banking resources have been set aside for creation of employment opportunities and support of small-scale industries to enhance job creation.

Performance of Industrial Stocks at the Tehran Stock Exchange

Tehran Stock Exchange (TSE) indices indicate relative boom in productive and services activities during 1379. At the end of this year, the share price index of manufacturing companies, the industrial index, registered a marked rise of 29.8 percent. The highest growth recorded was that of the 'paper products' industry which rose by 104.6 percent, followed by the 'refined oil products' industry's rise of 76.8 percent, the 'non-metallic minerals' rise of 42.6 percent, the 'rubber and plastic' rise of 38.0 percent, the 'printing and publishing' rise of 36 percent, and the 'wood and paper' industry's rise of 30.3 percent.

The share price index for the ‘textile industry’, ‘machinery and equipment’, ‘transportation equipment’, and ‘radio and television’, declined in comparison with the previous year. The relatively high cost price for audio-visual products, consisting mainly of imported parts locally assembled using out-dated technology, and use of old and obsolete machinery in the textile industry along with overproduction which caused a glut in this market, resulted in a reduction in relative profitability of these industries and therefore a reduction in their market share price index.

Establishment and Operation of New Manufacturing Units and Expansion of Existing Units

Data released by the Ministry of Industries and Mines in 1379 indicates that the investment outlook in industrial activities is still optimistic and enjoys a positive trend. According to data obtained from permits issued by the Ministry for new industrial units, the number of investments, their amount, and the employment in these units, all grew in 1379. The average investment amount projected for each industrial project as per establishment license data, reached Rls. 6,971.6 million, registering a 94.8 percent growth as compared with the previous year. The average investment for each new job opportunity created was estimated at Rls. 237.2 million, showing a rise of 71.0 percent, compared with this expenditure in the previous year. Given the relatively low price for the capital investment factor, the utilization of new technology and restrictions existed in the labor and social security laws, most new manufacturing establishments show a marked performance in setting up automated-capital-intensive plants rather than utilizing more labor intensive methods of production. Although the petrochemical industry falls under the auspices of the NIOC, in accordance with legislation in 1379 any new petrochemical activity was also required to obtain a permit from the Ministry of Industries and Mines. In this respect, including the investment data for the petrochemical activity, the amount of investment would be higher.

NUMBER, INVESTMENT AND EMPLOYMENT OF INDUSTRIAL PERMITS

	1377	1378	1379	Percentage change	
				1378	1379
Establishment permits					
Number	6,856	8,096	8,937	18.1	10.4
Investment (billion rials)	23,814	28,980	62,305	21.7	115.0
Employment	182,959	208,962	262,699	14.2	25.7
Operation permits					
Number	2,615	3,387	3,236	29.5	-4.5
Investment (billion rials)	6,369	10,330	6,291	62.2	-39.1
Employment	54,349	67,144	55,519	23.5	-17.3

Source: Ministry of Industries and Mines

Data obtained from operating permits issued by the Ministry of Industry in this year registered a percentage decline in the number of permits, the amount of investment, and the amount of new employment respectively. Operational delays in industrial projects and government’s unfavorable fiscal position during 1376-1377 were among the reasons for the declining trend of investment witnessed in operating permit data in the review year. In addition, the high volume of investment under the heading of ‘coke and refined oil products and nuclear fuels’ in 1378, especially investment of Rls. 3,555 billion for operation of a petrochemical unit in Arak, along with reduction of investment in 1379, were among the main reasons behind the change in the investment trend during the three years ending 1379. It is projected that the investments made during 1378 and 1379 along with changes in policy making for the industry sector as stipulated in the law of centralizing manufacturing and mining affairs, and

deregulation aimed at encouraging private sector involvement in this sector's activities, this trend has been halted and is set to start upwards.

According to the Ministry of Industries and Mines, 2,161 new industrial projects, with a total investment of Rls. 49.1 thousand billion and 39.6 thousand new job opportunities were put into operation in the review year.

Export and Import of Manufacturing and Mining Products

In 1379, new foreign exchange and trade regulations increased the export value of industrial products by 29.8 percent. These new initiatives included elimination of the export rate in foreign exchange, elimination of the ceiling for surrender requirement for each phase of export, reduction of the minimum LC surrender requirement to 10 percent, allowing direct import of raw materials, and required machinery and equipment for manufacturing establishments against export of goods, exempting collateral and prepayment requirements for export of goods and services, provision of facilities for the settlement of foreign exchange obligations, elimination of collateral requirements for reputable exporters and attempts to convert non-tariff barriers to tariff barriers. However, the weight of these export goods fell by 2.2 percent to become 9.4 million tons. In this year, exports under the heading of 'chemical and petrochemical materials' and 'cast-iron, iron and steel' retained the highest shares in value of exported goods being respectively 37.3 and 14.8 percent of the total.

The value of import of 'major industrial products' equaled \$ 7.2 billion, showing 13.7 percent growth compared with the previous year. This increase was mostly due to the growth in value for import of 'iron' and 'plastic raw materials' by 50.8 and 18.8 percent, respectively.

EXPORT AND IMPORT OF INDUSTRIAL PRODUCTS

	1377	1378	1379	Percentage change	
				1378	1379
Export					
Amount (thousand tons)	9,393.3	9,588.5	9,374.9	2.1	-2.2
Value (million dollars)	1,441.5	1,430.8	1,857.4	-0.7	29.8
Unit value (\$ / tons)	153.5	149.2	198.1	-2.8	32.8
Import (1)					
Amount (thousand tons)	3,527	3,512	5,499	-0.4	56.6
Value (million dollars)	7,854	6,365	7,238	-19.0	13.7
Unit value (\$ / tons)	2,226.8	1,812.4	1,316.2	-18.6	-27.4

Source: Customs preliminary data

(1) Includes import of major industrial products.

CHAPTER SIX

CONSTRUCTION AND HOUSING

The performance figures for the construction and housing sector indicate a relative boom in this sector for the first year of the 3rd FYDP. The average projected figure for growth in value-added for this sector in the Plan was 9.9 percent. According to preliminary data, the growth of 10.4 percent at constant 1369 prices can be considered to be relatively favorable. Due to excess demand a market boom occurred in this sector which caused the rise in housing prices to continue in 1379. This was especially the case in Tehran where this trend had started at the end of the previous year. Due to relative stability in the gold, foreign exchange, and automobile markets, the growing trend in construction and housing activities continued and gave impetus to further private sector investment in this sector.

Private sector investment in new constructions in urban areas grew by 30.4 percent in 1379 and amounted to Rls. 28.8 thousand billion. This was Rls. 20.9 thousand billion in excess of forecasted target figures in the 3rd FYDP. Tehran housing construction, which plays a pivotal role in construction activities and represents the largest housing market, attracted 32.6 percent of private sector investment and registered a substantial increase of 55.9 percent. Increase in the production of construction materials, including construction steel, pane glass, cement, and tiles in 1379 are all indicative of the boom in construction activities.

Private sector investment in urban areas by type of new constructions, indicates an upturn in the housing construction market and reflects the private sector's willingness to make further investments in this sector. The growth of investment in construction starts and completed buildings increased respectively by 33.4 and 28.9 percent.

The number of new construction permits issued by the municipalities is the leading indicator in forecasting construction sector activities and indicates the continuation of boom, especially in Tehran. On the basis of this data, the number and the total floor-space of new constructions in Tehran grew respectively by 60.2 and 61 percent. Favorable expectations of contractors in future market developments, positive results of newly implemented credit policies, and firm city management policies resulted in the growth of these indices in Tehran.

Government development expenditures for the construction and housing sector increased in 1379. Government expenditures for construction, housing, urban development and research on housing chapters, in both national and provincial programs, grew by 39 percent and reached Rls. 3,244.9 billion.

The outstanding facilities extended by banks and credit institutions to construction and housing sector grew by 15.6 and 31.7 percent compared to the previous year and amounted to Rls. 11.5 and 40.4 thousand billion, respectively.

In this year, the 'National Land and Housing Organization' transferred 28.8 and 32.1 million square meters of residential and non-residential land to applicants including individual households, major contractors, and housing cooperatives, registering 134.1 percent increase

compared to the previous year. This policy positively affected construction, geographical distribution and type of construction undertaken in the housing sector. In this year, 15,756 residential rental units were completed, 8,618 units of which were leased out.

Land price index at constant 1376 prices in urban areas grew by 31.7 percent in this year. The growth of this index is closely related to the upturn in housing construction. Construction services index and the wholesale price index for construction materials indicated an increase of 10.7 and 15.1 percent respectively. The relatively small rises in these indices compared with previous year's figures are due to the excess supply of labor and the relative price stability in construction materials market.

Private Sector Investment in New Constructions in Urban Areas

Private sector investment in new constructions in urban areas grew noticeably, especially in Tehran, indicating higher rate of return on this investment compared with other investments. Private sector investment in new constructions in the urban areas grew as follows: Tehran, 55.9 percent; large cities, 5.3 percent; and small and medium-sized cities, 36.6 percent. The noticeable increase in private sector investment in this year was due to the boom in Tehran's housing construction and its leading role in the national economy as well as the positive expectations of investors in the continuation of growth in this sector in the future.

PRIVATE SECTOR INVESTMENT IN NEW BUILDINGS IN URBAN AREAS(1)

(billion rials)

	1377	1378	1379	Percentage change		Share (percent)	
				1378	1379	1378	1379
Tehran	4,842.6	6,020.0	9,384.4	24.3	55.9	27.3	32.6
Large cities	5,831.0	8,085.7	8,517.5	38.7	5.3	36.6	29.6
Other urban areas	7,276.1	7,963.4	10,879.9	9.4	36.6	36.1	37.8
All urban areas	17,949.7	22,069.1	28,782.2	22.9	30.4	100.0	100.0

(1) Excludes cost of land.

A review of the composition of private sector investment by urban areas shows a positive sizeable change in Tehran and in the small and medium-sized cities. The share of investment in Tehran grew from 27.3 percent in 1378 to 32.6 percent in 1379. The share of investment in construction for large cities declined by 7 percentage point in the same period. Investment in small and medium size cities grew by 36.6 percent.

PRIVATE SECTOR INVESTMENT IN NEW BUILDINGS IN URBAN AREAS(1)

BY CONSTRUCTION PHASES (At Current Prices)

(billion rials)

	1377	1378	1379	Percentage change		Share (percent)	
				1378	1379	1378	1379
Newly-started buildings	4,974.4	6,377.0	8,504.5	28.2	33.4	28.9	29.5
Semi-finished buildings	9,383.2	10,944.6	14,157.7	16.6	29.4	49.6	49.2
Completed buildings	3,592.1	4,747.5	6,120.0	32.2	28.9	21.5	21.3
Total investment	17,949.7	22,069.1	28,782.2	22.9	30.4	100.0	100.0

(1) Excludes cost of land.

Government Investment

In 1379, government national development expenditures for construction, housing and urban development program as well as the housing research program was by 31.5 percent higher than the previous year figure according to budget performance figures. The greater part of these expenditures was allocated to the urban development program, accounting for 59 percent or Rls. 1,223.2 billion, which was 112.8 percent increase over the previous year. Focusing resources on improvement of urban transportation, environmental issues, and installation and

expansion of drainage systems are the reasons for this sizeable increase. In the year under review, under ‘technical and credit assistance’ program, Rls. 339.6 billion was provided mainly for the construction of rental housing units and preferential banking facilities for the subsidized housing program. This constituted 16.4 percent of the total national expenditures in the construction and housing sector and 78.6 percent of national expenditures in housing provision chapter.

Provincial expenditures in construction, housing and urban development program grew by 54.7 percent due to the emphasis in the 3rd FYDP Law on decentralization and autonomy of city management within the context of the Law of City Councils.

**GOVERNMENT DEVELOPMENT EXPENDITURES IN CONSTRUCTION,
HOUSING AND URBAN DEVELOPMENT**

(billion rials)

				Percentage change		Share (percent)	
	1377	1378	1379	1378	1379	1378	1379
National expenditures	830.9	1,577.2	2,074.0	89.8	31.5	100.0	100.0
Government buildings and establishments	391.2	621.3	404.4	58.8	-34.9	39.4	19.5
Provision of housing	203.9	370.5	432.3	81.7	16.7	23.5	20.8
Urban development	228.3	574.9	1,223.2	151.8	112.8	36.4	59.0
Research on housing	7.6	10.5	14.0	39.1	32.9	0.7	0.7
Provincial expenditures	616.9	756.7	1,170.9	22.7	54.7	100.0	100.0
Government buildings and establishments	100.7	140.3	198.6	39.3	41.5	18.5	16.9
Provision of housing	88.9	75.3	107.3	-15.2	42.5	10.0	9.2
Urban development	427.3	541.1	865.0	26.7	59.8	71.5	73.9
Total	1,447.8	2,333.9	3,244.9	61.2	39.0		

Source: Budget laws for 1379-1380 and Budget Bill for 1381

Banking Facilities

Despite limitations in the financial resources of some banks, especially the Housing Bank, banks’ contribution to financing construction and housing sector activities grew noticeably in 1379. The outstanding facilities provided by the banks and non-bank credit institutions to the non-public construction and housing sectors grew respectively by 22.7 and 32.1 percent compared to the previous year and amounted to Rls. 3.2 and 39.9 thousand billion. The outstanding facilities provided by banks to the public construction and housing sectors grew respectively by 13 and 8.1 percent. Data on changes in the outstanding facilities extended by banks and non-bank credit institutions indicate that 99.6 percent of these facilities were provided to the non-public sector. The Housing Bank’s share of change in the outstanding facilities extended, out of the total change in the outstanding facilities extended by banks and non-bank credit institutions to the non-public housing sector, was 45.8 percent.

An executive by-law in the 3rd FYDP Law requires that the equivalent of one percent of the outstanding in banks’ reserve requirements at the end of the previous year be placed at the disposal of the Housing Bank at the beginning of the next year. These facilities are to be extended to construction and residential building projects that tend to create new job opportunities.

OUTSTANDING FACILITIES EXTENDED BY BANKS AND CREDIT INSTITUTIONS

TO CONSTRUCTION AND HOUSING SECTORS(1)

(billion rials)

	End-year outstanding		Percentage change	Change in the balance	Share of change in the balance
	1378	1379	1378	1379	1379
	Construction	9,952.4	11,502.5	15.6	1,550.1	100.0
Non-public sector	2,607.8	3,200.9	22.7	593.1	38.3
Public sector	7,344.6	8,301.6	13.0	957.0	61.7
Housing	30,703.8	40,446.9	31.7	9,743.1	100.0
Non-public sector	30,211.6	39,914.7	32.1	9,703.1	99.6
Public sector	492.2	532.2	8.1	40.0	0.4

(1) Excludes profit and revenues receivable.

The Housing Bank extended 217 thousand facilities valued at Rls. 10.4 thousand billion, which includes profit and revenue receivables. The number of facilities extended to the construction and housing sector fell by 16 percent, while the amount of these facilities grew by 10.5 percent. Approximately 86.7 percent of these facilities were provided for home purchase down payments on sales contracts and sales of bank partnership shares, which together registered a 16.9 percent growth over the previous year. The average amount of extended facilities for home purchasing, excluding profit and revenue receivables, grew by 20.9 percent and amounted to Rls. 33.6 million.

The geographical distribution of the number and amount of the total facilities extended by the Housing Bank, including profit and revenue receivables, in 1379 indicates that the major portion of these facilities by number and amount, i.e. 46.9 and 39.6 percent, respectively, has been provided in small and medium-sized cities. The average amount of extended facilities in Tehran was 1.86 times that of small and medium-sized cities. Tehran received a total of 33.5 percent of the overall facilities. The increase in the price ceiling for extended facilities in comparison with the required down payment in small and medium-sized cities, was the major incentive in people's use of these facilities.

DISTRIBUTION OF HOUSING BANK'S FACILITIES ACCORDING TO CONTRACTS(1)

(billion rials)

				Percentage change		Share (percent)	
	1377	1378	1379	1378	1379	1378	1379
	Housing	6,476.5	9,342.8	10,415.1	44.3	11.5	98.8	99.7
Civil partnership	979.4	1,335.4	994.3	36.3	-25.5	14.1	9.5
Installment sale	5,119.4	7,747.0	9,054.8	51.3	16.9	82.0	86.7
Hire purchase	0	0	202.3	0	0	0	1.9
Joaleh	270.6	189.8	112.9	-29.9	-40.5	2.0	1.1
Gharz-al-hasaneh	13.4	59.9	30.7	347.1	-48.7	0.6	0.3
Other facilities	93.8	10.8	19.9	-88.5	85.0	0.1	0.2
Other sectors	12.6	109.9	30.6	☐	-72.2	1.2	0.3
Total	6,489.1	9,452.7	10,445.6	45.7	10.5	100.0	100.0

Source: Housing Bank

(1) Includes profit and revenues receivable.

The balance of individual's housing deposits held by the Housing Bank at year-end showed that investment deposits constituted 89.5 percent of the total deposits. Since the introduction of the new 'Youth Housing Savings Account' program, 170 thousand individuals have subscribed to this program, resulting in the sum total balance of this account to stand at

Rls. 104.3 billion. Geographically, Tehran held 38.9 percent of the deposits in the Housing Bank with the largest number of individual deposits. The share of large cities and other cities out of this amount is 29.2 and 31.9 percent, respectively. This data indicates that the average amount deposited by individuals in Tehran is more than other urban areas.

FACILITIES EXTENDED BY HOUSING BANK

	1377	1378	1379	Percentage change	
				1378	1379
Number of facilities (thousand)	285.8	258.2	217.0	-9.7	-16.0
Amount of facilities (billion rials)(1)	6,489.1	9,452.7	10,445.6	45.7	10.5

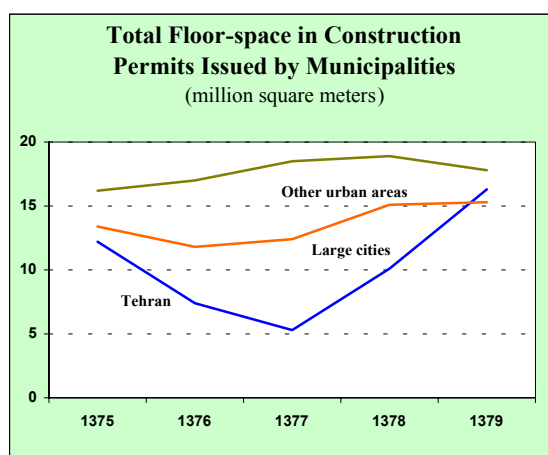
Source: Housing Bank

(1) Includes profit and revenues receivable.

Construction Permits

The increased number of construction permits by municipalities is indicative of the boom in construction activities, especially in Tehran. The number of permits issued and total floor-space of constructions authorized in these permits grew respectively by 60.2 and 61 percent in Tehran. The overall number of construction permits issued in urban areas declined by 3.1 percent due to a reduction in the number of permits issued in small and medium-sized cities, while total square-meterage of construction increased by 12 percent.

A review of the building permits according to number of stories indicates that there was an increase in the share of three and more storied buildings in urban areas. This share has increased from 25.1 percent in 1378 to 32.2 percent in 1379. In Tehran, 94.6 percent of the construction permits issued are for three or more storied buildings. The shortage of land and the high value-added for these buildings are among the major reasons for this trend. The shortage of land has raised land prices especially in Tehran.



CONSTRUCTION PERMITS ISSUED BY MUNICIPALITIES IN URBAN AREAS

	1377	1378	1379	Percentage change	
				1378	1379
Number of permits (thousand)	132.9	138.8	134.5	4.5	-3.1
Total floor-space (million square meters)	36.2	44.1	49.4	21.9	12.0
Average floor-space (square meters)	272	318	368	16.6	15.7

Building Starts by the Private Sector in Urban Areas

During the year under review, 171.5 thousand new buildings, with 49.6 million square meters of total new space were started by the private sector in urban areas. The number of these

buildings declined by 0.2 percent, while the total new square-meterage increased by 16.9 percent. The increase in the price of land has created incentive for developers to optimize land utilization and thereby tending to construct high rises than one-storey buildings. The average per square meter cost of new constructions in this year was estimated to be Rls. 580 thousand, which shows a 15.8 percent increase over the previous year.

The geographical distribution of new building starts indicates that construction activities in Tehran showed the largest increase, in that the number and total floor-space of buildings grew respectively by 47 and 58.3 percent. Tehran's share of the total number and total floor-space of new constructions, was 9.5 and 27.4 percent, respectively. Small and medium-sized cities overall share of new starts declined this year. The average per square meter cost of construction for buildings in Tehran was projected at Rls. 774 thousand showing 11.4 percent increase over the previous year. The average overall square-meterage for new building starts in all urban areas grew by 17.1 percent. This index for Tehran grew by 7.7 percent and was 834 square meters. This was due to the shortage of land, and the increase in the land price index, which tended towards construction of more high-rise buildings.

BUILDING STARTS BY THE PRIVATE SECTOR IN URBAN AREAS

	1377	1378	1379	Percentage change	
				1378	1379
Number (thousand)	173.8	171.9	171.5	-1.1	-0.2
Estimated total floor-space (million square meters)	40.6	42.4	49.6	4.6	16.9
Average floor-space (square meters)	233	247	289	5.8	17.1
Average costs per square meter (thousand rials)	430	501	580	16.5	15.8

Buildings Completed by the Private Sector in Urban Areas

The upturn in the housing market, which started in the last months of the 1378, continued in the year under review. Favorable expectations of building and housing contractors for the current trend of increase in housing prices to continue resulted in the completion of semi-finished buildings by the private sector. In this year, 179.1 thousand semi-finished buildings comprising 44.9 million square meters of new constructions were completed registering 20.5 and 13.3 percent growth, respectively. The respective shares of this figure for Tehran, the large cities and other urban areas out of the total floor-space of completed buildings were 6.7, 32.2 and 44.7 percent. The average floor-space for completed buildings in all urban areas declined by 6 percent. This was due to policies encouraging downsizing of housing units.

The average cost per square meter of completed buildings in all urban areas increased by 9.5 percent to equal Rls. 505 thousand. Tehran, large cities, and other urban areas, respectively showed price increases of 15.4, 6.4 and 9.3 percent. This average cost was Rls. 725 thousand in Tehran, which was higher than in the large and medium-sized cities.

BUILDINGS COMPLETED BY THE PRIVATE SECTOR IN URBAN AREAS

	1377	1378	1379	Percentage change	
				1378	1379
Number (thousand)	120.2	148.6	179.1	23.6	20.5
Estimated total floor-space (million square meters)	30.4	39.6	44.9	30.1	13.3
Average floor-space (square meters)	253	266	251	5.3	-6.0
Average costs per square meter (thousand rials)	415	461	505	11.1	9.5

Residential Units Completed by the Private Sector in Urban Areas

In the year under review, 339.7 thousand residential units with a total floor-space of 41.4 million square meters were completed by the private sector in urban areas, showing 16.7 and 14.7 percent growth respectively in the number and total floor-space. The average floor-space of completed residential units declined by 1.6 percent to 122 square meters.

Categorization of the number of completed residential units in urban areas by floor-space shows that 41.5 percent of these units are under 100 square meters, 17.2 percent between 100 to 120 square meters and the remainder larger than 120 square meters.

	RESIDENTIAL UNITS COMPLETED BY THE PRIVATE SECTOR IN URBAN AREAS			Percentage change	
	1377	1378	1379	1378	1379
Number (thousand)	211.0	291.0	339.7	37.9	16.7
Total floor-space (million square meters)	27.2	36.1	41.4	32.6	14.7
Average floor-space (square meters)	129.0	124.0	122.0	-3.9	-1.6

Urban Land

Public sector activities, laws and regulations governing the housing sector, and the supply and demand for housing generally affect the price of land. During 1358-1378, the National Land and Housing Organization as the executive body for the Urban Land Act, transferred a total of 350.9 million square meters of land to applicants. This policy will be continued to earn resources for the execution of the law for 'Encouraging Establishment and Supply of Rental Residential Units', as approved in 1377, within the context of the 3rd FYDP Law and budget laws.

On the basis of the 3rd FYDP Law, in 1379, the National Land and Housing Organization transferred 28.8 million square meters of land to applicants registering a 134.1 percent increase over the previous year. As per law, the National Land and Housing Organization is authorized to sell urban land in its possession, either by auction or through negotiation, at current values. This has had a positive effect in increasing the supply of land in the first year of the 3rd FYDP. According to data released by the National Land and Housing Organization, 8,618 residential rental units were leased in this year, more than 40 percent of which, were located in Tehran, Khorasan, and Esfahan Provinces. Contracts have been concluded for construction of 13.5 thousand residential units in 1379, while a further 14.5 thousand units are currently under construction.

	LAND PRICE INDEX BY URBAN AREAS			(1376=100)	
	1377	1378	1379	Percentage change	
	1377	1378	1379	1378	1379
Tehran	98.1	106.9	141.3	9.0	32.2
Large cities	104.6	113.1	144.8	8.1	28.0
Other urban areas	118.1	142.2	198.8	20.4	39.8
All urban areas	103.2	114.3	150.5	10.8	31.7

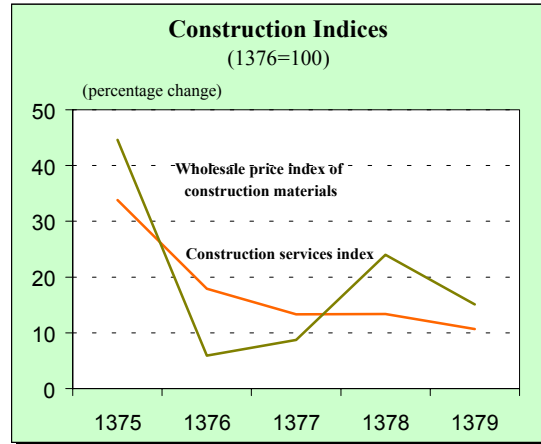
Studies indicate that the price of land has a close relationship to fluctuations in housing sector activities and the housing market. The land price index during the period 1378/79 shows that in 1379, due to the rise in demand for housing and the consequent increase in construction activities, land prices increased significantly by 31.7 percent in urban areas and 32.2 percent in

Tehran. The increase in land prices has increased the ratio of three and more storied buildings in new constructions in urban areas and reduced the average floor-space of these residential units. This trend indicates that contractors are tending to optimize land use in urban areas, especially in Tehran and large cities.

Construction Indices

Construction services index at 1376 base year prices grew by 10.7 percent and reached 142.3 in the year under review, which was lower than the inflation rate. This mild increase is due to the excess supply of labor that continues to migrate to urban areas from rural areas owing to the drought in most areas.

The wholesale price index for construction materials at 1376 base year prices grew by 15.1 percent over the previous year and reached 155.2. The growth in the wholesale price index of metal construction materials was less than the growth in the price index for non-metal materials due to a reduction in and elimination of various charges on metallic materials and a marked increase of 50.8 percent in the value of imported ironware.



	CONSTRUCTION INDICES			(1376=100)	
	1377	1378	1379	Percentage change	
				1378	1379
Construction services index	113.3	128.5	142.3	13.4	10.7
Wholesale price index of construction materials	108.7	134.8	155.2	24.0	15.1

CHAPTER SEVEN

SOCIAL AFFAIRS

The Iran's total population grew by 1.7 percent in 1379, registering a 0.1 percentage point increase over the previous year to reach a total of 63.9⁽¹⁾ million people. The population under 20 and 25 years respectively constituted more than 47, and approximately 58 percent of total population. The active population increased by 3 percent and reached 18.6 million persons due to the baby boom in the years 1355-1365.

The literacy rate increased in the 6-and-over year age group as in previous years, while the total number of students decreased to 18,259 thousand due to a substantial reduction of the number of primary and guidance school students.

In 1379, government current and development expenditures for social affairs increased by 32.5 percent and amounted to Rls. 49,757.9 billion. Expenditures on 'public education' program grew by 28.9 percent and constituted 37.4 percent of the total government current and development expenditures in social affairs, amounting to Rls. 18,601.8 billion. The expenditure on 'urban development' program showed the largest rise of 86.2 percent amongst all programs and amounted to Rls. 2,103.3 billion.

Population and Labor Force

In the year under review, 63.9 percent of the population lived in urban and 36.1 percent in rural areas, respectively showing a 2.7 percent increase and a 0.1 percent decrease, indicative of the continued migration to urban areas.

One of the major issues addressed in the 3rd FYDP is employment. It is projected that during the course of the Plan about 3.8 million job opportunities are to be created, i.e. 765 thousand job opportunities on average per annum. A comparison of quantitative targets for the first year of 3rd FYDP for new employment and job opportunities created shows that this figure was 100 thousand job opportunities short of the projected plan figures ⁽²⁾. In fact, the Plan's target figures for new employment can not be wholly achieved by sole dependence on economic growth and investment and without putting other policies in place. Population structure has changed to such extent that mere expansion of economic capacity can no longer meet the country's job requirements. Therefore, other measures must be taken, including the reform of the Labor Law and Social Security system, adoption of suitable production technologies, creation of a flexible and competitive environment for the working population, and expansion of professional, specialized, technical, and related training programs. Without these and other reforms along similar lines, the creation of job opportunities on the scale envisaged in the 3rd FYDP is in practice not possible.

(1) The figures for population and employment are estimates of Management and Planning Organization.

(2) It was projected that in the first year of the Third Plan 500 thousand job opportunities be generated.

In the year under review, 399 thousand new jobs were created, raising the number of employed from 15,177 thousand persons in 1378 to 15,576 thousand persons in 1379. The total number of unemployed individuals grew by 4.9 percent to reach 3 million persons, and this increased the unemployment rate from 15.8 percent in the previous year to 16.1 percent in this year.

Key Measures Taken for Job Creation

1. Extending Directed Facilities

In accordance with the 1379 Budget Law, it was proposed that out of a total increase of Rls. 5,400 billion in the ceiling of outstanding directed facilities, Rls. 2,368 billion be allocated to the creation of new jobs. On the basis of the same law, the CBI was assigned to allocate Rls. 100 billion to create employment for exceptional university graduates in an effort to halt the current brain drain through the Presidential Technology Cooperation Office. In addition to this law, government agencies were authorized to disburse up to 5 percent of their development expenditures towards underwriting a portion of the commission profit for banking facilities and cooperation in underpinning activities of the non-public sector investment with the approval of the Management and Planning Organization in order to create employment and encourage the private sector to invest in new production facilities. On the basis of the same law, Rls. 100 billion out of self-employment funds was allocated to applicants under the Imam Khomeini Relief Committee and State Welfare Organization. Banking system performance related to directed facilities aimed at job creation shows that out of the Rls. 2,368 billion ceiling set by law, 1,206.8 billion was paid out by agent banks for approved projects to take up 51 percent of these facilities. Provincial facilities aimed at job creation constituted 84 percent of the total facilities.

2. Allocation of Administered Funds

On the basis of 1379 Budget Law, it was determined that out of foreign exchange surplus revenues up to a maximum of Rls. 3,000 billion be allocated as administered funds⁽¹⁾ to productive activities through the specialized banks. Priority was to be given in allocation of these funds to the provinces with the highest unemployment rates, whose population tends to migrate to other areas. A review of the performance of agent banks indicates that only a negligible amount of these credits was taken up in this year. Applicant's limited awareness of the mechanism for accessing these facilities and in particular its collateral requirement, government's interest subsidy, and late approval of the by-law were the major factors for non-absorption of bulk of these resources (80 percent) in this year.

3. Support Fund for Creation of Job Opportunities

Based on provisions in the 1379 Budget Law, an amount of Rls. 413.2 billion was allocated to the "Support Fund for Creation of Job Opportunities" as an increase in government capital. This sum was to be utilized as facilities to provide opportunities to qualified applicants for use in setting up quick-result self-employment projects. This plan was proposed by the Ministry of Labor and Social Affairs on the basis of a by-law that was approved by the Cabinet and confirmed by High Council of Employment. In 1379, Rls. 340.7 billion of these facilities was given to this Fund.

(1) On the basis of the 1379 Budget Law, administered funds are funds which are allocated to agent banks on the basis of contracts between Management and Planning Organization as the fund supplier and the agent banks to extend bank facilities to non-public (private and cooperative) real and legal persons on the basis of the regulations of the mentioned by-law for the execution of employment policies of the Third Development Plan.

Despite extensive measures by government toward reducing unemployment due to the excess supply of labor, baby boom in the 1355-65, and continuing obstacles in expanding production and investment, the number of unemployed increased in this year.

The general activity ratio increased from 28.7 percent in 1378 to 29.1 percent in 1379. The dependency burden decreased from 314 persons to 310 persons, i.e. each person employed supports 3.1 unemployed persons.

In this year, the minimum monthly nominal wage increased by 26.6 percent and amounted to Rls. 458,010. Taking the inflation rate of 12.6 percent into consideration, minimum monthly real wage increased by 12.4 percent and amounted to Rls. 286,794.

Education

Literacy rate in the population aged 6 years and over grew by 1.4 percentage point and reached 84.4 percent.

The enrollment rate in the population aged 6-14 years increased in different areas and reached 91.3 percent in the whole country. The literacy rate among the 6-29 year old age group in urban areas, rural areas and in the country equaled 98.2, 91 and 97 percent, respectively. This showed an increase for rural areas and the whole country but remained unchanged in urban areas.

In 1379/80 academic year the overall number of students at various educational levels decreased by 1.8 percent and reached 18.3 million. The number of students in kindergartens, high schools of new educational system and pre-university centers increased by 13.9, 1.7 and 4.5 percent, respectively. Number of primary

school students declined by 3.8 percent over the previous year due to decline in birth rate in the years before. Out of the total 8 million primary school students 52.4 percent were male and 47.6 percent were female students, 4.6 million persons or 58 percent of these students studied in urban, while the remaining 3.3 million persons or 42 percent in rural areas. Ratio of female students to total primary school students was 59 and 41 percent in urban and rural areas, respectively.

The number of students in guidance schools, high schools of old educational system and teacher training centers decreased compared to the previous academic year. In 1379/80 academic year, the old educational system of high schools was completely omitted and all high school students studied in high schools with new educational system which had formally adopted in 1371/72 academic year. In this educational system, students get their diploma after 3 years of study and then go to pre-university centers.

The number of students in private schools increased respectively by 2.7, 2.5 and 4.2 percent in primary, guidance and general high schools. The private schools' proportionate share of overall students at various levels of education grew slightly and reached 4.6 percent of the

LITERACY RATE IN THE POPULATION AGED SIX YEARS AND OVER

	(percent)		
	Total	Urban areas	Rural areas (1)
1378	83.0	87.0	74.0
1379	84.4	88.3	76.4

Source: Management and Planning Organization

(1) Includes unsettled population.

ENROLLMENT AND LITERACY RATES

	(percent)	
	1378	1379
Enrollment rate (6-14 years)		
Urban areas	94.0	95.2
Rural areas	83.0	85.0
Total	90.0	91.3
Literacy rate (6-29 years)		
Urban areas	98.2	98.2
Rural areas	85.5	91.0
Total	96.3	97.0

Source: Management and Planning Organization

overall student population. The total number of private school students increased by 3.1 percent and totaled 786 thousand students. This was indicative of private sector's increased participation and cooperation in educational activities in recent years.

NUMBER OF STUDENTS IN PRIVATE SCHOOLS AT VARIOUS EDUCATIONAL LEVELS

(person)

	Academic year		Share in total students(percentage)		Percentage change	
	1378/79	1379/80	1378/79	1379/80	1378/79	1379/80
	Primary	276,048	283,629	3.3	3.6	5.0	2.7
Guidance school	254,531	260,889	4.9	5.2	2.1	2.5
High school (1)	231,386	241,094	5.8	5.9	7.4	4.2
Total	761,965	785,612	4.4	4.6	4.7	3.1

Source: Ministry of Education

(1) In 1378/79 academic year, includes students of old and new educational systems, but excludes pre-university level students.

NUMBER OF STUDENTS AT VARIOUS EDUCATIONAL LEVELS BY GENDER

(person)

	1378/79		1379/80		Percentage change	
	Female	Male	Female	Male	Female	Male
	Primary	3,938,766	4,348,771	3,792,588	4,175,849	-3.7	-4.0
Guidance school	2,343,746	2,828,770	2,278,350	2,748,874	-2.8	-2.8
High school	1,957,867	2,050,709	1,998,449	2,065,265	2.1	0.7
Total	8,240,379	9,228,250	8,069,387	8,989,988	-2.1	-2.6

Source: Ministry of Education

COMPOSITION OF STUDENTS AT VARIOUS EDUCATIONAL LEVELS IN URBAN AND RURAL AREAS

(percent)

	Academic year 1378/79		Academic year 1379/80	
	Urban	Rural	Urban	Rural
	Primary	58.6	41.4	58.0	42.0
Guidance school	70.0	30.0	70.0	30.0
High school	87.4	12.6	86.7	13.3
Total	68.6	31.4	68.4	31.6

Source: Ministry of Education

The total number of schools in the country grew by 7.2 percent to number 122 thousand schools. The number of schools grew by 2.2 percent in urban areas and 11.1 percent in rural areas. Private schools at the primary, guidance, and general high school levels constituted 5.8 percent of overall schools and the number of these schools increased this year by 4 percent to number 6,434 schools.

The number of classes in the country grew by 1.9 percent to a total of 651 thousand classes, 62.6 percent of which were in urban and 37.4 percent in rural areas.

In the 1379/80 academic year, the number of multi-grade classes increased by 16.1 percent to number 48,025 classes. The ratio of multi-grade classes to total primary classes increased from 13.2 percent in the 1378/79 academic year to 15.1 percent in 1379/80. The increase in the number of multi-grade classes is primarily due to migration from rural to urban areas and the general decline in the overall number of primary school students at each academic level. This is as a result of the decline in the birth rate in recent years, which necessitates the

insertion of various educational levels in one class. The number of multi-grade co-educational classes in primary schools in rural areas increased by 17.3 percent in this academic year.

The number of teaching staff declined by 2 and 1.4 percent respectively for rural areas and the whole country but remained unchanged in urban areas.

INDICES OF EDUCATIONAL QUALITY

	1375/76	1376/77	1377/78	1378/79	1379/80
Student to school	175.2	173.2	167.8	159.3	145.7
Student to class	29.6	29.3	28.9	28.4	27.3
Student to teacher	23.7	21.5	20.7	19.5	19.4

Source: Ministry of Education

The total number of university students grew by 11.7 percent in this academic year to number 1,570 thousand students.

NUMBER OF UNIVERSITY STUDENTS

	(person)					
	Academic year		Percentage change		Share (percent)	
	1378/79	1379/80	1378/79	1379/80	1378/79	1379/80
Public universities and higher education institutes (1)	678,652	733,527	6.2	8.1	48.3	46.7
Female	299,333	346,342	11.8	15.7	21.3	22.0
Male	379,319	387,185	2.2	2.1	27.0	24.7
Islamic Azad University	726,228	836,249	9.0	15.1	51.7	53.3
Female	336,640	397,609	12.6	18.1	24.0	25.3
Male	389,588	438,640	6.0	12.6	27.7	28.0
Total	1,404,880	1,569,776	7.6	11.7	100.0	100.0

Source: Ministry of Science, Research and Technology, and Islamic Azad University

(1) Includes Payam-e Noor University students.

The number of students in public and non-public universities and institutes of higher education increased by 8.1 and 15.1 percent to total 734 and 836 thousand students, respectively. The number of male and female students grew respectively by 7.4 and 17 percent and amounted to 826 and 744 thousand students.

Amongst students of public universities and institutes of higher education, the number of students studying courses in 'behavioral and social sciences' and 'household economy' increased respectively by 56.4 and 37.3 percent. These were the most popular courses in this academic year. 'Engineering' and 'medical sciences and health' courses respectively represented 21.4 and 13.6 percent of the overall percentage of all public university students, making up the largest number of the entire student body.

Health and Medical Care

Based on data released by the Medical Council Organization, the number of physicians, dentists, and pharmacists grew respectively by 5.9, 6.2, and 6.1 percent to respectively total 67,046, 12,926, and 9,774 individuals this year. The population-to-physician, population-to-dentist, and population-to-pharmacist ratios were respectively 953, 4,941, and 6,534 persons. This indicates an improvement in health indices. The ratio of population-to-hospital bed also improved by decreasing from 608 to 604 persons.

In this year, the average price index for medicine in urban areas was 184.4, resulting the actual sales value of pharmaceuticals to increase to Rls. 1,746.2 billion, showing a 4.4 percent rise over the previous year. Pharmaceutical sales increased by 29.5 percent and reached Rls. 3,220 billion at current prices. The per capita consumption of pharmaceuticals grew by 27.4 percent and amounted to Rls. 50,421. Taking into account the price index for medicine, the real value of per capita consumption of pharmaceuticals equaled Rls. 27,343 showing a 2.7 percent rise compared to the previous year.

Government Current and Development Expenditures

In 1379, government current and development expenditures for social affairs rose by 32.5 percent and amounted to Rls. 49,757.9 billion. Of this figure 79.8 percent was due to current and 20.2 percent to development expenditures.

About 7.4 percent of government expenditures in social affairs was allocated to higher education, amounting to Rls. 3,687 billion, a marked increase over the previous year. 80.6 percent of this amount was for current and 19.4 percent was for development expenditures. The per capita current expenditures for general and higher educational affairs was Rls. 937.4 and 4,053.4 thousand, respectively. The per capita development expenditures for general and higher educational affairs was respectively Rls. 81.3 and 973.1 thousand.

Government outlays for ‘culture and art’, ‘health, medical care and nutrition’ and ‘environmental protection’ respectively rose by 53.8, 29.5 and 60.6 percent over the previous year. The share of ‘social security and welfare’ and ‘rural renovation and development’ chapters out of government expenditures was 22 and 4.6 percent, registering 29.2 and 40.2 percent increase and amounting to Rls. 10,935.7 and 2,267.8 billion, respectively.

Social Security

Non-Contributory (Non-Insurance) Programs

In the year under review, the ‘Imam Khomeini Relief Committee’ supported 6.9 million persons, 1.7 million of whom were provided relief on a temporary need basis, registering a 3.5 percent increase over the previous year.

The grants provided by this Committee increased by 19.7 percent and amounted to Rls. 3,803.1 billion, including pensions for aid project, Shahid Rajaie Project and disbursements made for ancillary services such as construction, housing, insurance, medical care, self-sufficiency and employment, dowry provision, cultural and educational, and other services to the eligible persons in need.

**NUMBER OF PERSONS SUPPORTED BY IMAM KHOMEINI
RELIEF COMMITTEE AND AMOUNT OF GRANTS**

	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
Number of supported persons (thousand)	4,933	4,983	5,453	6,655	6,887	22.0	3.5
Amount of grants (billion Rials)	1,286.2	1,563.2	2,119.6	3,176.5	3,803.1	49.9	19.7

Source: Imam Khomeini Relief Committee

Contributory (Insurance) Programs

The number of individuals insured and protected under the Social Security Organization increased by 2 percent over the previous year to cover 6,023 thousand persons. 98.8 percent of

these individuals were gainfully employed while 1.2 percent, or 72 thousand persons, were out of work and used unemployment insurance. Of the total unemployed population, only 2.4 percent were covered by, and used unemployment insurance.

In this year, 14.3 percent of the insured were government employees and 85.7 percent non-government employees. Male employees made up 92.2 and female employees 7.8 percent of the insured. The total number of insured and their dependents rose by 2.3 percent to number 23.2 million persons or 36.3 percent of the total population. The number of retired pensioners rose 4.8 percent over the previous year to total 388 thousand persons, and the number of disabled pensioners decreased by 3 percent to 67 thousand persons. Total number of pensioners and their dependents grew by 3.1 percent and totaled 2.2 million persons. The overall number of people covered by this organization including insured, pensioners, and dependents registered a growth of 2.3 percent over the previous year to total 25.4 million persons.

The number of individuals insured by Medical Services Insurance Organization grew by 1.2 percent and reached 31.1 million persons providing medical insurance cover for 49 percent of the total population. Out of the total number insured, 73.1 percent were villagers, 21.1 percent were government employees and their dependents, 1.4 percent were self-employed, and 4.4 percent were made up of others. Based on the implementation of the Public Insurance Act for rural dwellers, which was initiated in 1377, all villagers must be covered by medical service insurance.

CHAPTER EIGHT

FISCAL POLICY

The 1379 budget was designed within the context of the 3rd FYDP (1379-1383). Given the improvement in international crude oil prices, and in conformity with the policies and strategies set out in the 3rd FYDP Law, the budget was designed with zero financing from the banking system. The budget's emphasis was focused on lowering unemployment and supporting the vulnerable groups of society, whilst maintaining a logical balance between revenues and expenditures.

The approved 1379 budget, in terms of the government's general revenues and expenditures, excluding special revenues and expenditures, were, respectively Rls. 107,020.2 billion and Rls. 111,335.5 billion. This budget was submitted to the Parliament at a time when international oil prices, following the drastic decline in 1377, showed signs of improvement at the beginning of 1378. Although the probable extent of improvement in international oil prices in 1379 was largely foreseeable, both government and Parliament projected 1379 oil revenue receipts on the basis of relatively lower oil prices.

In the Iranian month of Mehr 1379 (Sept.-Oct. 2000) Parliament approved an amendment to the 3rd FYDP and Budget Law. This amendment called for the setting up of an Oil Stabilization Fund (OSF) to be held in an account at the CBI. The Fund was to be financed from surplus foreign exchange revenues received from oil export in excess of the figures projected in annual budgets, and to use the surplus foreign exchange revenues for other projected activities set out in the 3rd FYDP.

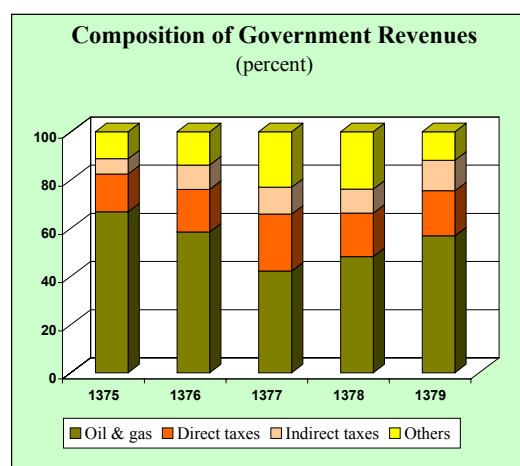
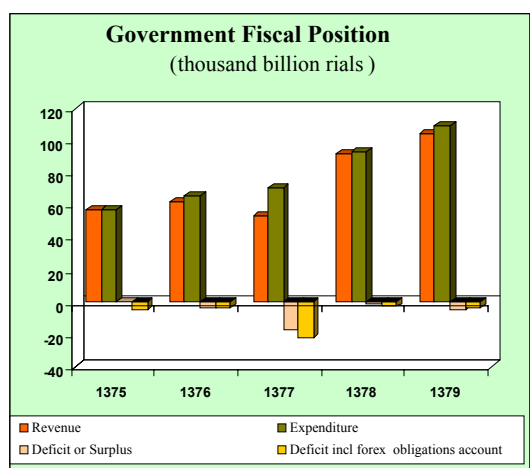
According to this amendment, revenues and expenditures in the 1379 budget remained unchanged. Consequently the government ran a budget deficit of Rls. 4,315.3 billion, in line with the approved and projected figures for revenues and expenditures.

In the budget law for 1379, special revenues and expenditures were estimated at Rls. 16,480.6 billion. In practice special revenues registered a 38.1 percent growth compared with the previous year and was realized by Rls.15,988.6 billion. The greater part of special revenues were allocated to budgetary programs for workers' social insurance amounting to Rls. 5,232.5 billion and health programs of Rls. 2,690.9 billion.

In the review year, the government realized 97.8 percent of the approved budget figure for its projected revenues, excluding special revenues. This figure registered a 13.4 percent rise compared with the previous year to total Rls. 104,640.8 billion. The composition of government revenues indicates that 56.8 percent, or Rls. 59,448.5 billion, of total government revenues was derived from sales of foreign exchange receipts, 31.4 percent, or Rls. 32,842.1 billion from tax revenues, and 11.8 percent, or Rls. 12,350.2 billion, from other government revenues. It is worth noting that 66.1 percent of oil revenues and 37.6 percent of total government revenues were

derived from the sale of foreign exchange. The corresponding figures in the previous year were 41.7 and 20.1 percent, respectively.

GOVERNMENT FISCAL POSITION		(billion rials)		
	1377	1378	1379	
Revenues	53,626.0	92,315.7	104,640.8	
Oil and gas	22,619.9	44,487.6	59,448.5	
Taxes	18,686.6	25,831.3	32,842.1	
Other	12,319.5	21,996.8	12,350.2	
Expenditures	70,970.3	93,242.9	109,407.1	
Current	53,545.6	68,219.3	85,847.3	
Development	17,424.7	25,023.6	23,559.8	
Budget deficit	-17,344.3	-927.2	-4,766.3	
Deficit (including deficit of foreign exchange losses)	-22,421.0	-2,739.8	-2,985.9	
in percent of GDP (at current prices)				
Revenues	16.9	21.7	19.0	
Oil	7.1	10.5	10.8	
Taxes	5.9	6.1	6.0	
Other	3.9	5.2	2.2	
Expenditures	22.4	21.9	19.9	
Current	16.9	16.1	15.6	
Development	5.5	5.9	4.3	
Budget deficit	-5.5	-0.2	-0.9	
Deficit (including deficit of foreign exchange losses)	-7.1	-0.6	-0.5	



In the review year, government payments grew moderately when compared to the previous year's growth, i.e. 17.3 percent against 31.4 percent. These payments totaled Rls. 109,407.1 billion in 1379, against Rls. 93,242.9 billion in 1378. This amount was 98.3 percent of the amount projected for payments in the approved budget bill. The share of current and development payments, out of total government payments, was 78.5 and 21.5 percent, respectively. Thus, current and development payments of government budget were realized at Rls. 85,847.3 billion and Rls. 23,559.8 billion, respectively.

In 1379 the increase in government expenditures as compared to its revenues, brought about a budget deficit of Rls. 4,766.3 billion. However, for the first time since the establishment of the OSF, government allocated resources for the repayment of some portion of its indebtedness to the CBI, that had arisen from foreign exchange losses. The outstanding balance in this account at year-end fell by Rls.1,780.4 billion in comparison to the previous year. As a

result, by taking into account the payment through the OSF, the government's budget deficit was limited to Rls. 2,985.9 billion. This figure represents 0.5 percent of GDP.

Revenues

Government general revenues, excluding special revenues, rose 13.4 percent compared with the previous year to reach Rls. 104,640.8 billion. This was 2.2 percent less than the projected figure of Rls. 107,020.2 billion in the approved budget. The major factor in the shortfall of government general revenues was the shortfall in other revenues. However, oil export proceeds was realized by 3.2 percent more than the figure projected in the budget law.

The composition of government revenues was such that, by including revenues received from the sale of foreign exchange through oil revenue sales, government's dependence on oil revenues increased and thereby raised the share of oil revenues in total government revenues from 48.2 percent in 1378 to 56.8 percent in 1379. Nonetheless, the share of crude oil revenues in total general revenues fell from 23.6 percent in 1378 to 19.2 percent in the review year. This was mainly due to annual adjustment of other components of revenues, including, sale of foreign exchange, tax revenues, and other revenues. These adjustments were calculated taking into account the domestic inflation rate and non-adjustment of revenues received from oil export earnings in rials, as well as effects of international markets on pricing and stabilization of the exchange rate parity of Rls. 1,750 per one U.S. dollar. The share of tax revenues in total government revenues went up from 28 percent in 1378 to 31.4 percent in 1379.

In the Budget Law for 1379, oil revenue receipts were projected at Rls. 20,125 billion, which remained unchanged in the amended budget. In practice, however, realized oil revenues were in excess of this projection. Nevertheless in accordance with the 3rd FYDP Law and amendment thereto, the excess foreign exchange revenue received from crude oil export receipts was deposited into the OSF. In 1379, no revenue was projected from the export of fuel oil and other oil products in the budget. Owing to the provisions of the 3rd FYDP Law, revenues received from export of oil products and gas were considered as revenue of the National Iranian Oil Company and Iran Gas Company. These revenues were to be utilized by these corporations for foreign exchange expenses for their current activities, including the import of oil products and natural gas, and the implementation of investment projects approved by Parliament. Thus, in 1379, revenues and expenditures from this source were not taken into account. Revenues received from export of oil products was realized by \$ 2,630.4 million.

Figures provided by the Ministry of Petroleum indicate that the daily average of exported oil increased by 266 thousand b/d to reach 2,345 thousand b/d in comparison with the preceding year. In the 1379 Budget Law, the average price for a barrel of crude oil was projected to be \$15.71. However, in practice, \$25.26 per barrel was realized. Revenues received from the export of crude oil equaled \$20,830.2 million. In 1379, the total revenues received from crude oil export, oil products, and gas, amounted to \$23,460.6 million.

In 1379, the revenues received from export of crude oil, including the sale of foreign exchange, rose by 33.6 percent compared with the corresponding figure for the previous year, and equaled Rls. 59,448.5 billion. The ratio of oil revenue to total government general expenditures indicates that there was a marked increase in this type of revenue, this ratio becoming 54.3 percent in 1379, against 47.7 percent in 1378.

In the review year, non-oil revenues fell by 5.5 percent as compared to 1378 to total Rls. 45,192.3 billion, which accounted for 43.2 percent of total government general revenues. The share of this portion of revenue in total government revenues in 1378 was 51.8 percent. It is noteworthy that, in the course of the past three years, the non-oil revenue share of total government revenues has declined and the share of oil revenues including the sale of foreign

exchange therefrom has increased. The main reason for this was the marked rise in revenue received from the sale of foreign exchange during the 1377-1379, resulting in both the proportionate shares of oil revenues and total government revenues to markedly increase. These percentage shares were 41.7 and 20.1 percent in 1378, and 66.1 and 37.6 percent, respectively, in 1379.

The main component in non-oil revenues in the government's general budget became tax revenues. In this year, the share of tax revenues in total non-oil revenues equaled 72.7 percent and the share of other revenues, including revenues received from government monopolies and ownership, sale of goods and services, return on loans and government investments abroad, and miscellaneous revenues, was 27.3 percent. The corresponding figures in the previous year were 54 and 46 percent, respectively.

In 1379, tax revenues, with 27.1 percent growth compared to 1378, and a 3.3 percent shortfall as per the approved budget projections, reached Rls. 32,842.1 billion, making up 31.4 percent of total government general revenues, as against 28 percent in 1378. The increase in tax revenues in 1379 was mainly due to increases of 8.3 percentage points in the tax on imports, and 7.2 percentage points in tax on consumption and sales.

GOVERNMENT GENERAL REVENUES

(Excluding Special Revenues)

(billion rials)

	1378	1379	Percentage change		Share (percent)	
			1378	1379	1378	1379
Oil	44,487.6	59,448.5	96.7	33.6	48.2	56.8
Non-oil	47,828.1	45,192.3	54.3	-5.5	51.8	43.2
Tax	25,831.3	32,842.1	38.2	27.1	28.0	31.4
Other	21,996.8	12,350.2	78.6	-43.9	23.8	11.8
Total	92,315.7	104,640.8	72.1	13.4	100.0	100.0

During the review year, the ratio of tax revenues to GDP equaled 6.0 percent at current prices, showing a slight fall compared with the corresponding figure of the previous year (6.1 percent). Moreover, in this year, 38.3 percent of government current expenditures was financed from tax revenues, indicating a relative improvement in this government fiscal position index, compared with the 37.9 percent in the previous year.

In 1379, compared with the approved figures in the budget, receipts from direct taxation registered a shortfall of 10.3 percent, while a 9.4 percent surplus in receipts from indirect taxes was recorded. The major reason that direct taxes were under-realized was due to a shortfall of projected tax receipts from corporations of Rls. 1,603.1 billion or 12.4 percent less than the figure projected in the budget. Tax receipts from petrochemical corporations were Rls. 672 billion short of projections, and were the main component of this shortfall in tax revenues. In addition, there was a decline in the expected tax receipts from the real estate sector due to the implementation of a tax exemption law for rental housing units of less than 120 square meters size. Receipts from direct and indirect taxes as compared with the previous year went up by 18.1 and 43.4 percent, respectively. This led to the resultant share of indirect taxes in total tax revenues increase from 35.8 percent in 1378 to 40.4 percent in 1379. In the review year, out of overall tax revenues paid into the treasury, 34.4 percent was from tax on corporations, 24.2 percent from tax on imports, 20.8 percent from personal income tax, 16.2 percent from sale and consumption tax and 4.4 percent from wealth tax.

In 1379, corporate tax revenues grew by 12.4 percent, compared with the previous year and reached Rls. 11,295.5 billion. This was however 12.4 percent less than the projected figure

in the approved budget. Receipts from tax on public legal entities, registered a 0.6 percent fall compared with the previous year to Rls. 4,899.2 billion. Out of total tax revenues received from public legal entities, 11.5 percent was collectively derived from petrochemical industries (Rls. 351.7 billion) and the CBI (Rls. 211.2 billion). Moreover, in this tax group, Rls. 6,396.3 billion from non-public legal entities went to the Treasury.

During the review year, receipts from tax on imports amounted to Rls. 7,947.7 billion, showing a marked growth of 36.9 percent compared with the previous year, owing mainly to receipts from commercial profits and order registration fees. In this year, receipts from tax on imports were more than the projected figure in the budget, so that this group of revenue was 15.2 percent in excess of the forecasted figures. Among the main constituents of the tax on imports, custom duty receipts, totaling Rls. 49.2 billion, was realized by 6.6 percent less than, while the other main constituents was realized in excess of, projected figures in the approved budget. According to Customs data, in 1379, the sum value of all imported goods was valued at \$14,346.9 million, showing a 13.1 percent growth compared with the previous year. The increase in the value of imports was partially responsible for the surplus in tax revenues realized on imports in this year.

During the course of 1379, the Treasury received revenues of Rls. 3,480.1 billion from order registration fees⁽¹⁾, Rls. 3,457.1 billion from commercial profit, Rls. 700.8 billion from customs duties, and Rls. 309.7 billion from other components of the tax on import revenues.

In the review year, receipts from income tax amounted to Rls. 6,834 billion, showing a 27 percent growth compared with 1378. In this tax group, Rls. 3,413.5 billion derived from tax on salaries went into the Treasury, which was 0.4 percent more than the figure projected in the budget. Receipts from professions tax grew 20.7 percent as compared with the previous year to reach Rls. 2,926.9 billion. This figure was 16.4 percent less than the projected budget figure.

Receipts from consumption and sales tax totaled Rls. 5,309.8 billion, registering a substantial 54.3 percent growth compared with the previous year. The marked rise in this indirect tax group, despite the non-collection of Rls. 1,180 billion of tax on imported cigarettes which was included in this tax group projections in the 1379 Budget Law, was mostly due to the marked increase of 10 percent⁽²⁾ in automobile tax and other items outlined in the 1379 Budget Law.

Under the consumption and sales tax category, Rls. 406.3 billion was derived from subscription fees from direct-dial telephones and international telecommunication services. An overall figure of Rls. 1,849.2 billion was collected from various taxes levied on automobiles, inclusive of number plate, fixed tax, and automobile transfer fees. These two taxes showed 20.2 and 31.8 percent increase, respectively compared with the previous year. Tax levied on cigarette sales fell by 3.6 percent, to a figure of Rls. 101.7 billion.

In the review year, collected wealth tax equaled Rls. 1,455.1 billion, showing a 26.3 percent rise compared with the previous year, which was 2 percent greater than the forecasted budget figure.

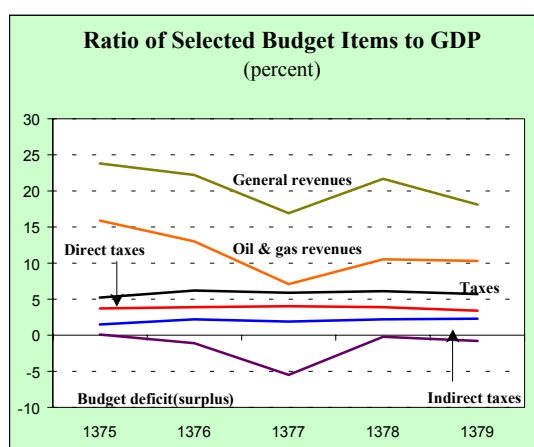
(1) According to 1379 Budget Law, order registration fee of basic goods imported by government and paper were exempted and for other goods, it was determined at Rls. 275 per dollar or its equivalent in other currencies.

(2) According to 1379 Budget Law, automobile manufacturing companies excluding taxi, bus, minibus, truck, and van, were obliged to obtain 10 percent of selling price as indirect tax and deposit into Treasury.

During 1379, other government revenues, mostly from governmental companies in the productive and service fields, declined by 43.9 percent as compared with the previous year, to total Rls. 12,350.2 billion. This was 20 percent, or Rls. 3,084.5 billion, less than the figure projected in the approved budget. Other major reasons behind shortfalls in projected government revenues were related to the shortfall of revenues received from the sale of goods and services amounting to Rls. 2,010.7 billion, and that of miscellaneous revenues of Rls. 1,099.9 billion.

In the review year, revenues received from government monopolies and ownerships amounted to Rls. 439.9 billion, which was 6.3 percent more than the projected budget figure. Nonetheless, this revenue group fell by 69 percent, compared with the previous year, due to changes decreed in the 1379 Budget Law with regard to public corporation income from that of the 1378 Budget Law. In 1378, Treasury receipts from this revenue group amounted to Rls. 1,089.2 billion. Among the major constituents of revenues from government monopolies and ownerships is revenue received from paid-out dividend income of public corporations, which amounted to Rls. 247.3 billion. This figure was 17.4 percent more than the projected budget figure and recorded a 55.9 percent growth in comparison with the year before.

In 1379, revenues received from the sale of goods and services, with a 32.8 percent rise as compared with the previous year, totaled Rls. 6,615.3 billion. In this year, a total of Rls. 2,429.8 billion out of revenues received from sale of goods and Rls. 4,185.5 billion from revenues received from the provision of services, went to the Treasury. The major portion of revenues received from the sale of goods and service provision, consisted of Rls. 613.5 billion in revenues of the Aviation Organization for airport services; Rls. 928.6 billion from the State Deeds and Documents Organization for registration services; Rls. 1,083.6 billion from the Ministry of Education for education councils charges; and Rls. 1,346.6 billion from sale of military service exemptions.



During 1379, miscellaneous revenues, registered a 66.1 percent decline as compared with the previous year, to amount to Rls. 5,294.7 billion. This was mostly due to the elimination of charges on four main oil products namely, petrol, kerosene, gas oil, and fuel oil, and gas, electricity, and telecommunication, all as per the requirements of the 2nd and 3rd FYDP Laws.

During the review year, according to the budget law, energy sector companies were obliged to deposit revenues collected under the headings of ‘duties for consumption optimization of energy’ and ‘excess revenues received from modification of energy bearers prices’, into general revenues of the Treasury.

The collected components of these revenues, which were classified under miscellaneous revenues in the budget for 1379, were respectively Rls. 1,366.9 billion and Rls. 698.3 billion. Moreover, in this group, Rls. 671 billion in revenues, collected from the Organization for Protection of Consumers and Producers according to the budget law ⁽¹⁾, was also deposited into government general revenues.

(1) Organization for Protection of Consumers and Producers was required to deposit all revenues received from differentials under its Articles of Association to Treasury. According to 1379 Budget Law, the differential deposited by this Organization was tax exempted.

In this year, revenue received from interest on loans and government investments abroad equaled Rls. 0.3 billion, which remained unchanged over the previous year, and were in line with projected budget figures.

Expenditures

In the 1379 Budget Law government general expenditures, excluding special expenditures were projected at Rls. 111,335.5 billion, and remained unchanged in the amended budget. In reality, government general expenditures rose by 17.3 percent as compared to the previous year, to reach Rls. 109,407.1 billion. This figure was 1.7 percent less than the approved figure in the budget bill. Current expenditures grew by 25.8 percent and government development expenditures fell by 5.8 percent. In 1379, government current expenditure reached Rls. 85,847.3 billion, which was approximately one percent, or Rls. 882.1 billion, more than the projected figure. The major portion of the increase in current expenditures was due to a rise in government employee salaries.

In the review year, out of total current expenditures, Rls. 3,764.4 billion went for defense purposes registering a 31.8 percent growth as compared with 1378.

In the Budget Law of 1379, Rls. 8,453.1 billion was earmarked for subsidy payments on basic goods and fertilizers. Of this amount, Rls. 7,950 billion was paid for basic goods, Rls. 473.1 billion for fertilizers, and Rls. 30 billion was paid to subsidize the export of services. During the review year, Rls. 8,118.7 billion was earmarked for subsidy payments by the Management and Planning Organization, of which Rls. 8,118.4 billion was actually paid out. Out of total subsidies paid, Rls. 7,105 billion was paid for basic goods and Rls. 543.1 billion for fertilizers. Furthermore, Rls. 259 billion was paid out in subsidy for medicine and powdered milk. Additionally, in accordance to the 3rd FYDP Law, the Organization for Protection of Consumers and Producers received Rls. 272 billion from price differential payments on special imported goods which was then allocated to essential goods and services.

The total subsidy paid out in 1379 for goods and services equaled Rls. 8,390.5 billion. Of this figure, 69.5 percent or Rls. 5,835 billion was related to the subsidy paid to State Grain Organization for the purchase of wheat grain. In the 1379 budget law, Rls. 30 billion was earmarked for the payment of subsidies for the export of services. However, in fact this figure was not utilized.

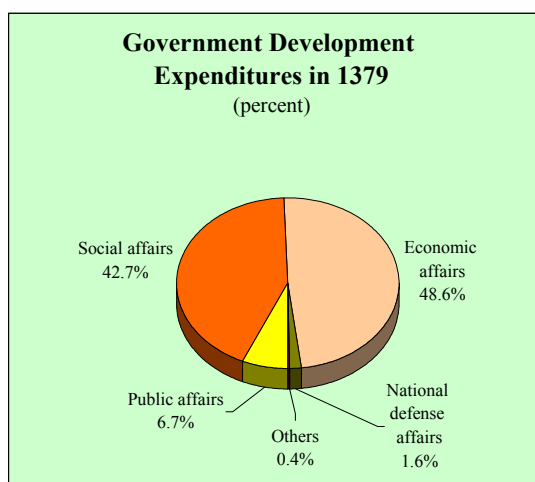
The ratio of overall subsidy payments to total current expenditures was 9.8 percent and to total government general expenditures 7.7 percent. The ratio of subsidy paid to GDP at current prices equaled 1.5 percent, showing a decline compared with the corresponding figure for the previous year of 1.8 percent.

In 1379, out of total government current expenditures, 46.3 percent was paid out for social affairs, 20.2 percent went to national defense affairs, 12.7 percent to public affairs, and 2.5 percent for economic affairs. Moreover, 13.3 percent of total government current expenditures was paid for miscellaneous expenditures. Data for government current expenditures by affairs and chapters of the budget, indicate that the highest share in current expenditures was related to public education, which made up 19.9 percent of total government current expenditures. Additionally, 12.6 percent went to social security and welfare, 6 percent to law and security, and 5.3 percent to health, medical care, and nutrition.

During 1379, total government development expenditures were projected at Rls. 26,370.3 billion in the approved budget. In practice this figure fell to Rls. 23,559.8 billion or 89.3 percent of the projected budget figure.

Government development expenditures decreased by 5.8 percent compared to the previous year and its share declined to 21.5 percent of total government general expenditures. Till the end of 1378, according to the 2nd FYDP Law, duties levied on major oil products, gas, electricity, and post and telecommunication services were to be collected by the relevant organizations and deposited in the treasury public revenue account. These revenues were then returned to the relevant organization for their use on development projects in oil, gas, electricity and telecommunication sectors. In the 3rd FYDP (1379-1383), this was changed in that these organizations could directly utilize the collected charges for their development projects. Therefore, the main reason for reduction in development expenditures in 1379, as compared with the previous year, were changes in the law and elimination of the requirements called for under the 2nd FYDP Law in the 3rd FYDP Law. This was generally true for the reduction in development expenditures for oil and gas production, and particularly so for electricity and gas transfer programs. In accordance with the 1379 Budget Law, government was authorized to issue up to a maximum of Rls. 2,000 billion participation papers to accelerate implementation of development projects. During 1379, Rls. 2,049.8 billion worth of participation papers were sold, and the proceeds paid into the Treasury. Of this amount, Rls. 49.8 billion was raised from sale of participation papers in 1378.

Out of total government development expenditures in 1379, 48.6 percent was paid for investment in economic affairs, 42.7 percent in social affairs, 6.7 percent in public affairs, and 1.6 percent in national defense affairs. Government development expenditure figures indicate that the highest proportion of these development expenditures was in respect of road and transportation sector expenditures, registering a 16 percent share in total development expenditures as against 11.6 percent in the previous year. Water resources with 15.5 percent ranked next, followed by urban development with 8.9 percent, rural development with 8.5 percent, agriculture and natural resources with 7.7 percent and public education with 6.3 percent. These affairs made up 63 percent of total government development expenditures.



The major portion of development expenditures allocated to various chapters was as follows: for development of the railway network, construction and renovation of airports, main roads, and freeways, Rls. 2,152.9 billion; water provision programs and construction of irrigation networks, Rls. 2,662 billion; traffic improvement and construction and development of drainage systems, Rls. 1,170 billion; energy production programs and nuclear studies, Rls. 796.3 billion; and agricultural, environmental, and industrial resource research programs of Rls. 616.7 billion.

Budget Deficit and Its Finance

The 1379 budget ran a deficit of Rls. 4,766.3 billion due to government expenditures exceeding its revenues. However, in this year, for the first time after the establishment of the OSF, the government repaid part of its indebtedness to the CBI, and following certain changes in some items of this account, the outstanding debit balance of this account was reduced by Rls. 1,780.4 billion, compared with the beginning of 1379. By including this reduction in the outstanding of the OSF and reduction of Rls. 2.8 billion in government indebtedness to the CBI for rewards on government bonds, the adjusted government budget deficit in 1379 equaled

Rls. 2,983.1 billion. This was Rls. 240.5 billion more than the adjusted budget deficit for the previous year.

The government's budget deficit in 1379, was financed from revenues received from the following sources: sale of participation papers amounting to Rls. 2,049.8 billion; returns, prepayments and other accounts of Rls. 1,287.2 billion; receipts from foreign facilities of Rls. 175 billion; receipts from government guaranteed loans of Rls. 162.6 billion; and receipts from the principal of government loans abroad and revenues from the sale of public corporations of Rls. 0.9 billion, and other resources of Rls. 1,090.8 billion.

	BUDGET DEFICIT AND ITS FINANCE			(billion rials)
	1377	1378	1379	
General government budget deficit (-) or surplus (+)	-17,344.3	-927.2	-4,766.3	
Plus:				
Foreign exchange losses	-5,076.7	-1,812.6	1,780.4	
Increase in government indebtedness for government bonds rewards	-67.3	-2.8	2.8	
Adjusted budget deficit	-22,488.3	-2,742.6	-2,983.1	
Deficit financing (+) or surplus use (-)	22,488.3	2,742.6	2,983.1	
Domestic finance	16,781.4	2,570.9	2,807.4	
Use of Central Bank resources (1)	11,780.0	1,815.4	-1,783.2	
Sale of participation papers	2,500.0	1,884.3	2,049.8	
Returns, prepayments and other accounts	479.0	640.0	1,287.2	
Principal and interest on loans of public corporations and institutions	187.2	195.5	162.6	
From government guaranteed loans (2)				
Hadj advance receipts	2,338.7	0	0	
Privatization receipts	0	4.2	0.2	
Other	-503.5	-1,968.5	1,090.8	
Foreign finance	5,706.9	171.7	175.7	
Principal of government loans abroad	1.2	17.7	0.7	
Receipt from foreign facilities	135.7	154.0	175.0	
Oil pre finance	5,570.0	0	0	

(1) Includes use of Central Bank resources for financing deficit due to foreign exchange loss account and rewards on bonds.

(2) The breakdown by interest and principal of loan is not available.

The ratio of the budget deficit to GDP increased to 0.9 percent against 0.2 percent in 1378. The adjusted ratio for this budget deficit was 0.5 percent.

In the review year, the net effects of monetary expansion due to public sector operations was Rls. 7,749.6 billion less than the figure for the previous year. This was mostly due to a marked rise in the outstanding balance of public sector funds and deposits with the banking system. This increase resulted in the reduction of Rls. 4,819.3 billion in the banking system's net claims on the public sector in 1379. In this year, the net foreign exchange receipts for the public sector reached Rls. 19,696.1 billion.

INITIAL EXPANSIONARY EFFECT OF PUBLIC SECTOR OPERATIONS

(billion rials)

	1377	1378	1379
Net expansion	28,879.8	22,626.4	14,876.8
Net foreign exchange receipts of public sector	3,847.5	19,488.2	19,696.1
Changes in net banking system claims on public sector	25,032.3	3,138.2	-4,819.3
Changes in outstanding of banking system claims on public sector	29,279.5	7,140.8	5,668.4
Changes in outstanding of banking system claims on government (1)	18,134.0	2,873.5	-2,155.7
Changes in outstanding of banking system claims on public corporations and institutions (2)	11,138.5	4,267.3	7,824.1
Less:			
Funds and deposits with the banking system	4,240.2	4,002.6	10,487.7
Changes in outstanding of deposits and funds of public sector	6,901.4	4,290.0	1,910.6
Changes in outstanding of prepayment of letters of credit with public sector	-2,661.2	-287.4	-422.9

(1) Includes changes in the deficit of oil stabilization fund.

(2) Includes facilities extended by the Central Bank to public corporations for financing foreign exchange losses.

Government Bonds

The then Ministry of Finance issued the first government bonds in 1348 (1969), according to the law for issuance of treasury bills and bonds as approved by the Parliament in 1348 (1969) at Rls. 4.5 billion. Until the end of 1353 (1975), taking into account all bond issues in various phases, the total value of issued government bonds had reached Rls. 300 billion. Since the beginning of 1354 (1975), new bonds were issued mainly in order to replace the due ones in circulation. This process was continued until 1370 (1991), which was the last time 7-year bonds were issued to replace those that were overdue. Since then, the issuance of the substitute bonds has not taken place.

At the end of 1379, 2.4 percent or Rls. 65.9 billion of the outstanding balance of the referenced bonds belonged to public institutions, mainly insurance companies, and 97.6 percent was held at the CBI and amounted to Rls. 2,635.7 billion, which together totaled Rls. 2,701.6 billion. The composition of the maturity of these now overdue bonds indicates that 2.7 percent were valid for three years, 8.6 percent for five years, and 15.7 percent for seven years. The rate of return on 3, 5, and 7-year bonds was respectively 6, 6.5, and 7 percent per annum.

CHAPTER NINE

FOREIGN EXCHANGE AND TRADE POLICY

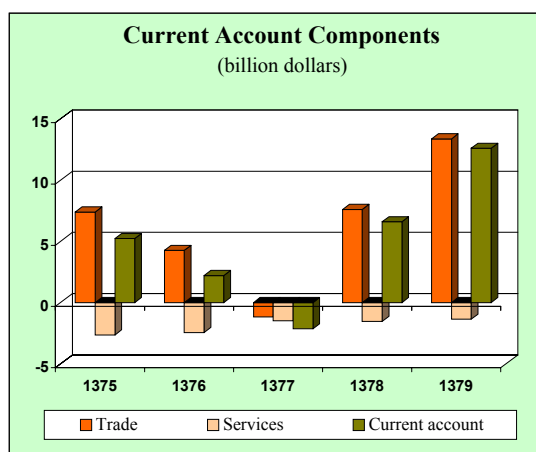
In 1379, the continuing boom in the global oil market led to a 36 percent increase in crude oil prices and a significant improvement in Iran's oil revenues and foreign trade balance. This improvement along with deregulation and streamlining of foreign trade procedures, and stability of the foreign exchange market, caused a growth in imports and an improvement in non-oil exports. The trade surplus caused by increase in oil revenues, created the means for repayment of a considerable portion of foreign debt, increase in net foreign assets of the banking system, and also the establishment of the Oil Stabilization Fund (OSF).

Balance of Payments

The balance of payments in 1379 was greatly influenced by developments in the global oil market. The 36 percent rise in oil prices and the increase in exports of crude oil led to a 42 percent increase in export revenues from the oil sector. The export earning of the oil sector is composed of \$20.8 billion of crude oil, \$2.6 billion of refinery products, gas and liquid gas products and \$0.8 billion of exports for the repayment of buy-back obligations.

In this year, non-oil exports increased by 6.1 percent to total \$4,181 million, up from \$3,941 million in 1378. In addition to the export reported by the Customs, this figure includes export of electricity, cross border trade, shuttle trade, buoys, scrap oil tankers, etc. Increase in export revenues to \$28,461 million along with the easing of foreign trade regulations led to a 12.3 percent growth in imports. This resulted in a \$13,375 million surplus in the trade balance.

The balance of payments' receipts from the services sector grew by 1.4 percent while payments were reduced by 5.5 percent. Freight and insurance, and tourism (travel and traveling services) receipts of \$450 million and \$677 million respectively, comprised 79.6 percent of the foreign exchange receipts from this sector. In the payments sector, freight and insurance, interest payment, and other public services, including embassies, technical and engineering services, communications, cultural affairs, etc. by \$1,347, \$370 and \$766 million respectively, comprised 89.7 percent of total imports of services. The balance of services account registered a \$1,351 million deficit in this year.



The transfer account in the current account of BOP registered a \$610 million surplus owing to receipts from Kuwait War compensation and transfer of resources related to the import account without transfer of foreign exchange. The current account increased by 91.7 percent and registered \$12,634 million surplus compared to the previous year. This was mainly utilized for the repayment of foreign debts, creation of the OSF, and resulted in a net increase the net foreign assets of the banking system.

The capital account deficit grew by 22.4 percent and reached \$ 4,573 million. In the government's long-term account \$2,464 million was allocated for the repayment of foreign debt and \$833 million to repay buy-back contract obligations. In the government's short-term account, net clearing accounts showed \$260 million in receipts. In the banking section, banks' net foreign assets increased by \$1,795 million and obligations for opened letters of credit were reduced by \$ 60 million. The CBI's net foreign reserves and the balance of the OSF account increased respectively by \$585 and \$5,944 million. The overall balance of BOP showed a \$6,529 million surplus.

Foreign Exchange Obligations

The foreign exchange obligations declined by 10.8 percent from \$ 20.9 billion at the end of 1378 to \$18.6 billion at the end of 1379. This decline led to changes in composition of foreign exchange obligations, so that, the percentage share of contingent obligations increased from 45.7 percent at the end of 1378 to 53.4 percent at the end of 1379. The change in the composition of foreign exchange obligations and predominant share of contingent obligations provided more flexibility in foreign exchange obligations than in the previous year. In this period, external debts showed a 23.2 percent reduction to become \$7,953 million against \$10,357 million in the year before. The share of short and long-term debt based upon initial maturity dates, out of total foreign debts, changed from 34.9 and 65.1 percent at the end of 1378 to 46.2 and 53.8 percent respectively at the end of 1379. At the end of this period, short and long-term debts comprised respectively \$3,678 million and \$4,275 million out of total actual debts, \$5,291 million of which will reach maturity during 1380.

In 1379, short-term debts increased by \$60 million and medium and long-term debts declined by \$2,464 million, which in sum led to a reduction of foreign debts to reach a maximum of \$7,953 million. In this period, net repayment of rescheduled contracts, oil prefinance, and Finance contracts respectively by \$862, \$1,208 and \$404 million had the highest share in reducing long-term and total actual debts.

COMPOSITION OF FOREIGN DEBTS

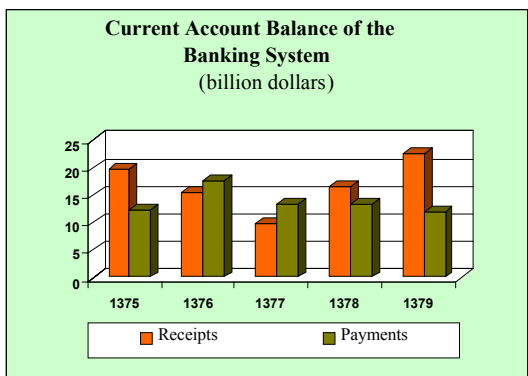
	(million dollars)		
	1378	1379	Percentage change
Contingent obligations	9,538	9,959	4.4
External debts	10,357	7,953	-23.2
Interest	990	713	-28
Total obligations	20,885	18,625	-10.8

Foreign Exchange Balance of the Banking System

The current foreign exchange receipts of the banking system rose by 35.4 percent in 1379 to reach \$22,649 million, owing mostly to the increase in oil export revenues. Current foreign exchange payments declined by 11.1 percent and reached \$12,005 million due mainly to a significant reduction in imported goods particularly by the private sector, as compared to the previous year. The resultant net current account for the foreign exchange balance showed a surplus of \$10.6 billion.

In this year, the net capital account and unclassified items in the foreign exchange balance, showed a deficit of \$4,491.6 million. Capital receipts increased by 28.8 percent and reached \$2,115 million, mainly due to receipt of \$1,800 million in foreign loans and credits by the government.

Hence, overall balance which is the sum of net current and capital accounts, and unclassified items, registered \$6.2 billion surplus.



SUMMARY OF FOREIGN EXCHANGE BALANCE OF THE BANKING SYSTEM

(million dollars)

	1377	1378	1379
Net current account	-3,484.6	3,222.1	10,644.3
Net capital account & unclassified items	-911.9	4,392.9	-4,491.6
Overall balance	-2,572.7	7,615.0	6,152.7

Current Receipts

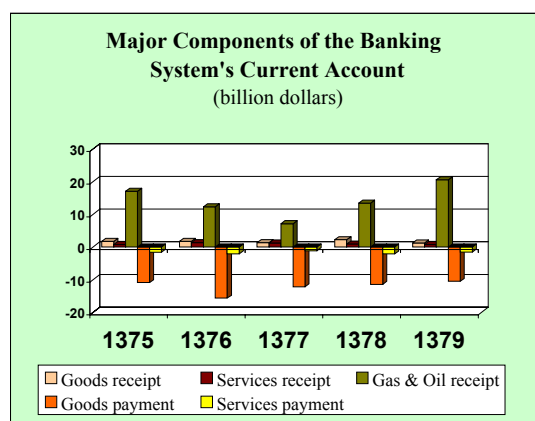
The current foreign exchange receipts of the banking system significantly increased by \$5.9 billion as compared to the previous year and reached \$22.6 billion. The increase in crude oil prices in international markets caused a rise in foreign exchange receipts from oil exports of 53 percent and reached \$20.3 billion. The percentage share of foreign exchange receipts from oil exports to total foreign exchange receipts increased from 79.3 percent in 1378 to 89.6 percent in the year under review.

Due to elimination of the surrender requirements for certain non-oil exports, the foreign exchange purchased from export of these items fell by 43.6 percent compared to the previous year and reached \$1,287.2 million. This constituted 31 percent of the total value of non-oil exports for 1379. During the year under study, foreign exchange receipts from the services sector declined by 20.4 percent and reached \$755 million from \$947.6 million in the previous year. Meanwhile, foreign exchange receipts from the non-public sector declined by 58 percent. The amount of interest received, increased by 184.5 percent and reached \$515.7 million, 60.3 percent of which was related to interest received from CBI's deposits abroad, and treasury bills and foreign bonds. The percentage share of the banking system's interest receipts from sight and term deposits made up 35.3 percent of total interest received.

Current Payments

In 1379, the current foreign exchange payments of the banking system declined by 11.1 percent to reach \$12,005 million, 87.7 percent of which was related to goods imports. Foreign exchange payments for non-public sector imports showed a 5.2 percent reduction and totaled \$5,811.6 million in 1379 against \$6,127.6 million in 1378. Non-public sector share of foreign exchange payments increased from 53.8 percent in 1378 to 55.2 percent in 1379. The current foreign

exchange payments for services declined by 29.8 percent compared to the previous year, and reached a figure of \$1,476.7 million. The public sector share of these payments was 52.3 percent. The total interest paid increased by 130.9 percent and reached \$419.7 million, 52.1 percent of which was related to interest paid on deposits of foreign banks with the CBI. Taking into account the interest paid on foreign exchange term and sight deposits for the banking system as a whole with the exception of the CBI, this percentage share was 56.4.



Net Current Account

In 1379, the increase in current foreign exchange receipts along with reduction in current foreign exchange payments, led to a \$10,644.0 million surplus in the net current account of foreign exchange balance.

SUMMARY OF CURRENT ACCOUNT BALANCE OF THE BANKING SYSTEM

	(million dollars)		
	1377	1378	1379
Current receipts	9,782.2	16,724.7	22,649.0
Current payments	13,267.2	13,502.6	12,005.0
Net current account	-3,484.6	3,222.1	10,644.0

Foreign Exchange and Trade Policies

The policies pursued in the external sector in 1379 were aimed at creating transparency in the foreign exchange market, reduction of non-tariff and administrative barriers in the importation of goods, and easing conditions for non-oil exports. The CBI was successful in managing the fluctuations in the foreign exchange market by abolishing the export rate from the beginning of 1379 and substituting the certificate of deposit rate (CD) instead of the import certificate rate. In line with this policy the exporters would receive CDs after surrendering foreign exchange proceeds from exports and have the choice for selling these either to the banking system within the specified time frame or through the TSE to other importers or otherwise using this foreign exchange to directly import goods and services.

Following the improvements in global oil market and the marked rise of foreign exchange revenues in 1379, an amendment was made to the 3rd FYDP Law. This amendment made provision for the establishment of an oil stabilization fund to help realize the goals of the 3rd FYDP. Any oil revenues in excess of those projected in the approved annual budget were to be held in the form of a government deposit account at the CBI. In accordance with this law, the government is authorized to allocate up to fifty percent of this fund for investment and financing manufacturing, mining, agriculture, transportation, and technical and engineering services of non-public sector projects whose technical and economic justifications have been approved by the relevant experts from the

respective ministries. These funds are to be extended as foreign exchange facilities through the resident and non-resident Iranian banks.

Exports Policies

The policies for the promotion of non-oil exports consisted mainly of the easing of rules and regulations pertaining to export documentation procedures and increasing exporters' options in utilizing their export proceeds. In line with export promotion policies, entities rendering engineering services abroad, and manufacturers who directly export their own products, were exempted from export obligation ceilings and provision of collaterals in issuance of non-oil export foreign exchange surrender guarantees. These exporters could also import their required raw materials, spare parts, equipment, and machinery through the Ministry of Commerce, within a stipulated time frame, in lieu of their exports, irrespective of the countries from which the imports originated and to which their exports were made. In addition, all exporters exporting any goods, with the exception of hand-woven carpet, pistachio, hide, unprocessed skin, leather, and flour, to Central Asian and African countries could import authorized goods against these exports from the same country irrespective of the country of origin for the goods, either themselves or on their behalf, through other authorized exporters. Moreover, the period for settlement of foreign exchange obligations for exports of goods through long-term export LCs on consumer goods was increased to 360 days and for capital goods, up to 5 years.

To promote exports through raising the competitiveness of Iranian exportable goods and services and reduce risk in export activities, commercial banks have been authorized to extend short and medium-term facilities up to a maximum of 85 percent of the foreign exchange value of the sales contract based on the credit worthiness of buyers and sellers. These facilities would be granted to exports of those goods of which at least 70 percent of the value is manufactured in Iran, or for those services at least 70 percent of whose value was rendered by Iranians. Furthermore, the CBI specified that the cash portion of the collateral requirement for the issuance of foreign exchange guarantees related to technical and engineering services would be from 3 to 5 percent of the guarantee amount, payable in rials. The balance could be financed through promissory note. A rial commission fee of 0.5 percent would be charged for issuance of guarantees up to US\$50 million and in excess of that figure the commission fee would be 0.3 percent.

Import Policies

Cutting red tape and simplifying the regulations on foreign trade paved the way for improving the economic situation. As a result, import policies dealt with easing import conditions, tariffication of non-tariff barriers and increasing the coverage of authorized imported goods. In accordance with the 3rd FYDP Law, the government is required to abolish non-tariff and non-technical barriers while observing Islamic restrictions, and provide a time frame for modifying the relevant tariff rates to promote foreign trade. Henceforth, by agreement of the Ministry of Commerce and the CBI, imports under 2,500 headings of industrial goods were exempted from the requirement of obtaining permission from the Ministry of Industry.

In an effort to assist importers, the minimum advance deposit requirement for opening of LC/order registration drafts was reduced to 10 percent at the CD rate, which is payable on the day the LC/draft is opened. The advance payment required for imports of goods by ministries and government institutions using general budget funds is one hundred percent. Imports of goods without requiring the transfer of foreign exchange from the banking system was authorized in the

form of bill or cash against document through opening LCs and payment of order registration fees. The order registration of imports of authorized goods at CD rate was authorized through term bills with at most six month maturity.

The possibility of extending the maturity dates and easing conditions for opening LCs was another import facility in 1379. In Esfand 1379 extension of maturity dates for all LCs opened at floating and export rates was authorized. These LC extensions could be made several times and had a ceiling of up to 18 months from the date of their original opening. Similarly for LCs opened through customers' valid import certificates or import certificates purchased through the TSE at CD rates, it was permissible to extend the maturity date several times up to a maximum of 24 months from the date of opening as well as modifying the conditions several times.

Foreign Exchange Policies

Following the abolition of the export rate, the CD, and the negotiated rates were applied along with the floating rate, as the basis for foreign exchange transactions. Since Ordibehesht 1379, revenues derived from sale of fuel to ships, airplanes and foreign trucks, revenues from servicing foreign ships, revenues derived from rail car and land transportation transits, and revenues from crossing and dock services were calculated at the CD rate. The negotiated rate was applied for calculating purchase of foreign exchange proceeds of handicraft sellers, hotels, and tourist offices, purchase of foreign exchange from tourists, embassies, agents of international organizations, and representatives of foreign banks. Sale of foreign exchange for travel and medical purposes, for opening LCs and documentary bills for imports of authorized goods to Free Trade and Industry Zones (FTZ's) and special economic zones, for transfer of foreign exchange for membership fees for organizations, companies and real and legal persons in international organizations and scientific societies, for salaries and allowances of foreign employees working in ministries, government institutions and affiliated corporations and public, cooperative, and non-public sector corporations was also authorized at negotiated rates.

With the increase in foreign exchange transactions in the banking system, the CBI authorized banks to transfer abroad wholly or partially, the outstanding amounts of internal origin foreign exchange accounts for coverage of their interbank operations with their corresponding banks. At the same time the distinction between foreign exchange accounts of internal/external origin was eliminated enabling account holders to transfer funds between the two categories of accounts. In another step the CBI approved that the amount of foreign exchange sold to passengers for each foreign trip made by air, land, or sea, up to three times a year, would be \$2,000 per passport holder plus \$1,000 for each accompanying person up to a total of four persons.

In order to help economic development, promote exports and generate employment, banks were authorized to extend foreign exchange facilities to exporters and producers in any form of contract authorized under the Usury-free Banking Law. The general ceiling for extended facilities by all banks was determined to be US\$ one billion and the individual ceiling of extendable facilities was to be \$5 million for each entity. 60 percent of the extended facilities had a one-year maturity and was allocated for the purchase of raw materials, while 40 percent of facilities, with two-year maturity, was allocated for the purchase of manufacturing machinery and related services or for the completion of the semi-finished projects. These facilities are funded out of customers' foreign exchange deposits with banks, foreign exchange reserves of banks, and reserves of foreign branches and banks' agents, and extended at a 2.5 and a 3 percent rate of interest above international rates

(Labor of relevant foreign exchange) respectively for short and medium-term facilities to exporters of non-oil commodities and owners/managers of self reliant projects with priority being accorded to semi-finished projects.

Foreign Trade Performance

Implementation of trade promotion policies in 1379 led to a significant growth of both exports and imports. The major policies in this respect for the promotion of non-oil exports were the exemption of exports of non-oil goods from payment of any charges, the exemption of exports of handicrafts, except hand-made carpets, from surrender requirements, the authorization of phased issuance of CDs for exporters who export goods through phased LCs and the authorization of foreign exchange transactions from internal or external origins at negotiated rates in banks branches inside and outside the country.

In the case of imports, the policy of easing regulatory requirements for trade was implemented. Reduction of the minimum advance payment for opening LCs and determination of the foreign exchange rate through the supply and demand in the CD market are among these policies. The price setting committee of the Export Promotion Center by adjusting and increasing most of the basic rates for the surrender requirement, moved towards registering the actual value of non-oil exports. As a result, the value of exports, excluding oil, gas, and electricity increased by 11.9 percent compared to the previous year and reached \$3,762.7 million. An interesting fact was the 18.7 percent reduction of the weight of non-oil exports, which resulted in a 38 percent growth of unit value of exported goods up to a maximum of \$264.

In 1379, the CIF value of imported goods increased by 13 percent and reached US\$14,347 million, which was mainly due to improvement in foreign exchange earnings owing to improvements in the appropriate world energy market and increase in foreign exchange facilities allocated to imports and easing import regulations. The CIF value of adjusted imports (after deduction of the cost of order registration fees) increased and reached US\$13,187 million against US\$11,972 million in 1379. The weight of imports increased by 20.6 percent, and owing to a greater growth in import weight, the unit value of imported goods declined by 6 percent to total \$552 in 1379 as opposed to \$589 in 1378.

FOREIGN TRADE (Excluding Oil, Gas and Electricity)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Amount (million \$)									
1. Imports	15,117	14,196	14,323	12,683	14,347	-11.5	13.1		
2. Adjusted imports ⁽¹⁾	14,467	13,633	13,708	11,972	13,187	-12.7	10.1	78.1	77.8
3. Exports	3,106	2,876	3,013	3,362	3,763	11.6	11.9	21.9	22.2
Deficit (3-2)	-11,361	-10,757	-10,695	-8,610	-9,424				
Total (3+2)	17,573	16,509	16,721	15,334	16,950	-8.3	10.5	100.0	100.0
Weight (thousand tons)									
1. Imports	21,009	21,845	16,297	21,549	25,980	32.2	20.6	55.1	64.5
2. Exports	7,041	8,690	14,460	17,567	14,281	21.5	-18.7	44.9	35.5
Total (1+2)	28,050	30,535	30,757	39,116	40,261	27.2	2.9	100.0	100.0

(1) In foreign trade statistics, the value of imports includes value of goods plus order registration fee; therefore, order registration receipts have been deducted from the value of imports and have come under adjusted imports.

Imports

In 1379, about 26 million tons of goods valued at US\$ 14.3 billion were imported showing a 20.6 percent increase in weight and 13.1 percent rise in value. The composition of imports indicate that raw materials and intermediate goods imports significantly increased by 18.9 percent and reached \$7,401 million and imports of capital goods rose by 7.2 percent to reach \$4,834 million from \$4,510 million a year earlier. However, the share of consumer goods out of total imports declined slightly, though its value increased by 8.4 percent and reached \$2,112 million.

COMPOSITION OF IMPORTS BY USE

	(million dollars)					
			Percentage change		Share (percent)	
	1378	1379	1378	1379	1378	1379
Raw material & intermediate goods	6,225	7,401	-1.3	18.9	49.1	51.6
Capital goods	4,510	4,834	-24.9	7.2	35.6	33.7
Consumer goods	1,948	2,112	-3.1	8.4	15.3	14.7
Total	12,683	14,347	-11.5	13.1	100.0	100.0
Imports (adjusted)	11,972	13,187	-12.7	10.1		

According to international classification of goods, the value of machinery and transportation vehicles imports registered an 8.1 percent growth to reach \$5,172 million, attaining the greatest weight of imports and registering a 36.1 percent share out of total imports in 1379. Second to this, imports of non-electric machinery with a share of 20.7 percent out of total imports and with 1.5 percent reduction in value reached \$2,976 million. Imports of basic manufactured goods⁽¹⁾ increased significantly by 44 percent and reached \$3,185 million in the year under study from \$2,213 million in 1378 which constituted 22.2 percent of total imports.

The top five exporting countries to Iran were Germany, U.A.E., Russia, Italy and South Korea which together accounted for 36 percent of Iran's imports this year. The highest increase in the growth in import value by countries, belonged to Kazakhstan with a 161 percent, followed by Sweden with 158 percent, and Argentina with 132 percent increase. These countries were respectively ranked fourteen, seventeen and eighteen in the table. Belgium whose exports declined by 28.6 percent compared to the previous year to reach \$ 426 million registered the highest reduction in imports.

IMPORTS ACCORDING TO INTERNATIONAL CLASSIFICATION OF GOODS

	(million dollars)					
			Percentage change		Share (percent)	
	1378	1379	1378	1379	1378	1379
Machinery & transportation vehicles	4,785	5,172	-24.6	8.1	37.7	36.1
Goods classified according to their compositions	2,213	3,185	-12.2	43.9	17.5	22.2
Foodstuff & live animals	1,953	1,977	23.4	1.2	15.4	13.8
Chemical materials	1,894	2,027	6.8	7.0	14.9	14.1
Others	1,838	1,986	-12.4	8.1	14.5	13.8
Total	12,683	14,347	-11.5	13.1	100.0	100.0
Imports (adjusted)	11,972	13,187	-12.7	10.1		

(1) Goods that are classified according to materials used.

Based on the table showing the origin of imports according to group of countries, imports from member countries of the European Union with a 3.4 percent growth, reached \$5,321 million compared to \$5,147 million in 1378, which constituted 37.1 percent of total imports. Imports from ESCAP countries increased by 14.6 percent and reached \$4,742 million, which constituted 33.1 percent of the total import needs of the country.

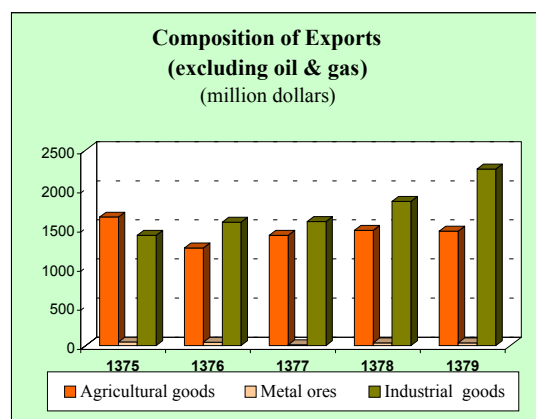
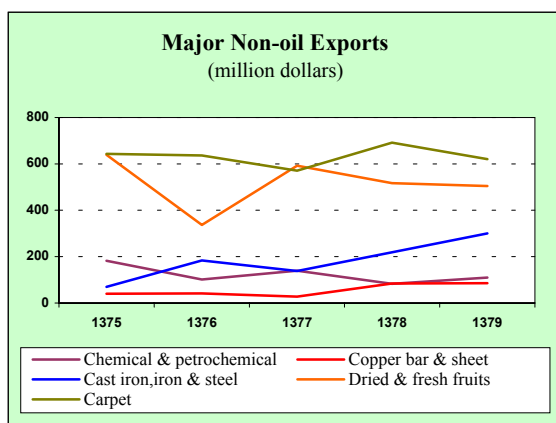
Distribution of imports according to continents indicates higher share for Europe and Asia as markets of origin for Iran, so that the total value of imports from these continents to Iran reached \$12,108 million, which constituted 84.4 percent of total imports.

Non-oil Exports

In 1379, about 14,281 thousand tons of goods, valued at \$3,763 million were exported which showed a 18.7 percent reduction in weight and an 11.9 percent increase in value compared to the previous year. Taking into account the cross border and shuttle exports valued at \$111 and \$73 million respectively, the total value of non-oil exports (excluding oil, gas and electricity) reached \$3,947 million.

The export value of agricultural and traditional goods declined slightly and reached \$1,466 million, compared to the previous year. This decline along with significant growth of exports of other groups reduced the share of exports of agricultural and traditional goods to 39 percent in the year under study compared to 44 percent in the previous year. The 10.4 percent reduction in the export value for carpets, and a 2.6 percent reduction in the value of exported fresh and dry fruits, were the main factors behind the decline in the value of exports for this group. In contrast, the export value of cotton increased significantly by 107.7 percent and changed the export outlook for this item whose export proceeds were \$5.4 million.

The export value of all industrial products increased significantly, leading to a growth of 22.3 percent, to reach a figure of \$2,259.2 million which constituted 60 percent of non-oil foreign exchange export earnings. The export of chemical and petrochemical goods and gas hydrocarbons which are the most important items of this group, increased in 1379 after a period of significant decline, and export proceeds from these items were \$110.2 and \$194.2 million, respectively. The export value of other items of this group increased, so that exports of ready made clothes, tricots, and all types of fabric grew by 108.1 percent, transportation vehicles grew by 14.2 percent, and shoes grew by 53.2 percent, respectively. Exports of metallic mineral ores showed no significant change this year, and the export value for this group grew by 3.9 percent and reached \$37.7 million.



In 1379, there was no significant change in the composition of non-oil exports (excluding oil, gas and electricity) according to use, in that the export of consumer goods with a 53.2 percent share in total exports grew by 6.7 percent compared to the previous year and reached \$2,000.5 million. The export of capital goods significantly increased this year by 52.3 percent and amounted to \$138.9 million constituting 3.7 percent of the total exports. The export of raw materials and intermediate goods grew by 16.3 percent and reached \$1,623.3 million. Among the constituents of this group, exports in the textile industry registered the greatest growth in value showing a 162.4 percent rise. Export of fur and leather registered a 31.5 percent decline and was the only item, which showed a reduction in value in this category.

EXPORTS VALUE
(excluding oil, gas and electricity)

	(million dollars)					
	1378	1379	Percentage change		Share (percent)	
			1378	1379	1378	1379
Agricultural & traditional goods	1,478.0	1,465.8	4.7	-0.8	44.0	39.0
Metallic mineral ores	36.3	37.7	183.6	3.9	1.0	1.0
Manufactured goods	1,847.7	2,259.2	16.3	22.3	55.0	60.0
Total	3,362.0	3,762.7	11.6	11.9	100.0	100.0

The geographical distribution of non-oil exports according to countries indicates that the first five trade partners of Iran (U.A.E., Germany, Azerbaijan, Italy and China) with \$1,408.8 million, acquired a share of 37.4 percent of total non-oil exports, while the first two trade partners had a decreasing share of imports from Iran. The geographical distribution of non-oil exports according to group of countries indicates that ESCAP member countries had the highest shares of imports from Iran by \$ 1,605 million .The member countries of European Union with a share of 22.4 percent stood the second importer group and in total imported \$ 842.2 million from Iran.

COMPOSITION OF EXPORTS ACCORDING TO USES
(Excluding Oil, Gas and Electricity)

	(million dollars)					
	1378	1379	Percentage change		Share (percent)	
			1378	1379	1378	1379
Raw material & intermediate goods	1,396.3	1,623.3	15.3	16.3	41.5	43.1
Capital goods	91.2	138.9	31.4	52.3	2.7	3.7
Consumer goods	1,874.5	2,000.5	8.2	6.7	55.8	53.2
Total	3,362.0	3,762.7	11.6	11.9	100.0	100.0

The geographical distribution of exports according to continents indicates that the intensity of geographical concentration of exports is very high, in that 93.5 percent of Iran's exports went to Asia and Europe. The growth of exports to USA and Africa declined and in total, these two countries only imported \$230.9 million from Iran.

Bilateral Trade

Barter transactions in 1379 were carried out within the framework of clearing transactions, special account transactions and the Asian Clearing Union. In this year, in the context of special and clearing accounts, \$394.2 million was received; \$348.3 million of which came from special account transactions, which showed an increase of 18.4 percent compared to the previous year. During this year, the total amount of barter transaction payments was \$587.2 million, which was totally realized through special accounts, registering 164.5 percent rise when compared to the previous year. This was mainly for imports of goods by government and receipts from upswing operations and interests of CBI deposits abroad.

In 1379, the volume of transactions through the Asian Clearing Union reached \$1,629.3 million, which included interest received and paid, registering a 105.5 percent increase compared to the previous year. This union showed a trade surplus of \$1,195 million, which showed a 166.7 percent growth when compared to trade surplus of the previous year. This surplus was due to receipts of \$1,412.2 million exports and \$217.1 million payment for imports. Iran stood first in terms of the amount of her trade surplus among the member countries in the union while in terms of volume of total exports, she was ranked second after India. In the year under study, the member countries of the union were permitted to carry out swap transactions up to a maximum of \$541.6 million, \$47.8 million of which belonged to Iran.

Transit Transactions

In 1379, 3,628.4 thousand tons of goods transited into the country which compared with the previous year showed a growth of 8.6 percent. Out of total transit goods 2,770.4 thousand tons or 76.4 percent were transported by truck and rail, and the balance of 23.6 percent, consisting of 858 thousand tons of oil products, was transported through swap arrangements. The shares of oil and non-oil goods out of total transit goods entering the country (excluding the swap) were 25.3 percent and 74.7 percent, respectively. If the swap of oil product arrangements were taken into account, the share of oil products transiting the country would increase to 48.9 percent. Transited goods entering the country excluding swap transactions were transported as follows: sea to land, 38 percent; land to land, 31.4 percent and rail transport, 22.5 percent.

CHAPTER TEN

MONETARY AND BANKING POLICY

The upward trend in crude oil prices in international markets in 1379 resulted in recovery in the external sector and improved government's overall fiscal position in the first year of the 3rd FYDP. This in turn paved the way for implementing certain structural reforms, particularly in the monetary and banking area. With a view to implementing policies stipulated in the 3rd FYDP Law, the CBI, with the approval of the Money and Credit Council (MCC) was authorized to issue participation papers in an effort to mop up excess liquidity. Moreover, in accordance with the same law, authorization for the establishment of private banks by real and legal individuals was granted to central bank in order to increase competition in financial markets, promote savings and investment as well as provide suitable grounds for the economic growth and development.

In this year, with the improvement in the government's fiscal position and the weakening of inflationary expectations, the inflation rate declined to its lowest level in a decade i.e. 12.6 percent.

In accordance with the 1379 Budget Law, it is the CBI's responsibility to determine total credits and facilities of the banking system as well as the ratio of long-term credits and facilities to the short-term. The CBI is further authorized and charged to regulate credit plans and facilities of the banking system on the basis of the banks current and investment deposits, after observance of banks legal obligations, and implement these policies in such a way that the targets for economic growth and the reduction of inflation are realized as envisaged in the 3rd FYDP. Additionally, the budget bill sanctioned the increase of the banks scheduled facilities up to a new ceiling of Rls. 5,400 billion, while still requiring compliance of other obligations stipulated in the development plan. The main stipulation in this respect was namely a 10 percent reduction in the increase of outstanding balance of scheduled facilities from the approved budget figures for 1378. Public sector share of this increase was determined at 30 percent with the remaining 70 percent going to the private sectors and cooperatives.

In accordance with the by-law of approved Budget Bill about 20 percent of the increase in outstanding balance of banking facilities to the non-public sector out of the determined shares, was not subject to sectoral allocation with the provision that priority would be given to productive and export sectors. These facilities could be utilized by the sectors for capital investment or working capital requirements. Therefore, the sectoral allocation of new facilities was determined based upon the remaining 80 percent of change in banking facilities.

In 1379, the expected rate of return on facilities extended by banks to economic sectors remained unchanged as before.

APPROVED SECTORAL ALLOCATION OF NEW FACILITIES TO NON-PUBLIC SECTOR (1)
(percent)

	1379	
	80%	100%
Economic sector		
Agriculture	25.0	20.0
Manufacturing and mining	33.5	26.8
Construction and housing (2)	29.0	23.2
Exports	8.0	6.4
Trade, services & miscellaneous	4.5	3.6
Other uses		20.0
Total	100.0	100.0

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

(2) On the basis of the by-law of 1379 Budget Law, 70 percent of the construction and housing sector is allocated to housing.

MAJOR ITEMS IN THE ASSETS AND LIABILITIES OF THE BANKING SYSTEM
(billion rials)

	Balance at the end of the year			Percentage change	
	1377	1378	1379	1378	1379
Assets	328,691.4	396,355.4	500,097.3	20.6	26.2
Foreign assets	11,737.6	18,325.0	32,832.8	56.1	79.2
Central Bank	9,313.6	13,035.4	23,566.8	40.0	80.8
Banks	2,424.0	5,287.6	9,262.7	118.1	75.2
Non-bank credit institutions	0	2.0	3.3	0	65.0
Claims on public sector	109,976.1	117,116.9	122,785.3	6.5	4.8
Claims on non-public sector	98,220.0	137,912.9	180,870.7	40.4	31.1
Others	108,757.7	123,000.6	163,608.5	13.1	33.0
Liabilities	328,691.4	396,355.4	500,097.3	20.6	26.2
Liquidity(M2)	160,401.5	192,689.2	249,110.7	20.1	29.3
Public sector deposits and funds	21,363.1	25,653.1	36,563.7	20.1	42.5
Foreign loans & foreign exchange deposits	12,373.2	14,995.6	27,322.6	21.2	82.2
Central Bank(1)	6,848.2	8,585.6	15,990.0	25.4	86.2
Banks (1)	5,525.0	6,408.0	11,329.6	16.0	76.8
Non-bank credit institutions	0	2.0	3.0	0	50.0
Others (2)	134,553.6	163,017.5	187,100.3	21.2	14.8

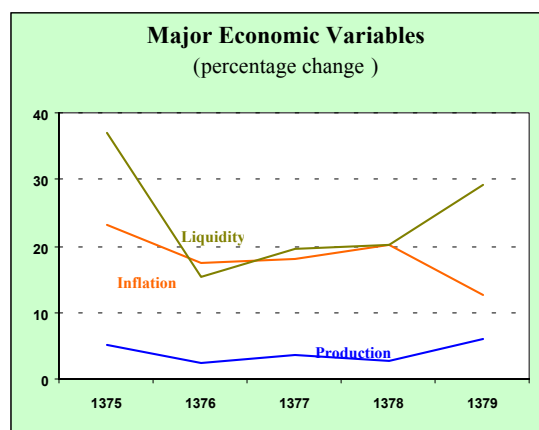
(1) Includes foreign exchange deposits of banks.

(2) Includes capital account of the banking system.

EXPECTED RATE OF RETURN ON BANKING FACILITIES
(percent per annum)

	1379
Agriculture	13-16
Manufacturing and mining	17-19
Housing and construction	
Housing savings fund of Bank Maskan (housing consumption patterns)	15
Housing savings fund of Bank Maskan (out of housing consumption pattern)	16
Other	18-19
Trade and services	22-25
Exports	18

Source: Banking system performance



Banking System Performance ⁽¹⁾

Assets and liabilities of the banking system grew by 26.2 percent and reached Rls. 500,097.3 billion showing a higher growth rate than a year before. The major reason behind this trend was the increase in the growth of foreign assets of the banking system and the CBI, owing to inclusion of the OSF account in the foreign assets of the CBI. It is to be noted that this account amounted to \$ 5.9 billion, at the end of 1379.

Increase in growth of deposits and funds of the public sector and foreign exchange deposits of the banking system were the main factors for the growth in liabilities of the banking system. The foreign exchange liabilities of banking system increased significantly by 82.2 percent in 1379, as compared to the 21.2 percent growth of the previous year. This increase was mainly due to inclusion of OSF in foreign exchange liabilities of the CBI. The OSF is a governmental account the use of which is stipulated in an amendment to the 3rd FYDP Law and is governed by a board of trustee. The net foreign assets of the banking system, therefore, increased by Rls. 2,180.8 billion to total Rls. 5,510.2 billion in 1379.

Banking System and the External Sector

Following the increase in crude oil prices in international markets in 1379, foreign exchange reserves of the CBI which included the OSF increased. The net foreign assets of the banking system grew by 65.5 percent or Rls. 2,180.8 billion, owing to the Rls. 3,127.0 billion increase in the net foreign assets of the CBI and the Rls. 946.2 billion decrease in net foreign assets of banks and non-bank credit institutions.

Banking System and the Public Sector

Government's deposits with the CBI, as a result of an increase in government's demand deposits and deposits of government departments with Bank Melli as a representative of the CBI, grew by 48.1 percent. On the other hand due to a reduction of CBI's claims on government as a result of repayment of parts of government debt and reduction of government indebtedness to banking system due to repurchase of government bonds held with banks by the CBI, the banking system's claims on government declined by 3.1 percent, and net claims of banking system on government declined by Rls. 9,153.7 billion in this year.

Moreover, the net claims of banking system on public corporations and institutions increased to Rls. 3,911.5 billion, owing to the 21.6 percent growth in banks' claims on public corporations and institutions and the 3.3 percent growth of Central Bank's claims on this sector, regarding a remarkable growth of 74.5 percent of public corporations and

CHANGES IN NET CLAIMS OF THE BANKING SYSTEM ON THE PUBLIC SECTOR

	(billion rials)	
	1378	1379
Public sector	2,850.8	-5,242.2
Central Bank (1)	-62.4	-12,669.1
Commercial & specialized banks	2,852.8	7,297.4
Non-bank credit institutions	60.4	129.5
Government	-389.9	-9,153.7
Central Bank (2)	1,469.9	-9,207.3
Commercial & specialized banks	-1,920.2	-75.9
Non-bank credit institutions (3)	60.4	129.5
Public corporations & agencies	3,240.7	3,911.5
Central Bank	-1,532.3	-3,461.8
Commercial & specialized banks (4)	4,773.0	7,373.3
Non-bank credit institutions	0	0

- (1) Excludes advance payment of public sector L.C's .
- (2) Includes deficits in foreign exchange obligation account.
- (3) It merely includes the government participation papers.
- (4) Includes indebtedness for exchange rate differential.

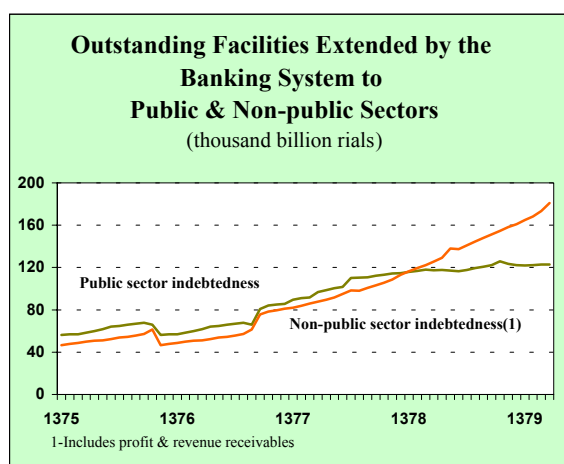
(1) Includes non-bank credit institutions in addition to commercial and specialized banks.

institutions' deposits with the Central Bank. As a result, net claims of banking system on public sector was reduced, due to decline in net claims of the Central Bank on public sector. Excluding Rls. 818.3 billion as foreign exchange losses, this reduction would be Rls. 4,424.0 billion.

In 1379, part of banking system resources were extended according to various stipulations in the budget law. One such instance is the authorized increase in the ceiling for outstanding of banks' scheduled facilities, up to Rls. 5,400 billion, bearing in mind other obligations stipulated in 3rd FYDP. From these facilities, the public sector share was determined to be up to a maximum of 30 percent or Rls. 1,620 billion.

Banking System and the Non-Public Sector

Credit performance of banks indicates that the outstanding facilities extended by banks and non-bank credit institutions to the non-public sector, excluding profit and revenue receivables, increased by Rls. 35,704.0 billion or 30.8 percent, and reached Rls. 151,544.9 billion. This figure includes an increase of Rls. 27.2 billion in the claims of the banking system on the non-public sector due to exchange rate differential. In this year, the share of facilities extended by banks and non-bank credit institutions to the non-public sector was 76.1 percent of total extended facilities, which amounts to a considerable volume of



facilities provided to this sector in this year. It is to be noted that part of these facilities were extended by way of scheduled facilities which according to the 1379 Budget Law, had a ceiling of Rls. 3,780 billion which was 70 percent of the overall ceiling of Rls. 5,400 billion. On the basis of an approved change made in the executive by-law of the same budget law, the outstanding of scheduled facilities to the non-public sector was determined at Rls. 3,049.5 billion which in practice amounted to Rls. 1,735.2 billion.

BANKS AND NON-BANK CREDIT INSTITUTIONS FACILITIES

EXTENDED TO THE NON-PUBLIC SECTOR (1)

(billion rials)

	Outstanding at the end of year			Percentage change		Share (percent)	
	1377	1378	1379	1378	1379	1378	1379
Commercial Banks	61,457.5	84,129.9	109,352.1	36.9	30.0	72.6	72.2
Specialized Banks	22,615.7	31,525.0	41,800.2	39.4	32.6	27.2	27.6
Non-bank Credit Institutions	0	186.0	392.6	0	111.1	0.2	0.2
Overall Facilities	84,073.2	115,840.9	151,544.9	37.8	30.8	100.0	100.0

(1) Excludes profit and revenues receivable.

In the year under review, facilities extended by the commercial and specialized banks to the non-public sector, excluding profit and revenues receivable, grew by 30.0 and 32.6 percent, respectively showing less growth as compared to the previous year. In this year the volume of facilities extended by non-bank credit institutions grew by 111.1 percent and reached Rls. 392.6 billion.

The distribution of facilities extended by banks to various sectors of the economy, indicates that about 20 percent of the increase in outstanding facilities out of the determined shares

for different sectors was to be allocated with priority to productive and export sectors as approved by the MCC. In this manner the increase in outstanding facilities, was still within the framework of the approved relative share, taking into account observation of the priority for the productive and export sector's by banks.

In this year, banks' matured and overdue claims significantly increased by 34.3 percent, in comparison to the previous year. Of this increase, 29.1 percent was for matured claims and 70.9 percent for overdue claims. The shares of matured and overdue claims out of bank's total claims on the non-public sector was 5.6 percent which almost remained unchanged, while this share in commercial banks was reduced and in specialized bank increased. This was mainly due to rescheduling of part of the facilities extended by Agricultural Bank, due to the drought in recent years.

**SECTORAL ALLOCATION OF BANKING FACILITIES
TO THE NON-PUBLIC SECTOR (1)**

(percent)

	1377		1378		1379		
	Approved	Actual	Approved	Actual	Approved		Actual
					80%	100%	
Agriculture	25.0	26.0	25.0	23.2	25.0	20.0	20.2
Manufacturing and mining	33.5	19.4	33.5	22.0	33.5	26.8	26.2
Construction and Housing	29.0	34.0	29.0	29.2	29.0	23.2	29.6
Exports	8.0	2.4	8.0	13.3	8.0	6.4	9.5
Domestic trade, services and miscellaneous (2)	4.5	18.2	4.5	12.0	4.5	3.6	14.5
Free uses	-	-	-	-	-	20.0	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(1) Excludes profit and revenues receivable.

(2) Excludes increase in outstanding of Gharz-al-hasaneh deposits extended to the non-public sector.

NON-PERFORMING FACILITIES

(percent)

	Percentage change			Share in total claims of banks on non-public sector		
	1377	1378	1379	1377	1378	1379
	Commercial banks	14.7	21.0	24.4	5.8	5.1	4.9
Specialized banks	59.0	-2.8	51.8	9.8	6.4	7.3
All banks	29.5	11.2	34.3	6.9	5.5	5.6

**COMPOSITION OF OUTSTANDING FACILITIES EXTENDED BY BANKS AND NON-BANK
CREDIT INSTITUTIONS TO NON-PUBLIC SECTOR (1)**

(percent)

	Commercial banks		Specialized banks		Non-bank credit institutions		Banks and credit institutions	
	1378	1379	1378	1379	1378	1379	1378	1379
	Installment sale	53.8	55.1	72.7	73.6	17.4	33.8	59.7	60.9
Mozarebeh	7.9	7.8	2.8	2.6	4.4	6.9	6.2	6.2
Civil partnership	11.0	10.8	8.7	8.0	5.8	5.0	10.3	9.9
Gharz-al-hasaneh	6.0	5.7	1.5	1.2	0.5	0.4	4.6	4.2
Hire purchase	0.5	0.6	0.8	0.7	0	0	0.6	0.6
Forward transactions	7.8	8.4	4.3	4.1	4.9	3.7	6.7	7.0
Legal partnership	3.2	2.7	1.6	1.2	0	3.1	2.7	2.2
Direct investment	1.9	1.5	0.6	0.5	0	0	1.5	1.2
Joalah	2.3	2.1	*	0.1	66.0	42.8	1.7	1.6
Others (2)	5.6	5.3	7.0	8.0	1.0	4.3	6.0	6.2
Total	100	100	100	100	100	100	100	100

(1) Includes profit and revenues receivable.

(2) Includes hire purchase and overdue and matured claims and properties under transaction.

Composition of outstanding facilities extended by banks to the non-public sector in the form of new facilities shows that a major portion of these facilities (60.9 percent) was extended for installment sale. All facilities extended for the housing sector are categorized under this group.

Liquidity

In 1379, liquidity (M2), with 29.3 percent growth, reached Rls. 249,110.7 billion, owing to increase in the growth of monetary base and money multiplier. It is worth noting that permission to issue CBI participation papers was only granted in the last month of the year which resulted in only Rls. 1,593.1 billion worth of participation papers being sold in this year. The sale of these participation papers could therefore not significantly affect absorption of liquidity for the year.

In this year, monetary base grew by 17.5 percent, due to the significant growth of 246.4 percent in other CBI assets. The money multiplier grew by 10 percent and reached 2.952.

LIQUIDITY ACCORDING TO ITS DETERMINANTS (1)

	Outstanding at the end of the year			Percentage change	
	1377	1378	1379	1378	1379
Monetary base (billion rials)	61,964.6	71,822.6	84,398.1	15.9	17.5
Money multiplier	2.589	2.683	2.952	3.6	10.0
Liquidity (billion rials)	160,401.5	192,689.2	249,110.7	20.1	29.3

(1) Based upon the new headings of banks general ledgers and includes figures of non-bank credit institutions from 1378.

Review of factors affecting changes in liquidity based on domestic and external sectors indicate that changes were mainly due to performance of domestic sector, in that 63.3 percent of changes in liquidity was due to net claims of banking system on non-public sector. In this year change in net claims of banking system on public sector had a diminishing effect on growth of liquidity.

FACTORS AFFECTING CHANGES IN LIQUIDITY ACCORDING TO DOMESTIC AND EXTERNAL SECTORS

	(billion rials)		
	1377	1378	1379
Changes in liquidity	26,115.2	32,287.7	56,421.5
Effects of the domestic sector	44,033.4	34,905.9	30,884.7
Changes in claims of the banking system on non-public sector (1)	19,001.1	31,767.7	35,704.0
Changes in net claims of the banking system on public sector (2)	25,032.3	3,138.2	-4,819.3
Effects of the foreign sector (net)	-4,526.1	13,310.6	3,115.4
Net foreign exchange receipts of non-public sector	-8,373.6	-6,177.6	-16,580.7
Net foreign exchange receipts of public sector	3,847.5	19,488.2	19,696.1
Others (net)	-13,392.1	-15,928.8	22,421.4

(1) Excludes profit and revenues receivable.

(2) Includes prepayments on letters of credit of public sector.

SHARE OF FACTORS AFFECTING LIQUIDITY GROWTH

	(percent)		
	1377	1378	1379
Banking system claims on non-public sector (1)	14.1	19.8	18.5
Banking system net claims on public sector	18.7	2.0	-2.6
Government	9.0	-0.2	-4.8
Public corporations and institutions	7.7	2.0	2.0
Less:			
Prepayment on public sector's LC's	-0.2	-0.2	-0.2
Net foreign assets of the banking system	-6.6	2.5	1.1
Other items (net)	-6.8	-4.2	12.3
Liquidity	19.4	20.1	29.3

(1) Excludes profit and revenues receivable.

In 1379, banking system's claims on the non-public sector was again the major factor in the growth of liquidity, in that it contributed 18.5 percentage point to liquidity growth. The other factor affecting liquidity growth was the growth of other items (net) of the banking system. The share of this variable in liquidity growth was 12.3 percent. It is to be noted that the share of other items (net) of the CBI in liquidity growth was 9.7 percent.

Monetary Base

Monetary base grew by 17.5 percent and reached Rls. 84,398.2 billion, owing mostly to increase in other items (net), which in turn was due to changes in miscellaneous assets of the CBI. One major reason for the sharp rise of monetary base was the purchase by Central Bank of part of oil export earnings at CD rate on its own account.

MONETARY BASE AND ITS COMPONENTS

(billion rials)

	End year outstanding			Percentage change	
	1377	1378	1379	1378	1379
Monetary base	61,964.6	71,822.6	84,398.2	15.9	17.5
Net foreign assets of the CBI	2,465.4	4,449.8	7,576.8	80.5	70.3
Net claims of the CBI on public sector	54,042.5	53,980.1	41,311.0	-0.1	-23.5
Net claims of the CBI on banks	13,399.8	20,811.0	23,553.4	55.3	13.2
Other items (net)	-7,943.1	-7,418.3	11,957.0	6.6	261.2

CONTRIBUTION OF FACTORS AFFECTING MONETARY BASE GROWTH

(percent)

	1377	1378	1379
Monetary base	18.0	15.9	17.5
Net foreign assets of the Central Bank	-6.6	3.2	4.4
Net claims of the Central Bank on public sector	17.2	-0.1	-17.6
Claims of the Central Bank on banks	-2.9	12.0	3.8
Other items (net)	10.3	0.8	26.9

In this year all factors that affected the growth of monetary base, made positive contribution to this growth, with the exception of CBI's net claims on the public sector which had a diminishing effect by 17.6 percent. In this year, share of claims of the CBI on banks in the growth of monetary base declined as compared to the previous year.

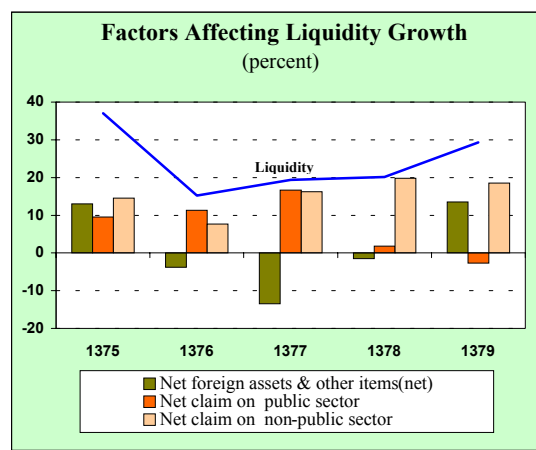
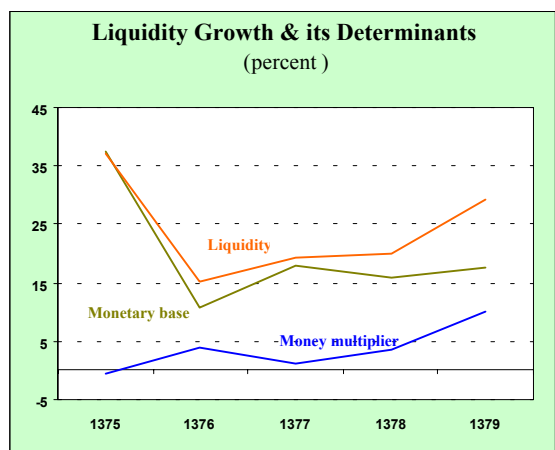
Money Multiplier

In 1379, the money multiplier grew by 10 percent and reached 2.952, showing a considerable growth, compared with the previous year.

FACTORS AFFECTING MONEY MULTIPLIER

	1377	1378	1379	Contribution to growth
Money multiplier	2.589	2.683	2.952	0.2687
Currency in circulation/sight deposits	0.335	0.342	0.282	0.1099
Reserve requirement/total deposits	0.267	0.266	0.231	0.2388
Excess reserves/total deposits	0.038	0.025	0.033	-0.0534
Non-sight deposits/sight deposits	1.529	1.639	1.509	-0.0266

A review of the factors affecting changes of money multiplier indicates that reduction in the ratio of reserve requirement to total deposits has been the major factor for increase in money multiplier, owing mostly to the reduction in the required ratio of LC prepayments to the banks. Excess reserves to total deposits and the ratio of non-sight deposits to sight deposits were the two diminishing factors in the growth of money multiplier.



Composition of Liquidity

The share of money in liquidity increased slightly and reached 45.9 percent in 1379. In this year, despite the reduction of notes and coins held with the public, due to an increase in sight deposits, the share of money increased moderately while the share of quasi-money declined due to a reduction of other deposits.

Non-public sector's deposits with banks and non-bank credit institutions increased by 31.3 percent and reached Rls. 223,952.3 billion, of which Rls. 28,752.0 billion was in the form of non-sight deposits.

	COMPOSITION OF LIQUIDITY						(billion rials)	
	Outstanding at the end of the year			% change		Share (%)		
	1377	1378	1379	1378	1379	1378	1379	
Money	74,784.4	86,751.0	114,420.5	16.0	31.9	45.0	45.9	
Notes & coins in circulation	18,773.1	22,119.3	25,158.3	17.8	13.7	11.5	10.1	
Sight deposits	56,011.3	64,631.7	89,262.2	15.4	38.1	33.5	35.8	
Quasi-Money	85,617.1	105,938.2	134,690.2	23.7	27.1	55.0	54.1	
Gharz-al-hasaneh savings deposits	12,420.0	16,296.0	22,014.4	31.2	35.1	8.5	8.8	
Term investment deposits	62,429.1	79,532.0	103,363.6	27.4	30.0	41.3	41.5	
Other deposits	10,768.0	10,110.2	9,312.2	-6.1	-7.9	5.2	3.8	
Liquidity	160,401.5	192,689.2	249,110.7	20.1	29.3	100.0	100.0	

Money

In 1379, due to the significant growth of sight deposits, the volume of money increased by 31.9 percent and reached Rls. 114,420.5 billion. The percentage change in the growth of this variable was 16.0 percent in the previous year. During this period, notes and coins held with the public and sight deposits increased by 13.7 and 38.1 percent, respectively. In this year notes and

coins issued increased by 14.2 percent and reached Rls. 27,555.4 billion, out of which 91.3 percent was held with the public, 7.5 percent with banks and 1.2 percent kept with the CBI. Thus, the share of notes and coins with the public was reduced to 22.0 percent, owing mostly to the use of travelers and banking checks as preferred alternatives for money in transactions.

COMPOSITION OF MONEY			(percent)
	1377	1378	1379
Notes and coins with the public	25.1	25.5	22.0
Sight deposits	74.9	74.5	78.0
Total	100.0	100.0	100.0

Quasi-Money

In 1379, quasi-money enjoyed a growth of 27.1 percent and reached Rls. 134,690.2 billion, showing a higher growth rate, as compared with the previous year.

During this period, share of Gharz-al-hasaneh savings deposits and term-investment deposits increased, while the share of other deposits declined. The rate of growth for other deposits was reduced by 7.9 percent, registering a greater reduction than that in the previous year, which was mainly the result of reduction in the minimum required prepayments for LCs.

COMPOSITION OF QUASI-MONEY			(percent)
	1377	1378	1379
Gharz-al-hasaneh savings deposits	14.5	15.4	16.3
Term investment deposits	72.9	75.1	76.8
Short term	37.1	36.9	36.9
Short-term (special)	0.3	0.5	0.6
Long-term	35.5	37.7	39.3
Miscellaneous deposits (1)	12.6	9.5	6.9
Total	100.0	100.0	100.0

(1) Includes prepayments on LC, deposits of letters of guarantee, prepayment of transactions, bank employees' retirement fund and savings fund.

In 1379, the profit rates on term-investment deposits remained unchanged as before.

PROFIT RATE OF TERM-INVESTMENT DEPOSITS(1)			(% per annum)
	1377	1378	1379
Short-term	8	8	8
Short-term (special)	10	10	10
Long-term			
One-year	14	14	14
Two-year	15	15	15
Three-year	16	16	16
Four-year	...	17	17
Five-year	18.5	18.5	18.5

(1) According to MCC approval, profit rate of short-term, short-term (special) and one-year deposits with Bank Maskan (Housing Bank) are higher by one percentage point.

The composition of long-term investment deposits indicates that the share of five-year deposits was still increasing, due mainly to the higher profit rate offered to this deposit, in comparison to other term-investment deposits.

COMPOSITION OF LONG-TERM INVESTMENT DEPOSITS⁽¹⁾

	1377	1378	1379
One-year	14.5	14.9	15.0
Two-year	6.1	3.2	2.8
Three-year	3.4	3.0	2.9
Four-year			0.2
Five-year	76.0	78.9	79.1
Total	100.0	100.0	100.0

(1) Includes non-bank credit institutions since 1378.

Sources and Uses of Commercial Banks Funds

In 1379, non-public sector deposits with commercial banks increased by 29.4 percent, to a total of Rls. 44,840.6 billion, 51.3 percent of which was in sight deposits and 48.7 percent in non-sight deposits.

In 1379, a total of Rls. 5,735.0 billion from the increase in depository holdings of the banks and 60 percent of LC prepayments was blocked with CBI as reserve requirement.

During the review year, commercial banks' capital increased by Rls. 160.3 billion and public sector deposits and funds with these banks declined by Rls. 1,028.1 billion. Total commercial banks' free resources increased by Rls. 38,237.8 billion. Out of these resources commercial banks' claims on public and non-public sector increased by Rls. 6,123.3 billion and Rls. 25,222.2 billion, respectively. Therefore, commercial banks ran a deficit that was Rls. 6,892.3 billion less than that of the previous year.

Sources and Uses of Specialized Banks Funds

In this year, non-public sector deposits with specialized banks rose by Rls. 8,113.6 billion, 20.1 percent of which was due to the increase in sight deposits and 79.9 percent to non-sight deposits. Thus, the share of reserve requirement out of these deposits went up by Rls. 238.8 billion.

Free resources out of non-public sector deposits with specialized banks increased by Rls. 7,776.2 billion, including change in other deposit sources such as capital account by Rls. 1,559 billion and CBI's claims of Rls. 1,212.5 billion, bringing the total free resources of specialized banks to Rls. 9,824.7 billion. Of this figure, specialized banks' claims on the public sector were reduced by Rls. 450.5 billion, while their claims on the non-public sector increased by Rls. 10,275.2 billion. The major source of financing for the specialized banks are facilities extended by the CBI. The share of non-public sector deposits in financing the required sources to extend facilities, increased from 40 percent in 1378 to 45 percent in 1379. Furthermore, the 72.1 percent growth in specialized banks' capital account contributed effectively to the improvement of the sources and uses of banks and reduced dependence on commercial banks.

Banking Developments

In 1379, the CBI adopted measures to enhance the banks and supervise their performance more effectively. Amongst these, was the increase in banks' capital. According to the 3rd FYDP, in order to expand banks' capital base and develop Iranian banks' capacities worldwide, the government was authorized to issue up to Rls. 5,000 billion special participation papers to be used to increase government's share in the banks' capital, during the plan period. Out of the total projected capital increase, Rls. 4,000 billion was allocated to commercial banks and the remainder to specialized banks. However, mobilization of these resources, issuance of participation papers, and payment of related funds was deferred to be done in 1380.

Furthermore, in accordance with the 1379 Budget Law, it was determined that Rls. 800 billion, be allocated from the OSF as government's share in the increase in the capital of the Export Development Bank, which increased this bank's capital from Rls. 320 billion to Rls. 1,120 billion.

Amongst other measures adopted in this year was the approval of the law on Regulation of the Establishment of Private Banks in Azar 1379 by the MCC in line with the 3rd FYDP Law. According to this regulation, the establishment of private banks is permitted, with CBI permission, and within the framework of the Monetary and Banking Law as approved in 1351(1972), the Usury-free Banking Law approved in 1362, and other related regulations and MCC approvals.

Revision of the regulation on banks exposure to real and legal persons is another measure adopted in the area of reforming banking regulations in 1379. The regulations that were previously in effect set a blanket predetermined individual exposure for all banks, without taking any individual factors, such as the credit ceiling of the bank, their financial strength, volume of their capital account, volume of their operations, and their banks deposit absorption potential, into account. Taking into account the country's economic condition, in the new regulations, an effort has been made to give individual banks more autonomy in their decision making and to raise their authority. This would allow them to carry out banking according to international standards, such as risk management, large exposure risks, and other international banking norms, all of which would henceforth be taken into account in the process of setting individual ceilings.

New regulations that were approved by the MCC in Aban 1379 include the following points:

- The individual exposure for extending facilities to any real person, without reference to CBI, increased from Rls 80 million to 500 million. For a legal person this was increased from Rls. 800 million to five billion rials. Moreover, the total facilities that could be extended to a legal person by all banks, was also increased from Rls. 5 billion to Rls. 50 billion. A special ceiling would be predetermined for each bank, proportionate to the amount of capital and the volume of deposits of that individual bank.

In the new regulations, an individual facility extended by each bank of over Rls. 5 billion is considered to be a 'large exposure'. These facilities can not exceed 33 percent of total outstanding facilities extended by each bank to the non-public sector (excluding scheduled facilities).

- Extending facilities in the form of group ceiling to member group corporations, is allowed up to the determined ceiling. It is to be noted that 'group' refers to legal individuals with over 20 percent of their shares belongs to a real or legal individual (excluding investment companies).

- Among other changes in the regulations was the prohibition of extending facilities by each bank to its own investment companies and also observance of previous individual ceilings of extended facilities concerning affiliated corporations (corporations whose over 10 percent of shares belong to bank). Moreover concerning corporations affiliated to each bank's investment companies (corporations, at least 10 percent of whose shares belong to bank's investment company), the observance of previous ceiling for extended facilities was mandated.

In 1379, other measures were taken to provide new instruments and offer new banking services, the most important one of which, is provision of instructions for executing certificates of special term-investment deposit. On the basis of these instructions, banks and credit institutions are authorized to issue certificate of term-investment deposit for term-investment

deposit accounts opened with them. These CD's are transferable and depositors can trade these CD's on TSE, banks without nullification of proxy contract and payment of penalty. Permission prescribing the required instructions for CD's was approved at MCC session in the month of Bahman 1378 (January 2000).

Regulations for Establishment of Private Banks

Regulations pertaining to the establishment of private banks was approved by the MCC in the month of Azar 1379 (December 2000). According to the Law for Establishment of Private Banks approved in Farvardin 1379 (April 2000) and as per the 3rd FYDP Law, a private bank is an institution wholly owned and operated by Iranian national private persons in accordance with regulations and upon permission of the CBI. Once established, it may commence authorized banking operations within the framework of the Monetary and Banking Law, the Usury-free Banking Law and its own Articles of Association.

Accordingly any national real or legal entity in which 75 percent of the shares are held outright by Iranian nationals or Iranian cooperatives who qualify under the regulations, may submit to CBI their application to establish a private bank.

Some of the main articles stipulated in Regulations for Establishment of Private Banks are as follows:

- Banks can solely be established in the form of a joint stock company with registered share certificates.

- The bank's Articles of Association and any subsequent changes thereto must be approved by the CBI. Obligatory clauses in the Articles of Association will be specified by the CBI and approved by the MCC.

- Granting of permits is at the sole discretion of the CBI that will take into consideration the country's needs and the eligibility of applicants in their decision.

- Legal persons, a portion of whose capital belongs to government, public corporations and public entities, directly or indirectly or are under the management of the public sector and public entities are prohibited from holding shares in private banks.

- Applicants must be of upstanding character and have sound professional and financial reputations, with no criminal convictions. Their financial means must be such that they can cover possible shortfalls in the bank's capital account in case of capital inadequacy or any probable losses. No member of the board of directors, managing director, deputy managing director, or member of the executive board of a private bank, can hold a position or own shares in any other private bank or credit institution without the CBI's prior approval.

- The minimum capital required for establishment of a bank is Rls. 200 billion which should be fully subscribed and at least 50 percent of which must be deposited with the CBI before issuance of the primary permit. This capital must not be financed through facilities of any other bank, whether public or non-public, or credit institutions.

- Any bank or credit institution may not hold more than one percent share in any private bank at any time except with the prior approval of the CBI.

- The CBI can revoke the issued banking license and halt bank operations at any time due to applicants not fulfilling the required commitments and/or not being able to fulfill the

required commitments, or for having submitted false or misleading or incomplete information and/or as deemed to be in the interest of the banking system.

- After receiving all the necessary permits and approvals as per the regulations, the bank may start operations in domestic currency only (Rial). In order to conduct foreign exchange operations a separate permit is required from the CBI.

-The private bank's shares may be traded on the TSE.

Number of Banking Units

In 1379, the total number of bank units, including branches, counters and representative offices grew by 5.5 percent to 15,732. Bank Saderat Iran and Bank Melli Iran respectively held 21.0 and 20.5 percent of these units, and together accounted for the most domestic banking units.

BANKING UNITS			
	1377	1378	1379
Domestic branches	14,518	14,849	15,679
Commercial banks	12,126	12,480	13,204
Specialized banks	2,392	2,369	2,472
Foreign branches	61	56	56
Melli Iran	25	21	20
Saderat Iran	23	22	23
Tejarat	3	3	3
Mellat	5	5	5
Sepah	5	5	5
Total	14,579	14,905	15,732

In the review year, the overall number of bank employees grew by 3.2 percent and reached 155,836. Number of commercial and specialized banks' employees grew by 2.5 and 9.0 percent, respectively. The average number of employees at each banking outlet, was 9.9 persons. In this period, the ratio of population to each banking unit was 4,074 persons, showing 3.7 percent reduction compared with the previous year (4,230 persons).

Generally, the average educational level of bank employees is rising in that the number of employees holding undergraduate and graduate degrees is on the rise while those with less than high school diplomas is decreasing. The majority of employees remain those with high school diplomas.

CHAPTER ELEVEN

CAPITAL MARKET

The Tehran Stock Exchange, in the third year of a relatively bullish market after the recession of 1376, enjoyed substantial growth in this year. This growth was due mainly to improving manufacturing sector activities and the relative stability in alternate markets such as foreign exchange, gold, and automobile. Moreover, due to the expectation of a reduction in banks deposit rates, public savings were diverted to the TSE, which was another factor for the relative bullish market in the review year. In addition, the government's policies in support of the manufacturing sector, which included provision of foreign exchange facilities from the OSF, and TSE policies designed to expand capital market activities by adoption of appropriate regulations, were all other effective factors for the marked improvement in the performance of this sector.

TRANSACTIONS OF SHARES ON STOCK EXCHANGE

	Number of shares transacted (million share)			Value of transactions (billion rials)			Number of active days of TSE in the year	Average number of shares transacted per day (million shares)	Average value of shares transacted per day (billion rials)
	Shares	Priority	Total	Shares	Priority	Total			
1376	485.3	70.9	556.2	1,894.0	123.6	2,017.6	242	2.30	8.34
1377	1,133.6	69.1	1,202.7	2,992.0	124.7	3,116.7	244	4.93	12.77
1378	1,056.2	125.7	1,181.9	5,137.1	106.5	5,243.6	243	4.86	21.58
1379	1,606.7	74.8	1,681.5	9,118.8	57.9	9,176.7	241	6.98	38.08

Source: TSE, Monthly Review

In the review year, other important indices for the stock market such as number and value of shares and priority share, the value of shares offered by public sector and banks, price index and dividend index, the number of buyers and number of accepted companies in the TSE all showed marked increases, compared with the previous year. Priority share transactions fell off and this was offset by the substantial increase in ordinary share transactions.

Although the ratios for the rial value of transactions to average liquidity of 4.26 percent and the rial value of transactions to GDP of 1.67 percent in 1379 were both indicative of the comparatively small size of the TSE, compared to foreign stock markets, the referenced ratios rose compared to the corresponding ratios for the previous year. This rise indicates relative improvement in the performance of the TSE.

Shares

In 1379, the rise in the number and value of all shares traded on the TSE registered a marked growth. In this period, 1,606.7 million shares were traded, showing a 52.1 percent increase compared with the previous year. Moreover, the value of share transactions reached Rls. 9,118.8 billion, indicating a 77.5 percent growth as compared with the previous year. The increase in the rate of the value of traded shares over the growth rate of the number of traded shares, during the review period, indicates that the average share price index also rose.

A comparison between the number and value of priority share transactions in 1379 with the year before indicates that these fell respectively by 40.5 and 45.6 percent. However, the negative impact of this reduction on the value and the total number of priority share transactions was offset by the relatively high increase in the volume and value of ordinary share transactions. The total number and value of ordinary share and priority share transactions in 1379, with respectively 42.3 and 75 percent growth compared with the previous year, reached 1,681.5 million shares and Rls. 9,176.7 billion.

The TSE was open for business for 241 days in 1379. The average daily number of shares traded reached 6.98 million shares and the average value of daily share transactions reached Rls. 38.08 billion, representing 43.5 and 76.5 percent growth compared with the previous year. The current value of the Stock Market reached Rls. 62,486.6 billion at the end of the review year, indicating 42.8 percent growth compared with the previous year. At the end of 1379, the overall share price index registered 35 percent growth to reach 2,978.26, as against 2,206.19 for the previous year.

A comparison between ordinary share and priority share transactions in the first and second halves of 1379, indicate that in the first six months, the overall number and total value of ordinary and priority shares were respectively 760.2 million shares and Rls. 3,593.3 billion. This represents 45.2 percent of total shares and 39.2 percent of total value in overall transactions for the year, while in the second half of the year, these figures increased to 921.3 million shares and Rls. 5,583.4 billion, representing 54.8 and 60.8 percent of total transactions.

Due to the fact that most listed companies hold their annual general meetings in the second half of the year, where they announce their profit and losses for the year and future projections, thereby affecting buyers and sellers in the market place, the TSE was more bullish in the second half of 1379. A comparison between number and value of transactions in the second half of 1379 with the previous year indicates a bull market since the beginning of the year. This is further evidence that there has been an increase in both the amount that buyers are investing at the TSE and their willingness toward investing in this market.

TRANSACTION OF SHARES ON TEHRAN STOCK EXCHANGE

(Share percent)

	Number		Value	
	1 st half	2 nd half	1 st half	2 nd half
1375	59.4	40.6	60.8	39.2
1376	57.8	42.2	53.5	46.5
1377	26.1	73.9	26.5	73.5
1378	28.9	71.1	20.6	79.4
1379	45.2	54.8	39.2	60.8

Source: Tehran Stock Exchange

Review of the statistics of 19 industries' ordinary share and priority share transactions on the TSE, indicate that 'financial intermediaries', 'oil refining and nuclear fuel', and 'transportation vehicles' had the highest percentage shares respectively of 28.3, 18.6, and 13.5

percent in the total number of ordinary and priority share transactions totaling 60.4 percent. The headings under 'oil refining and nuclear fuel', 'transportation vehicles', and 'machinery and equipment', respectively with 27.4, 12.4 and 11.5 percent totaling 51.3 percent, registered the highest share in the total value of ordinary and priority share transactions. In 1378, the overall share of these industries as a percentage in the number and value of ordinary and priority shares were respectively 63.1 and 54.6 percent. Moreover, 'office equipment manufacturing' industry had the smallest number and value of share transactions of all industries.

A comparison of number and value of shares and priority share for various industries indicates that the two industry headings of 'transportation vehicles' and 'transportation equipment' showed a reduction, both in the number and value of transactions compared with the previous year. 'Machinery and electrical devices' fell merely in value of transactions compared with the previous year. Other industries enjoyed positive growth in both the number and value of ordinary and priority share transactions when compared with the previous year. The above developments point to a relatively widespread bull in TSE's industrial shares and generally holds true for most industries.

The heading under 'transportation equipments' industry registered a decrease of 83 percent in number and a 74.6 percent decrease in value of both ordinary and priority shares, which was the highest decrease recorded at the TSE this year. The highest increase in the number of ordinary and priority shares transacted was under the heading of 'wood and paper' industry, which recorded a massive 384 percent growth over the previous year. The highest recorded increase in value was that of the 'oil refinery and nuclear fuel' heading which registered an unprecedented 421.7 percent growth.

In 1379, share offerings by the public sector and banks rose in comparison with the previous year. The total shares offered by public corporations and institutions, the banking system, and foundations totaled 327 million shares in 1379, against 242.7 million shares in 1378. This showed a 34.7 percent growth. The value of shares offered, increased to Rls. 2,248 billion from Rls. 2,034.8 billion in 1378, registering a 10.5 percent growth in 1379.

The increase in both the number and value of share offerings at the TSE in 1379 was mainly due to the increase in shares offered by the banking system. The banking system's number of shares increased to 35 percent of the total shares offered and their value grew to 32.1 percent of the overall value of shares offered on the TSE in 1379. The respective figures for the banking system in 1378 were 16.1 and 9.3 percent. The specialized banks particularly the Bank of Industry and Mine made up the major portion of the increase of these ratios. The specialized banks share in the overall number and value of shares offered in 1379 was respectively 28.5 and 26.7 percent registering a relatively high growth in the referenced ratios when compared with the previous years' ratios of respectively 8.3 and 8.1 percent.

In the review year, the commercial banks, mainly Bank Tejarat increased their share offering resulting in the number and value of these shares to rise by 11.1 and 379.8 percent respectively, as compared with the previous year.

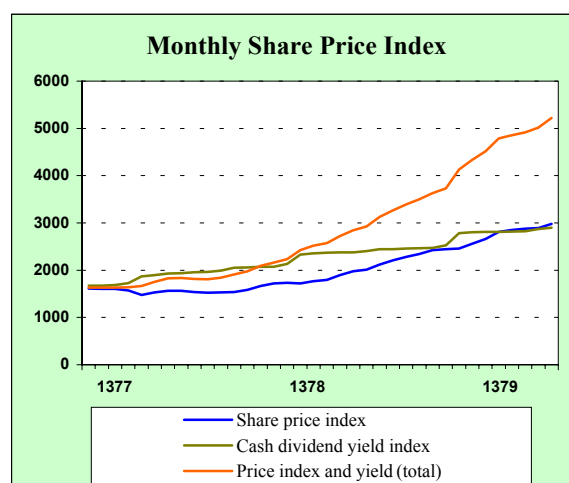
The number and value of shares offered by public corporations and institutions fell by 2.9 and 18.2 percent, respectively in 1379. This fact resulted in a reduction of these organizations' share in total numbers and value of offered shares from 80.7 and 89.5 percent respectively in 1378 to 58.2 and 66.3 percent in the review year. The reduction in the shares offered by the Industries Development and Renovation Organization and National Iranian Industries made up the major portion of this reduction.

SHARES OFFERED BY THE PUBLIC SECTOR AND BANKS

	Number		Value		Percentage change		Share (percent)	
	(thousand shares)		(billion rials)		Number	Value	Number	Value
	1378	1379	1378	1379				
Public organizations and corporations	195,919.4	190,188.6	1,821.2	1,489.8	-2.9	-18.2	58.2	66.3
Foundations	7,679.5	22,329.6	24.1	37.2	190.8	54.2	6.8	1.7
Banking system	39,117.1	114,453.3	189.5	721.0	192.6	280.5	35.0	32.1
Central Bank	0	0	0	0	0	0	0	0
Commercial banks	19,069.3	21,178.6	25.2	120.9	11.1	379.8	6.5	5.4
Specialized banks	20,047.8	93,274.7	164.3	600.2	365.3	265.2	28.5	26.7
Total	242,716.0	326,971.5	2,034.8	2,248.0	34.7	10.5	100.0	100.0

Source: TSE, Monthly Review for 1378 and 1379.

Despite reduction in the number of shares offered by public corporations and institutions, the share offering for this sector is still relatively high. In the review year, the share of public corporations and institutions, banking system, and foundations in the overall number of share offerings was 58.2, 35 and 6.8 percent, respectively and made up 66.3, 32.1 and 1.7 percent of the total value of share offerings. It is to be noted that, despite the increase in the number and value of shares offered by the foundations, mainly Bonyad Mostazafan va Janbazan, in the review year, the mentioned ratios in the number and value of shares issued compared with other public sector institutions is still at a low level.



Study of the share price index in the TSE, during 1379, indicates that the total price index and cash dividend, with 59.9 percent growth, reached 5,221.4, against 3,266.3 in 1378. The share price index grew 70.8 percent in the previous year. The cash dividend and share price indices registered respectively 18.4 and 35 percent growth as compared with the previous year's growth of 19.1 and 43.4 percent to reach 2,898.1 and 2,978.3 in 1379.

TSE INDICES

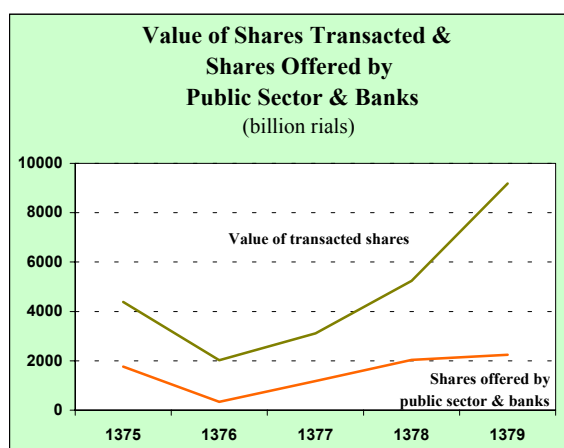
					(1369=100)	
	1376	1377	1378	1379	Percentage change	
					1378	1379
Price and cash dividend index	1,653.06	1,911.88	3,266.27	5,221.35	70.8	59.9
Cash dividend index	1,653.06	2,054.98	2,447.39	2,898.09	19.1	18.4
Share price index	1,653.06	1,537.96	2,206.19	2,978.26	43.4	35.0
Financial index	4,114.91	4,048.17	4,683.57	6,347.29	15.7	35.5
Industrial index	1,393.86	1,275.81	1,945.89	2,621.80	52.5	34.7

Source: Tehran Stock Exchange, "Monthly Review" for various years

Amongst the components of general share price index, the financial and industrial indices enjoyed relatively high growths of, respectively, 35.5 and 34.7 percent in 1379. This is

indicative of a marked rise in the financial price index and a reduction in the growth rate of the industrial price index, as compared to the growth rates in the previous year of 15.7 and 52.5 percent, respectively. The industrial price index is composed of the share prices of about 93.8 percent of the companies listed on the TSE. These companies made up 71.7 percent of the total number of listed ordinary and priority shares and about 89.8 percent of the total value of share transactions during 1379. However, the reduction in the growth rate of the industrial price index as compared with the previous year directly led to a reduction in the growth rate of share price index this year. The comparison between the financial and industrial price indices during 1378-1379 indicates that, although the share price index of industrial corporations at the TSE grew less than in the previous year, the overall share for the total number and value of ordinary and priority shares of these corporations increased.

A study of the share price index by industries indicates that while the share price index under the headings of 'textile', 'machinery and equipment', 'radio and television', and 'transportation equipment' industries fell compared with the previous year, the other indices all grew. In the review year, the share price index of 'paper and paper products', with a 183.9 percent growth, enjoyed the highest rise and the share price index of 'radio and television', with a 34.7 percent reduction, registered the highest decline as compared with the previous year.



CURRENT VALUE OF SHARES AND TURNOVER RATIO (billion rials)

	Current value of shares at the end of the year	Value of transactions	Current value of total shares (average)	Turnover ratio (percent)
1375	31,164.4 (45.5)	4,381.6 (133.0)	29,696.6 (129.2)	14.8
1376	27,128.8 (-12.9)	2,017.6 (-54.0)	27,944.6 (-5.9)	7.2
1377	26,584.6 (-2.0)	3,116.7 (54.5)	26,000.8 (-7.0)	12.0
1378	43,743.5 (64.5)	5,243.6 (68.2)	34,715.8 (33.5)	15.1
1379	62,486.6 (42.8)	9,176.7 (75.0)	53,769.2 (54.9)	17.1

Source: Tehran Stock Exchange, Reviews for various years.

Figures in parentheses indicate percentage change over the previous year.

Turnover Ratio⁽¹⁾

In the third consecutive year of the relative bull at the TSE, the turnover ratio went up from 15.1 percent in 1378 to 17.1 percent in 1379, while the pace of its growth declined in comparison with 1377 and 1378.

(1) The "turnover ratio" is the ratio value of transactions during the year to average current value of shares in the same year.

In 1379, the 342,764 real and legal individuals traded ordinary and priority shares on the TSE, showing a 46 percent growth as compared with the previous year. The average number and value of ordinary and priority shares purchased by each individual in the review year was 4,905.7 shares and Rls. 26.8 million. This was a 1.4 percent rise in number and a 24.7 percent rise in value as compared with the previous year.

In the review year, out of the total number of listed companies on the TSE, 94 companies increased their capital by Rls. 3,389.8 billion. This capital increase was financed as follows: 6.6 percent or 11 companies were financed from reserves amounting to Rls. 224.3 billion, 11 percent or 10 companies from accumulated profit of Rls. 372.9 billion, 42.1 percent or 61 companies from cash assets and claims of Rls. 1,427.1 billion, and 40.3 percent or 12 companies increased their capital by Rls. 1,365.5 billion through reserve funds, accumulated profit and cash assets and claims.

FINANCIAL RESOURCES OF CAPITAL INCREASE OF

COMPANIES ACCEPTED ON THE TSE

(billion rials)

Year	Out of reserves	Out of surplus (1)	Out of claims and cash assets	Out of reserves, claims and cash assets	Total	Percentage change
1375	78.8	..	2,511.2	0	2,590.0	34.4
1376	158.8	..	548.1	0	706.9	-72.7
1377	111.4	..	924.2	18.7	1,054.3	49.1
1378	784.1	..	1,463	15.5	2,262.6	114.6
1379	224.3	372.9	1,427.1	1,365.5	3,389.8	49.8

Source: Tehran Stock Exchange

(1) According to classification of TSE, figures related to surplus appeared under reserves in the years before 1379.

In 1379, the TSE accepted and listed 12 new companies on the exchange board and this brought the total number of listed companies to a figure of 318, which includes 3 companies on suspension and a further 8 on conditional acceptance. This represented an overall increase of 7 companies over the previous year.

NUMBER OF COMPANIES ACCEPTED ON THE TSE

	1377	1378	1379	Change in 1379
Listed companies	281	295	307	12
Investment companies	16	18	19	1
Other companies	265	277	288	11
Companies on suspension	3	3	3	0
Conditionally accepted companies	20	13	8	-5
Total	304	311	318	

Source: Tehran Stock Exchange, Monthly Review for various years

Amongst the industries, the heading under 'foodstuffs', with 42 companies listed, ranked first in number of companies listed on the TSE. This was followed by the heading under 'chemicals', and 'mineral and non-metallic' industries, each with 41 companies listed while the headings under 'farming', 'manufacturing of office equipment', and 'printing and publishing' industries, each with one company listed, registered the smallest number of listed companies on the TSE. The heading under 'financial intermediaries' industry, with 19 companies listed on the TSE, held 6.2 percent of overall companies listed.

Increase in the number of listed companies on the TSE led to a rise in the number of shares in the market. Moreover, the increase in the average current ordinary shares and priority shares price resulted in a growth of 42.8 percent in the current value of the stock market at the end of 1379, which amounted to Rls. 62,486.6 billion.

Participation Papers

In accordance with the 1379 Budget Law, the government was authorized to issue up to a maximum of Rls. 2,000 billion worth of participation papers to speed up the implementation of development projects. These papers had a four-year validity, and were issued and sold in three lots.

As stipulated in the Budget Law, the Ministry of Energy along with its affiliated corporations and institutions was authorized to issue Rls. 300 billion participation papers with a maturity of 3 years to complete the projects. These papers were sold at one time in Aban 1379. Iran Poly Acryl Corporation issued a total of Rls. 80 billion participation papers, the first portion of which was sold in Ordibehesht 1378 and raised Rls. 50 billion, while the balance was sold in Mehr 1379.

All these participation papers issued in 1379 were bearer and could be redeemed at any time through the agent banks. The provisional profit rate for the participation papers of the Poly Acryl Corporation was 20 percent and the other papers were set at 19 percent per annum provisional profit. The profit on all papers was tax-exempted.

Of the total participation papers issued by the public and non-public sectors, only papers related to 'hospital projects' were tradable on the TSE. However, in the review year, no such transactions took place on these papers. Participation papers for 'hospital projects' were matured in Bahman 1379.

Certificate of Deposit (CD) Transactions

During 1379, a total of \$2,624.7 million and €162.6 million, with a total rial value of 22,339.1 billion in Certificate of Deposits were traded on the TSE. Certificate of Deposit trading on the TSE commenced from the beginning of 1379 and all foreign exchange transactions before this date were in the form of import certificates.

The average dollar value of CD equaled Rls. 8,064.52 and the average euro value was Rls. 7,206.27 in 1379. The CD rate at the end of 1378 was Rls. 5,148 per dollar including Rls. 3,000 the cost of foreign exchange received through import certificates. The average dollar value in CD therefore faced slight fluctuations in comparison to the previous year.

CHAPTER TWELVE

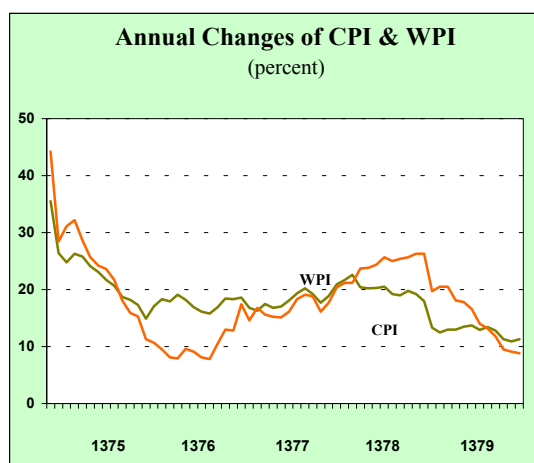
PRICE TRENDS

The inflation rate in 1379, showed a marked change against the previous year and declined to a low of 12.6 percent; while in the 3rd FYDP Law it was forecasted at 19.9 percent in 1379. The fall in inflation rate was due to the positive impact of the increase in foreign exchange revenues on government's fiscal position and improvement in BOP during 1378-1379, limitation of price increases to no more than 10 percent annually for goods and services provided by public corporations and institutions in accordance with the Third Plan Law, and a decline in inflationary expectations. The major portion of the rise in the Consumer Price Index (CPI) i.e. 36 percent was due to an increase in the price index under the heading of 'housing, fuel and lighting', which in turn, was due to the increase in the price index for 'housing'. The increase in the price of 'housing' was due to the relatively mild upturn of this sector from recession.

The trend of change in the consumer price index shows a decline since the beginning of 1378, which with a 1.6 percentage point decrease, reached 20.1 percent by year-end. This declining trend continued in 1379 and recorded an unprecedented 12.9 percent in the first three months of the year. With minor fluctuations in the months that followed, this change was 12.6 percent at the end of the year.

In the year under review, the growth rate of the wholesale price index and the producer price index markedly declined and stood respectively at 14.7 and 16.3 percent. The growth of these indices in 1378 was 24.2 and 22.9 percent, respectively.

The ration system for the distribution of certain essential goods continued in this year and the amount of subsidy paid on goods and services reached Rls. 8,390.5 billion, registering Rls. 739.4 billion increase as compared to the previous year. The ratio of subsidies to GDP declined from 1.8 percent in 1378 to 1.5 percent in 1379. Rls. 5,835 billion or 69.5 percent of this amount was paid for wheat purchase, Rls. 543.1 billion or 6.5 percent for fertilizers, and Rls. 434 billion or 5.2 percent for rice, vegetable oil, sugar and cube sugar. The major portion of subsidies was paid out for the economic well being of consumers.



AVERAGE ANNUAL CHANGES IN PRICE INDICES

(percent)

	Base year	1376	1377	1378	1379
Consumer price index in urban areas	1376	17.3	18.1	20.1	12.6
Wholesale price index	1376	9.9	16.7	24.2	14.7
Producer price index	1376	15.6	18.7	22.9	16.3
Exported goods price index	1376	..	22.2	59.8	17.7
GDP deflator (base price)(1)	1369	14.4	8.8	29.1	24.8
Non-oil GDP deflator (base price)	1369	17.6	15.5	19.6	19.9

(1) The 1379 figure is preliminary.

Consumer Price Index

1. Urban Areas

The average consumer price index (CPI) grew by 12.6 percent in 1379, which when compared to the 20.1 percent increase in the previous year shows a marked decline. A review of the constituents of this index by special groups shows that the price index of 'goods', 'services', and 'housing, fuel and lighting' groups declined in comparison with the preceding year. The price index heading under 'goods' showed the highest share, 43.6 percent of this increase in the general index. The percentage shares for the 'services' and the 'housing, fuel and lighting' price indices, in the increase in the general index were respectively 16.7 and 39.7 percent.

The consumer price index by major groups reflects that, with the exception of 'clothing' group, the growth rate for all other price indices declined. Among the main constituents of CPI, the price index under the heading of 'housing, fuel and lighting' with 18.4 percent growth, had a 39.7 percent share in raising the general index. The average price index of 'housing' increased by 18.2 percent. Among the sub-groups of 'housing', the 18.6 percent increase in the price index of 'renting value of privately-owned houses', was one of the main factors in raising the 'housing' price index. The average price index of 'food, beverages and tobacco' group grew by 8.9 percent and with its high relative weight, raised the general index by 24.6 percent. The price index for 'red meat, poultry and fish' and 'fruits and vegetables' groups grew by 15.5 and 13.9 percent, respectively. This raised the general index by 2.4 percentage point over the previous year. Thus, 77.4 percent of increase in the price index of the 'food, beverages and tobacco' group was due to the increase in the price index of these two sub-groups. The growth of the price index for the 'bread, rice and grain products' group markedly decreased and registered a 2.1 percent decline in comparison to the 23.1 percent rise in 1378. This was mainly due to a reduction of 13.5 percent in the price index of various rice varieties, which had shown a 24.7 percent rise in the preceding year. The price index of the 'grain products' group had a more limited growth of 13.2 percent when compared to the 17.1 percent growth in 1378.

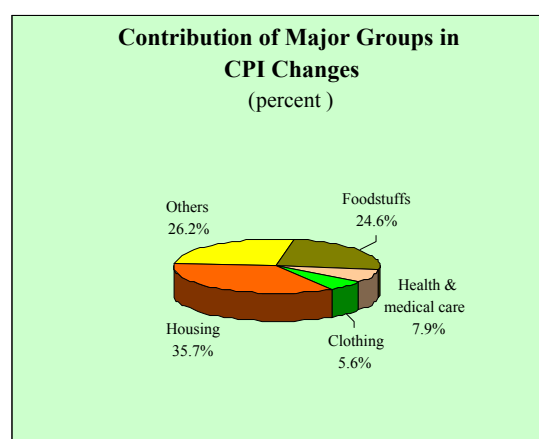
The price index for the 'transportation and communication' group showed an 8.5 percent growth and raised the general index by one percentage point. This increase was primarily caused by the rise in the price index for 'private transportation' group due to a price increase of the Paykan (domestically produced motorcar).

The price index for the 'miscellaneous goods and services' and 'clothing' groups increased by 15 and 8.7 percent, respectively and raised the general index by a 1.3 percentage point. Among the constituents of CPI by main and selected minor groups, the highest growth of 20.7 percent over the previous year was related to the price index for the 'health and medical care' group. Due to its relative weight of only 4.57 percent among the main groups, this raised the general index by only one percentage point.

The course of changes recorded in the average CPI, after seasonal adjustments, showed 2.2 percent increase for the first quarter of 1379, a 2.8 percent decrease for the second quarter, a slight decrease in the third quarter and a 1.6 percent increase in the fourth quarter of the year.

AVERAGE CHANGES IN CPI AFTER SEASONAL ADJUSTMENT (each period over previous period)

	(percent)		
	1377	1378	1379
Q1	2.5	2.2	2.2
Q2	-2.9	-2.8	-2.8
Q3	-1.0	-0.9	-0.9
Q4	1.6	1.6	1.6



An examination of the inflation rate in the provinces shows that Tehran had the highest rate of inflation this year, which registered 15 percent. Golestan Province had the lowest rate of 8.6 percent. The inflation rate in Tehran was 2.4 percentage point more than the average inflation rate.

At the end of 1378, the 1369 (1990/91) base year that was used for CPI calculations, was revised to 1376 (1997/98). The purchasing basket of CPI based on the 1376 base year was made up of 310 items in total. 257 of these were goods, 43 were service items, and 10 items were related to construction and housing. In the 1369 base year, the CPI basket contained 313 items of which 52 items were deleted and 49 new items added to the new base year basket. The number of provinces on the survey for the new base year was increased from 25 to 28 while the number of cities was decreased from 82 to 72.

RELATIVE WEIGHTS OF SPECIAL AND MAIN GROUPS OF CPI (percent)

	Base year	
	1369	1376
Special groups:		
Goods	64.77	60.93
Services	10.05	12.03
Housing, fuel and lighting	25.18	27.04
General index	100.00	100.00
Main groups:		
Food, beverages and tobacco	27.33	32.45
Housing, fuel and lighting	25.18	27.04
Clothing	11.14	9.55
Household furnishings, goods and services used at home	7.16	7.22
Transportation and communication	7.93	11.40
Health and medical care	3.94	4.57
Recreation, education and reading	2.02	3.53
Miscellaneous goods and services	5.30	4.24

2. Rural Areas⁽¹⁾

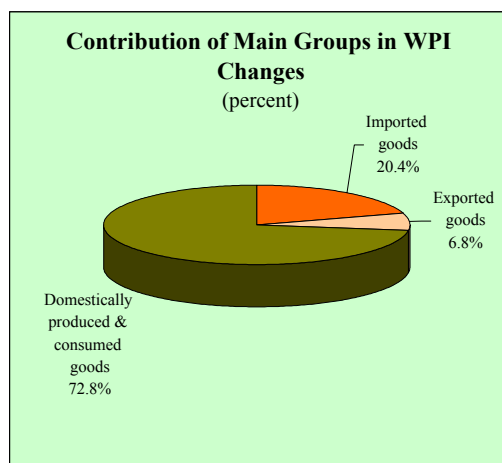
The average CPI for rural areas increased by 19.3 percent this year. A review of the price index for a selection of consumer goods and services of rural households indicates that the growth of the price index for the 'food' and 'health and medical care' groups with respective relative weights of 48.2 and 7.2 percent, had an 8.5 and a 3.1 percentage point share in raising the general index. This accounted for 60.1 percent of the increase in the inflation rate in rural areas. The price index under the headings of 'goods' and 'services' grew respectively by 18.3 and 23.6 percent over the previous year.

The price index under the heading of 'food, beverages and tobacco' grew by 17.6 percent. The highest increase under this heading was related to the price index for 'fruits and vegetables', which grew by 35.4 percent over the previous year. The price index of 'red meat, poultry and fish' group with a relative weight of 10.6 percent, grew by 18.2 percent over the previous year.

Among the constituents of CPI in rural areas, the highest increase of 30.8 percent was related to the price index for the 'health and medical care' group. The price index of 'clothing and shoes' grew by 22.5 percent over the previous year.

Wholesale Price Index (WPI)

The average wholesale price index rose by 14.7 percent, registering a marked improvement over 24.2 percent for the previous year. The decline in the speed of the growth of this index was notable. A review of the major constituents parts of WPI indicates that the average growth rate of the price index for all three groups i.e. imported, exported and domestically produced and consumed goods declined and the highest recorded decline was related to 'exported goods' from 60.7 percent in 1378 to 19.7 percent in 1379. The price index of 'domestically produced and consumed goods' registered a 14.8 percent increase and with the highest relative weight, 71.75 percent, raised the general index by 72.8 percent.



The average price index of 'imported goods' with 13.3 percent growth over the previous year and relative weight of 24.29 percent, had the direct effect of 20.4 percent in raising the general index.

The average price index of 'exported goods' increased by 19.7 percent against a rise of 60.7 percent in the previous year, and with its 3.96 percent relative weight, had the direct effect of 6.8 percent in raising the general index.

Changes of the main constituent groups of WPI show an increase in the average index for all groups. The major factor behind this increase was the rise of 13.9 percent in the price index under the heading of 'food' which had a share of 36.1 percent in the rise of general index. The second most important factor was the increase of 16.3 percent in the price index under the heading of 'raw material manufacturing', which with a relative weight of 26.9 percent had a share of 27.2 percent in the surge of WPI.

(1) Statistics are released from Iran Statistical Center and the base year is 1374 (1995/96).

The price index for the 'machinery and transportation vehicles' group grew by 11.1 percent and, with its relative weight of 19.45 percent, had the direct effect of 13.6 percent in raising the general index. As a result, the growth of these three indices with their high relative weights had a share of 76.9 percent in the rise of WPI.

Among the constituents of special groups, the average price index of 'farm and livestock products and fishing' grew by 14.2 percent. The price index of 'agriculture' group and 'livestock and fishing' group raised the mentioned index by 51.2 and 48.8 percent, respectively.

The average price index for 'construction materials' grew by 15.1 percent as against 24 percent for the previous year, mainly as a result of the increase in the price index for 'metal construction materials' of 14 percent against the 27.9 percent increase recorded in the previous year.

It should be noted that in the last month of 1379, WPI was revised and the base year changed from 1369 (1990/91) to 1376 (1997/98). As a result, the number of items in WPI calculations increased from 432 goods in the 1369 (1990/91) base year to 1,026 goods in the 1376 (1997/98) base year and the respective relative weight changed accordingly.

**RELATIVE WEIGHTS OF MAJOR, MAIN AND SPECIAL GROUPS OF WPI IN
1369 (1990/91) AND 1376 (1997/98) BASE YEARS** (percent)

	Base year	
	1369	1376
Major groups:		
Domestically produced and consumed goods	57.73	71.75
Imported goods	33.94	24.29
Exported goods	8.33	3.96
General index	100.00	100.00
Main groups:		
Food	35.76	35.40
Beverages and tobacco	1.02	0.78
Non-fuel mineral industrial products	4.41	3.86
Mineral fuel and its derivatives	3.21	2.76
Chemical and petrochemical products	2.60	8.60
Manufacturing in terms of raw materials	33.89	26.93
Machinery and transportation vehicles	17.63	19.45
Miscellaneous goods	1.48	2.23
Special groups:		
Farm and livestock products	28.08	26.82
Construction materials	20.44	10.74

Exported Goods Price Index

The calculation of exported goods price index commenced in 1379, using 1376 as the base year. Calculation of this index was previously done within the context of the 'exported goods' group, which was one of the three major constituents of WPI and included 20 goods. In revising WPI under the new base year of 1376, the total number of goods under this index group increased to 86 goods classified under 17 main headings.

Review of changes in the average exported goods price index indicates a substantial growth of 59.8 percent in 1378 which was mainly due to the increase in the import certificate rate. The stability of the import certificate rate and the certificate of deposit rate in mid 1378 and

at the beginning of 1379 helped reduce the speed of growth of this index to 17.7 percent in 1379.

Changes of the constituent groups of this index show that except for the fall in the price index for the 'animal and vegetable oils' and the 'goods made of stone' groups, the price index of all other groups increased.

The constituent groups of this index show that the price index of the 'mineral products' group grew by 31.9 percent compared to the previous year to raise the general index by 33.3 percent. Increase in this index was due to a rise in the price of most of the constituents under this group heading especially that of 'liquid propane'. The price index for 'textiles and their products' grew by 15.7 percent over the previous year due to the rise in the price index of the 'carpet and fabricated carpet' group by 19 percent which raised the general index by 16.9 percent.

The price index for 'hide, leather and leather products' group rose by 53.5 percent, registering the highest increase among the constituent groups of exported goods price index and in turn raised the general index by 10.2 percent. This increase was due to a 53.5 percent rise in the price index of the 'processed sheep skin' group. The reduction in the price index for 'animal and vegetable oils' group of 11.5 percent was due to decline in the price index for hydrogenated oil by 11.5 percent.

Producer Price Index (PPI)

The average producer price index grew by 16.3 percent over the previous year. This indicates a reduction in the growth rate of this index when compared to the 22.9 percent rise recorded in the preceding year.

Changes in the main constituents of this index represent an increase in the index for all groups. Special constituent groups of this index show that the price index of 'mineral and industrial products' grew by 15.5 percent which explained 46 percent of general index price rise. This increase was mainly due to a rise in the price index for the 'industrial products' group of 15.6 percent with sizeable 45.18 percent relative weight that explained the rise in general index by 94.7 percent. Most sub-groups under the heading of 'industrial products' showed price rise while the average price index of the 'foodstuffs and beverages', 'chemical and petrochemical products', 'basic metals' and 'textiles' sub-groups increased more than the average price increase of other sub-groups. The price index for the 'computer' and 'other transportation equipment' sub-groups, declined by 0.4 percent.

Special constituent groups of PPI show that the average price index under the heading of 'farming, animal husbandry, forestry and fishing' grew by 17.9 percent over the previous year and with its 23.62 percent relative weight had a share of 27 percent in the general index price rise. In this year, most items in this group had price rises, with the highest increase being recorded by goods included under the 'vegetables' sub-group, which showed a 39.7 percent growth over the previous year.

Changes in the producer price index indicate that the average price index for 'services' grew by 16 percent over the previous year and with its 28.47 percent relative weight explained 27 percent of the rise in general index. 43.2 percent of the increase in the price index under the 'services' heading was due to a rise in the price index for 'real estate, renting and business activities'. This rise was mainly due to the rise in the price index for the 'cost of residential houses' group.

**RELATIVE WEIGHTS OF SPECIAL AND MAIN GROUPS OF PPI IN
1369 (1990/91) AND 1376 (1997/98) BASE YEARS**

(percent)

	Base year	
	1369	1376
Special groups:		
Farming, animal husbandry, forestry and fishing	25.05	23.62
Mineral and industrial products	46.71	47.92
Services	28.24	28.47
General index	100.00	100.00
Main groups:		
Farming, animal husbandry and forestry	25.05	23.19
Fishing		0.42
Mineral products	0.32	0.94
Industrial products	45.14	45.18
Provision of electricity, gas and water	1.25	1.80
Repair of engine vehicles		0.32
Hotel and restaurant	1.04	0.73
Transportation, storage and communication	2.53	10.53
Financial intermediaries	6.79	1.17
Real estate, renting and business activities	15.06	11.19
Training	0.28	0.59
Health and social work	2.54	2.23
Other public services activities		1.72

The average growth of the price index of 'industrial products' and 'real estate, renting and business activities' with a total of 56.37 percent relative weight, had a share of 55.3 percent in the rise of average PPI.

The base year for PPI compilation was changed to 1376 (1997/98) in the second half of the year under review and the number of constituent items in the basket increased from 442 goods and services in the 1369 (1990/91) base year to 1,130 goods and services in the 1376 base year. The main headings, under which items were grouped, were also increased, from 10 to 13.

PART TWO

ADMINISTRATIVE ORGANIZATION
THE BALANCE SHEET
AND
THE PROFIT AND LOSS ACCOUNT
OF
CENTRAL BANK OF THE
ISLAMIC REPUBLIC OF IRAN

As at the end of 1379

(March 20, 2001)

***EXECUTIVE BOARD
IN 2000/01***

Mohsen Nourbakhsh

Governor

Mohammad Javad Vahhaji

Deputy Governor

Ebrahim Sheibani

Secretary General

Mohammad Jaafar Mojarrad

Vice-Governor

Akbar Komijani

Vice-Governor

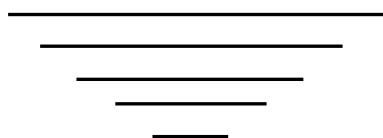
Ali Saghafi

Vice-Governor



**MONEY AND CREDIT COUNCIL
IN 2000/01**

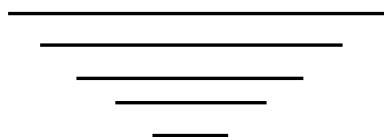
<i>Hossein Namazi</i>	<i>Minister of Economic Affairs and Finance</i>
<i>Mohsen Nourbakhsh</i>	<i>Governor of the Central Bank</i>
<i>Mohammad Aref</i>	<i>Vice-President and Head of Management and Planning Organization</i>
<i>Mahmood Hojjati</i>	<i>Minister of Agricultural Jihad</i>
<i>Morteza Hajji</i>	<i>Minister of Cooperation</i>
<i>Mohammad Shariatmadari</i>	<i>Minister of Commerce</i>
<i>Ebrahim Sheibani</i>	<i>Bank Expert (selected by the President)</i>
<i>Ahmad Azizi</i>	<i>Bank Expert (selected by the President)</i>
<i>Hassan Fakheri</i>	<i>Deputy Attorney General</i>
<i>Seyyed Alinaghi Seyyed Khamooshi</i>	<i>Head of Iran's Chamber of Commerce, Industry and Mines</i>
<i>Seyyed Jamal Hashemi Arabi</i>	<i>Secretary General of Chamber of Central Cooperation</i>
<i>Mohammad Bagher Noubakht Haghighi</i>	<i>Member of Parliament</i>
<i>Iraj Nadimi</i>	<i>Member of Parliament</i>



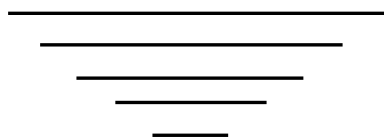
<i>Isa Kalantari</i>	<i>(until 29.1.2001)</i>	<i>Minister of Agricultural Jihad</i>
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**NOTE-RESERVE CONTROL BOARD
IN 2000/01**

<i>Mohsen Nourbakhsh</i>	<i>Governor of the Central Bank</i>
<i>Seyyed Abolfazl Fatemizadeh</i>	<i>Deputy Minister of the Minister of Economic Affairs and Finance and Treasurer General</i>
<i>Hassan Fakheri</i>	<i>Deputy Attorney General</i>
<i>Seyyed Kazem Mirvalad</i>	<i>Director of the Government Auditing Bureau</i>
<i>Seyyed Rasoul Hosseini</i>	<i>Chairman of the Supervisory Board</i>
<i>Abbasali Allahyari</i>	<i>Member of Parliament</i>
<i>Hassan Zahmatkesh</i>	<i>Member of Parliament</i>



<i>Mohammad Nabovvati</i>	<i>(until 11.7.2000)</i>	<i>Member of Parliament</i>
<i>Einollah Ala</i>	<i>(until 11.7.2000)</i>	<i>Member of Parliament</i>



**SUPERVISORY BOARD
IN 2000/01**

<i>Seyyed Rasoul Hosseini</i>	<i>Chairman</i>
<i>Mahmood Reza Abaei Koopaei</i>	<i>Member</i>
<i>Hosseini Rashidi</i>	<i>Member</i>
<i>Mohammad Nabovvati</i>	<i>Member</i>

THE BALANCE SHEET
AND
THE PROFIT AND LOSS ACCOUNT
OF
CENTRAL BANK OF THE
ISLAMIC REPUBLIC OF IRAN

As at the end of 1379

(March 20, 2001)

**CENTRAL BANK OF THE
BALANCE
AS AT END OF ESFAND 1379
AMOUNT IN**

<u>March 20, 2000</u>	ASSETS	<u>March 20, 2001</u>
	Note cover:	
23,880,000,000,000	Gold, foreign exchange, quota & subscription to international agencies and government obligations	27,280,000,000,000
219,868,820,912	Notes and coins held at the Central Bank	324,323,803,860
1,018,477,563,228	Free gold holdings	1,077,643,169,193
6,046,881,226,914	Foreign exchange assets	15,669,117,362,678
	Loans and credits to:	
41,512,967,113,258	Government	37,763,549,802,227
13,808,398,195,442	Public institutions & corporations	14,259,146,989,754
18,938,737,541,279	Banks	17,498,266,060,953
1,872,255,914,060	Government revolving funds kept with banks	6,055,125,226,713
2,635,524,220,000	Government securities	2,635,524,220,000
321,702,934,353	Fixed assets (less depreciation cost)	458,688,474,409
4,474,956,398,286	Other assets	25,355,034,378,567
114,729,769,927,732		148,376,419,488,354
7,490,604,298,918	Customers' undertakings regarding opened letters of credit and guarantees	5,400,784,406,779
122,220,374,226,650		153,777,203,895,133
84,793,968,240	Assets of the Central Bank Employees' Retirement Fund	93,928,280,268
14,466,312,576	Assets of the Central Bank Employees' Savings Fund	17,592,663,590
12,260,116,869	Assets of the Central Bank Employees' Cooperation Fund	12,742,869,102
122,331,894,624,335		153,901,467,708,093

Executive Board

**Mohsen Nourbakhsh
Governor**

Mohammad Javad Vahhaji Deputy Governor	Ebrahim Sheibani Secretary General	Mohammad Jaafar Mojarrad Vice-Governor	Akbar Komijani Vice-Governor	Ali Saghafi Vice-Governor
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**ISLAMIC REPUBLIC OF IRAN
SHEET
(March 20,2001)
RIALS**

<u>March 20, 2000</u>	LIABILITIES	<u>March 20, 2001</u>
23,880,000,000,000	Notes issued	27,280,000,000,000
253,558,320,109	Coins issued	275,421,106,999
0	Central Bank's Participation Papers	1,593,054,000,000
	Deposits:	
20,014,275,428,759	Government: sight	35,970,262,226,421
5,274,091,814,918	Government institutions & corporations: sight	9,662,733,358,621
381,401,961,390	Non-government public institutions & corporations: sight	675,231,267,256
	Banks and credit institutions:	
38,016,761,253,000	Legal	47,142,468,451,000
2,188,577,450,641	Sight	5,343,520,997,192
350,000,000,000	Special term deposits	0
4,051,880,030,050	Advance payment on letters of credit	4,099,500,721,328
478,586,732,000	Special	0
45,085,805,465,691		56,585,490,169,520
4,586,675,595,077	Other deposits	3,345,954,511,485
211,171,074,309	Income taxes	180,150,484,673
84,321,000,000	Government's share of net profit	63,399,000,000
14,360,435,300,726	Other liabilities	12,063,891,022,208
300,000,000,000	Capital	350,000,000,000
243,370,660,928	Legal reserves	276,169,440,736
54,662,555,116	Contingent reserves	54,662,555,116
750,709	Net profit carried forward	345,319
114,729,769,927,732		148,376,419,488,354
7,490,604,298,918	Letters of credit and guarantees	5,400,784,406,779
122,220,374,226,650		153,777,203,895,133
84,793,968,240	Liabilities of the Central Bank Employees' Retirement Fund	93,928,280,268
14,466,312,576	Liabilities of the Central Bank Employees' Savings Fund	17,592,663,590
12,260,116,869	Liabilities of the Central Bank Employees' Cooperation Fund	12,742,869,102
122,331,894,624,335		153,901,467,708,093

Supervisory Board

Seyyed Rassul	Mahmood Reza	Hossein	Mohammad
Hosseini	Abaei Koopaei	Rashidi	Nabovvati
Chairman	Member	Member	Member

**CENTRAL BANK OF THE
PROFIT AND
1379
AMOUNT**

<u>1999/00</u>		<u>2000/01</u>
122,522,621,759	Cost of receiving credit and overdraft from foreign banks	41,216,786,885
0	Profit paid on foreign exchange deposits	358,925,437
339,351,376,904	Rewards paid on banks' legal deposit	406,642,379,507
0	Profit paid on Central Bank's Participation Papers	12,359,443,950
92,747,945,205	Profit paid for banks' special deposits	8,630,136,986
150,395,124,851	Commission paid on banking services	180,806,063,132
117,904,722,218	Result of foreign exchange valuation adjustment rate	309,392,169,907
122,307,430,557	Administrative and personnel expenditures	171,368,151,025
80,907,639,803	Money issue and miscellaneous publication expenditures	71,303,891,378
6,608,054,355	Depreciation cost of fixed assets	24,633,077,996
5,883,927,200	Other expenditures	4,193,913,883
385,900,065,620	Net profit	327,987,798,081
1,424,528,908,472		1,558,892,738,167
211,171,074,309	Income taxes	180,150,484,673
38,590,006,562	Transfer to legal reserve	32,798,779,808
50,000,000,000	Transfer to contingency reserve	50,000,000,000
84,321,000,000	Government's share in net profit	63,399,000,000
1,818,160,488	0.5% allocated to low-income groups for housing provision	1,639,938,990
750,709	Net profit carried forward	345,319
385,900,992,068		327,988,548,790

**ISLAMIC REPUBLIC OF IRAN
LOSS ACCOUNT
(2000/01)
IN RIALS**

<u>1999/00</u>		<u>2000/01</u>
184,351,904,220	Returns on deposits and investment abroad	635,551,512,471
873,520,781,855	Profits received from facilities granted and reward on bonds	617,197,503,961
153,172,206,022	Commission received for banking services	127,971,726,741
176,426,699,138	Results of foreign exchange and gold transactions	122,595,496,174
37,057,317,237	Other incomes	55,576,498,820
<hr/> 1,424,528,908,472 <hr/> <hr/>		<hr/> 1,558,892,738,167 <hr/> <hr/>

APPROPRIATION ACCOUNT

385,900,065,620	Net Profit	327,987,798,081
926,448	Net profit carried forward	750,709
<hr/> 385,900,992,068 <hr/> <hr/>		<hr/> 327,988,548,790 <hr/> <hr/>

**DETAILS OF THE BALANCE SHEET
YEAR END 1379
(March 20, 2001)**

A. ASSETS

NOTE ISSUE AND NOTE COVER

On the basis of the currency needs of the country and according to the monetary and banking regulations, Rls. 3,400,000 million worth of new notes were issued and the total notes in circulation amounted to Rls. 27,280,000 million by Esfand 29, 1379.

NOTES AND COINS HELD AT THE CBI

Notes and coins held at the CBI as compared to the corresponding figures of the previous year is as follows:

	NOTES AND COINS HELD AT THE CBI	
	(million rials)	
	Year end	
	1378	1379
Notes	219,322.2	323,876.6
Coins	<u>546.6</u>	<u>447.2</u>
Total	<u>219,868.8</u>	<u>324,323.8</u>

LOANS AND CREDITS EXTENDED

Total loans and credits extended to the government, its affiliated corporations and institutions and banks amounted to Rls. 69,520,962.9 million. This was after deducting Rls. 16,823,850.8 million as note cover and taking into account other adjustments.

**LOANS AND CREDITS EXTENDED
(million rials)**

	Year end	
	1378	1379
Government	55,713,792.4	54,587,400.6
Less blocked debt in note cover	<u>(14,200,825.3)</u>	<u>(16,823,850.8)</u>
	41,512,967.1	37,763,549.8
Public corporations and institutions	13,808,398.2	14,259,147.0
Banks	<u>18,938,737.5</u>	<u>17,498,266.1</u>
Total	<u>74,260,102.8</u>	<u>69,520,962.9</u>

**GOVERNMENT REVOLVING FUND
KEPT WITH BANKS**

On the basis of the agency contracts between the CBI and other banks, 12 percent of the balance of governmental accounts with each bank is kept as a revolving fund. The total amount of the revolving fund was Rls. 6,055,125.2 million at end of Esfand, 1379. As approved by the Creditory Commission, Rls. 3,292,000.0 million was granted to banks to cover the differential of finance installments.

GOVERNMENT SECURITIES

Government securities at end of Esfand, 1379 was Rls. 2,635,524.2 million, which remained unchanged compared with the previous year.

FIXED ASSETS

Fixed assets on Esfand 29, 1379, are as follows:

	1378			1379		
	Before depreciation	Depreciation allowance	After depreciation	Before depreciation	Depreciation allowance	After depreciation
Immovable assets	<u>330,616.1</u>	<u>22,966.0</u>	<u>307,650.1</u>	<u>485,438.9</u>	<u>42,617.7</u>	<u>442,821.2</u>
Movable Assets	<u>36,132.5</u>	<u>22,079.7</u>	<u>14,052.8</u>	<u>44,124.6</u>	<u>28,257.3</u>	<u>15,867.3</u>
Total	<u>366,748.6</u>	<u>45,045.7</u>	<u>321,702.9</u>	<u>529,563.5</u>	<u>70,875.0</u>	<u>458,688.5</u>

OTHER ASSETS

Other assets held at the CBI at end of 1379, amounted to Rls. 25,355,034.4 million, as follows:

	OTHER ASSETS (million rials)	
	Year end	
	1378	1379
Silver holdings	987.1	967.3
Stamp holdings	5.8	5.7
Coins holdings	36,647.6	12,368.6
Investment in other institutions	84,734.4	101,139.9
Ashkanian Dynasty coins	8.7	8.7
Miscellaneous assets	3,863,868.9	24,671,169.1
Revolving funds	570.8	1,852.3
Prepayments	17,973.7	21,007.9
Temporary debtors' suspense account	252,924.0	352,997.6
Projects to be completed	<u>217,235.4</u>	<u>193,517.3</u>
Total	<u>4,474,956.4</u>	<u>25,355,034.4</u>

Rls. 24,631,879.4 million of the balance of miscellaneous assets account is related to sale of exchange rate royalty at import certificate rate, certificate of deposit rate and negotiated rate.

CUSTOMER UNDERTAKINGS FOR OPENED LETTERS OF CREDIT & GUARANTEES

The total customer undertakings for opened letters of credit and guarantees was Rls. 5,400,784.4 million at end of 1379, as follows:

	CUSTOMER UNDERTAKINGS FOR OPENED LETTERS OF CREDIT AND GUARANTEES (million rials)	
	Year end	
	1378	1379
Foreign exchange LCs in rials	4,994,935.0	4,140,687.9
Letters of credit opened in bilateral currencies	15,614.9	0
Guarantees issued	125.0	0
Guarantees received from correspondents	0	24,627.1
Guarantees issued for rescheduled contracts	2,479,929.4	748,798.7
Opened LCs in foreign exchange	<u>0</u>	<u>486,670.7</u>
Total	<u>7,490,604.3</u>	<u>5,400,784.4</u>

B. LIABILITIES

NOTES ISSUED

New notes issued in 1379 totaled Rls. 3,400,000 million, showing Rls. 340,000 million (9.1 percent) decrease compared with the previous year. Total issued notes amounted to Rls. 27,280,000 million at end of 1379.

COINS ISSUED

Rls. 21,862.8 million coins was issued in 1379, bringing the total coins issued to Rls. 275,421.1 million at end of Esfand 1379.

According to the Monetary and Banking Law and the advisory letter of the Ministry of Economic Affairs and Finance, the ceiling for the issuance of coins was determined to be Rls. 300 billion.

CBI'S PARTICIPATION PAPERS

Following the approval of the MCC on 14.12.1379, and in accordance with implementation of the monetary policies as stipulated in the 3rd FYDP, the CBI was authorized to issue participation papers which commenced on 17.12.1379.

Up to the end of 1379 (March 20, 2001) the sum total of participation papers sold was Rls. 1,593,054 million.

DEPOSITS

Total sight deposits of the government, public corporations and institutions, non-governmental public enterprises and institutions, banks and non-bank credit institutions, together with other deposits amounted to Rls. 106,239,671.6 million at end of 1379, as is shown in the respective table.

DEPOSITS**(million rials)**

	Year end	
	1378	1379
Government	20,014,275.4	35,970,262.2
Public corporations and institutions	5,274,091.8	9,662,733.4
Non-governmental public enterprises & institutions	381,402.0	675,231.3
Banks and non-bank credit institutions:		
Legal	38,016,761.3	47,142,468.5
Special	478,586.7	0
Special time	350,000.0	0
Letters of credit	4,051,880.0	4,099,500.7
Sight	2,188,577.4	5,343,521.0
Sub-total	45,085,805.4	56,585,490.2
Others	<u>4,586,675.6</u>	<u>3,345,954.5</u>
Total	<u>75,342,250.2</u>	<u>106,239,671.6</u>

According to Amended Article 60 of the 3rd FYDP Law, the government deposited Rls. 10,401,491.1 million into the OSF, sum of which equalled \$ 5,943.7 million.

INCOME TAX

Income tax of the CBI on the basis of amended direct tax law approved in 1371 was Rls. 180,150.5 million for 1379.

SHARE OF GOVERNMENT IN NET PROFIT

According to the Monetary and Banking Law, the remainder of profit, after profit appropriation according to Article 25 of the said law belongs to the government. The government's share in the net profit of the CBI in 1379 amounted to Rls. 63,399.0 million.

OTHER LIABILITIES

Other liabilities of the CBI amounted to Rls. 12,063,891 million at end of 1379, as follows:

OTHER LIABILITIES**(million rials)**

	Year end	
	1378	1379
Documents payable	3,698,814.4	3,626,505.4
SDR allocations	575,186.3	543,317.5
Foreign exchange drafts (payable in rials)	4,878.9	3,886.3
Sight deposits of departments within the bank	191,289.6	371,487.8
Creditors' suspense account in foreign exchange	1,777,101.6	765,501.6
Creditors' suspense account in rial	4,609,585.7	3,176,396.3
CBI's receipts in connection with the Algerian Decree 0.5 percent according to law for provision of housing for low-income groups	314,370.9	369,662.5
Liabilities related to projects to be completed	1,818.2	1,639.9
Short-term facilities extended by foreign banks	21,151.9	22,892.4
Prepayment in foreign exchange	3,166,237.8	2,702,394.5
	0	480,206.8
Total	<u>14,360,435.3</u>	<u>12,063,891.0</u>

CAPITAL

The CBI's capital amounted to Rls. 350,000 million at end of 1379, showing a Rls. 50,000 million rise compared with the previous year. Changes in the Bank's capital since its establishment are as follows:

CBI'S CAPITAL**(million rials)**

Opening	3,600
Increase in capital in:	
1351	1,400
1353	20,000
1360	100,000
1369	34,000
1373	26,000
1374	15,000
1376	50,000
1378	50,000
1379	<u>50,000</u>
Total	<u>350,000</u>

LEGAL RESERVES

Based on Monetary and Banking Law, 10 percent of net profit of CBI is required to be held in a legal reserve account, so that the total legal reserve will equal the CBI's capital. The legal reserve for 1379 is Rls. 32,798.8 million which in addition to the Rls. 243,370.7 million held

as legal reserves at the end of the previous year, brought the total legal reserve to amount to Rls. 276,169.5 million at end of 1379.

CONTINGENCY RESERVES

According to the Monetary and Banking Law, each year an amount is to be held in the contingency reserve account based on proposal of the CBI and the approval of the General Assembly. The contingency reserve out of net profit in 1379 is Rls. 50,000 million.

DETAILS OF THE PROFIT AND LOSS ACCOUNT (Esfand 29,1379)

A. REVENUES

REVENUES RECEIVED FROM DEPOSITS AND INVESTMENT ABROAD

The income received from returns on deposits and investment abroad amounted to Rls. 635,551.5 million, as follows:

	(million rials)	
	Year end	
	1378	1379
Foreign exchange term deposits	105,117.3	409,784.0
Foreign exchange sight deposits & special & clearing accounts	48,691.1	63,640.7
Foreign bonds	12,433.7	116,533.3
Gold depositing	14,487.4	20,878.6
SDR	<u>3,622.4</u>	<u>24,714.9</u>
Total	<u>184,351.9</u>	<u>635,551.5</u>

PROFIT RECEIVED FROM EXTENDED FACILITIES AND REWARDS ON BONDS

The profit received from extended facilities and rewards on bonds amounted to Rls. 617,197.5 million, as follows:

PROFIT RECEIVED FROM EXTENDED FACILITIES AND REWARDS ON BONDS (million rials)

	Year end	
	1378	1379
Government	41,716.1	32.0
Public corporations & institutions	164,222.9	171,590.2
Banks	634,016.0	436,885.8
Algerian Decree	3,368.5	5,020.5
Bonds	30,197.3	0
Non-governmental public institutions & corporations	<u>0</u>	<u>3,669.0</u>
Total	<u>873,520.8</u>	<u>617,197.5</u>

BANKING FEES AND COMMISSIONS RECEIVED

Banking fees and commissions received totaled Rls. 127,971.7 million, as follows:

BANKING FEES AND COMMISSIONS RECEIVED

	(million rials)	
	Year end	
	1378	1379
Letters of credit	42,898.3	37,775.5
Foreign exchange bills	3,583.4	4,423.9
Foreign exchange drafts	3,771.6	8,932.2
Oil prefinance facilities	40.8	0
Local usance	102,172.3	76,530.5
Miscellaneous (rials)	702.6	309.5
Miscellaneous (foreign exchange)	<u>3.2</u>	<u>0.1</u>
Total	<u>153,172.2</u>	<u>127,971.7</u>

RESULT OF FOREIGN EXCHANGE AND GOLD TRANSACTIONS

The income received from foreign exchange and gold transactions amounted to Rls. 122,595.5 million as follows:

RESULT OF FOREIGN EXCHANGE AND GOLD TRANSACTIONS

	(million rials)	
	Year end	
	1378	1379
Foreign exchange price differential	167,524.7	111,852.1
Profit derived from international bonds transactions	2,203.6	10,743.4
Profit derived from gold transactions	<u>6,698.4</u>	<u>0</u>
Total	<u>176,426.7</u>	<u>122,595.5</u>

OTHER INCOMES

Other incomes of the CBI amounted to Rls. 55,576.5 million as is shown in the respective table.

OTHER INCOMES

	(million rials)	
	Year end	
	1378	1379
Profit from investment in other institutions	26,468.0	21,541.9
Miscellaneous revenues of the Print and Mint Organization	6,414.4	17,392.1
Revenues received from sale of gold and jewelry	0	12,450.0
Miscellaneous	<u>4,174.9</u>	<u>4,192.5</u>
Total	<u>37,057.3</u>	<u>55,576.5</u>

Rls. 20,433.8 million of profit from investment in other institutions is related to the profit accrued to dividends of the Bank in Iran National Investment Company and Rls. 1,108.1 million to the dividend of National Informatic Company.

Rls. 17,392.1 million of revenues of the Print and Mint Organization in the review year was mostly due to miscellaneous orders of other banks and institutions.

B. EXPENDITURES**COST OF RECEIVING CREDIT AND OVERDRAFT FROM FOREIGN BANKS**

The cost of receiving credit and overdraft from foreign banks amounted to Rls. 41,216.8 million as follows:

	(million rials)	
	Year end	
	1378	1379
Correspondents	99,421.5	17,967.2
Overdraft	20,956.5	23,170.6
Bonds	<u>2,144.6</u>	<u>79.0</u>
Total	<u>122,522.6</u>	<u>41,216.8</u>

PROFIT PAID ON FOREIGN EXCHANGE DEPOSITS

The profit paid on foreign exchange deposits in 1379 was Rls. 358.9 million which was deposited with Export Development Bank for the profit accrued to its term foreign exchange deposits.

REWARDS PAID ON BANKS' LEGAL DEPOSITS

As approved at the 788th session of MCC in 15.12.1371 Rls. 406,642.4 million

was paid as rewards on legal deposit in 1379.

Rate of rewards paid on banks' legal deposits are as follows:

Sight deposits	0.8 percent
Short-term and other deposits	1.1 percent
Long-term deposits	1.2 percent

PROFIT PAID ON CBI'S PARTICIPATION PAPERS

The profit accrued to CBI's participation papers, including the tax thereon, in 1379 amounted to Rls. 12,359.4 million and this was considered in the accounts.

PROFIT PAID ON SPECIAL TERM DEPOSITS

As approved at the 912th session, of MCC in 18.11.1377 in order to streamline sources and uses of banks and implement appropriate monetary policy, the CBI, by opening a separate depository account for each bank, is able to receive banks' resources as deposit and pay profit as determined by Credit Commission. The total profit paid to banks' special deposits amounted to Rls. 8,630.1 million in the review year.

COMMISSIONS PAID ON BANKING SERVICES

The commission paid on banking services by the CBI amounted to Rls. 180,806.1 million, as shown in the following table:

(million rials)	
Paid to banks for government accounts	180,000.0
Purchase of notes from abroad	506.8
Commission paid to correspondents	<u>299.3</u>
Total	<u>180,806.1</u>

As approved at the 670th session of the MCC in 1368, the mentioned commission was distributed among banks on the basis of the average amount outstanding in the governmental accounts with the banks.

RESULT OF FOREIGN EXCHANGE AND GOLD TRANSACTIONS-RATE ADJUSTMENT

The balance of foreign exchange and gold transactions account resulted in

Rls. 309,392.2 million deficit, owing to adjustment rates of gold holding and Bank's foreign exchange account at the year end rate, which appeared under profit and loss account.

PERSONNEL AND ADMINISTRATIVE EXPENDITURES

Personnel and administrative expenditures in 1379, and its comparison with the approved budget figures are shown in the following table:

PERSONNEL AND ADMINISTRATIVE EXPENDITURES (million rials)			
	Actual 1378	Approved 1379	Actual 1379
Personnel expenditures	96,277.4	132,249.0	127,370.8
Administrative expenditures	26,030.0	56,727.0	43,997.3
Total	122,307.4	188,976.0	171,368.1

CURRENCY ISSUANCE EXPENDITURES

The total currency issuance (notes and coins) expenditures was Rls. 71,303.9 million in the review year.

DEPRECIATION COST

In 1379, a sum of Rls. 24,633.1 million was allocated as depreciation cost for movable and immovable assets, as follows:

DEPRECIATION COST (million rials)	
Depreciation cost of movable assets	5,827.2
Depreciation cost of immovable assets	18,805.9
Total	24,633.1

Out of Rls. 18,805.9 million in depreciation cost of immovable assets, Rls. 15,864.5 million was written off as depreciation related to change of premises.

Moreover, Rls. 884.8 million depreciation cost of Security Print and Mint Organization has come under currency issuance cost.

OTHER EXPENDITURES

Other expenditures amounted to Rls. 4,193.9 million as follows:

OTHER EXPENDITURES (million rials)		
	1378	1379
Paid to Treasury re. Law for Compensation of Losses Resulted from Drought	0	4,080.8
Paid to Treasury based on budget laws for 1378	5,883.9	0
Transportation and insurance of gold	(1)	3
Price differential of purchased jewelry in Tehran market and world market	0	110.1
Total	5,883.9	4,193.9

(1) The figure is less than million rials.

PROFIT APPROPRIATION

The net profit of the CBI in 1379 amounted to Rls. 327,987,798,081. The net profit of Rls. 750,709 was carried forward and added to the above figure, bringing the overall total amount to Rls. 27,988,548,790, which was proposed to be appropriated as follows:

PROFIT APPROPRIATION (rials)	
Income tax	180,150,484,673
Transfer to legal reserves	32,798,779,808
Transfer to contingency reserve	50,000,000,000
Share of the government from the net profit	63,399,000,000
0.5% allocated to low-income groups for provision of housing	1,639,938,990
Balance of net profit carried forward	345,319
Total	327,988,548,790

PART THREE

STATISTICAL APPENDIX

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**GROSS NATIONAL PRODUCT AND INCOME BY ECONOMIC SECTORS
AT CURRENT PRICES**

Table 1						Percentage change		Share (percent)	
	1375	1376	1377	1378▲	1379	1378	1379	1378	1379
Agriculture	34,824.3	40,340.6	52,501.3	59,472.9	74,605.8	13.3	25.4	14.2	13.6
Oil	41,796.0	40,724.8	28,574.1	63,545.2	102,357.7	122.4	61.1	15.1	18.6
Manufacturing and mining	47,885.6	55,989.7	61,645.0	81,038.6	104,721.3	31.5	29.2	19.3	19.0
Mining	1,319.8	1,522.2	1,914.0	2,397.7	2,928.0	25.3	22.1	0.6	0.5
Manufacturing	31,188.0	38,951.0	43,958.5	57,923.8	75,758.0	31.8	30.8	13.8	13.8
Electricity, gas and water	2,311.6	2,891.8	3,509.8	4,184.6	5,486.1	19.2	31.1	1.0	1.0
Construction	13,066.2	12,624.7	12,262.7	16,532.5	20,549.2	34.8	24.3	3.9	3.7
Services	117,618.4	147,238.7	178,031.5	220,747.4	274,424.5	24.0	24.3	52.6	49.9
Trade, restaurant and hotel	37,904.8	45,888.4	55,041.8	67,666.8	81,979.7	22.9	21.2	16.1	14.9
Transportation, storage & communications	17,798.0	23,606.9	25,033.4	29,911.7	36,401.1	19.5	21.7	7.1	6.6
Financial & monetary institutions services	2,639.4	3,140.0	4,790.6	7,027.7	9,962.2	46.7	41.8	1.7	1.8
Real estate, specialized & professional services	27,929.3	35,700.8	44,881.6	56,189.5	70,630.2	25.2	25.7	13.4	12.8
Public services	25,767.8	32,088.2	39,876.3	48,517.7	61,474.6	21.7	26.7	11.6	11.2
Social, personal and household services	5,579.1	6,814.4	8,407.8	11,434.0	13,976.7	36.0	22.2	2.7	2.5
Less:									
Imputed bank service charges	2,415.0	3,385.5	4,105.6	5,217.2	6,370.2	27.1	22.1	1.2	1.2
Gross domestic product (at base price)	239,709.3	280,908.2	316,646.3	419,586.9	549,739.1	32.5	31.0	100.0	100.0
Non-oil gross domestic product (at base price)	197,913.3	240,183.4	288,072.2	356,041.7	447,381.4	23.6	25.7	84.9	81.4
Net factor income from abroad	-1,425.2	-1,292.2	580.7	-426.7	-3,950.9				
Net indirect taxes	-524.3	165.8	438.1	440.8	90.0				
Gross national product = gross national income (at market price)	237,759.8	279,781.8	317,665.1	419,601.0	545,878.2	32.1	30.1		
Less:									
Depreciation of fixed capital	63,248.8	73,517.9	80,070.7	94,083.1	116,192.6	17.5	23.5		
Net indirect taxes	-524.3	165.8	438.1	440.8	90.2				
National income	175,035.4	206,098.2	237,156.2	325,077.1	429,595.6	37.1	32.2		

**GROSS NATIONAL PRODUCT AND INCOME BY ECONOMIC SECTORS
AT CONSTANT 1369 PRICES**

(billion rials)

	1375	1376	1377	1378▲	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Agriculture	7,783.6	7,981.0	8,574.6	7,982.1	7,973.7	-6.9	-0.1	16.4	15.6
Oil	4,203.3	4,001.5	4,072.5	3,828.9	4,149.3	-6.0	8.4	7.9	8.1
Manufacturing and mining	8,635.6	9,047.9	8,962.4	9,853.6	10,663.5	9.9	7.9	20.2	20.8
Mining	404.6	401.1	410.5	499.1	520.5	21.6	4.3	1.0	1.0
Manufacturing	5,102.0	5,677.0	5,731.0	6,240.4	6,737.3	8.9	8.0	12.8	13.1
Electricity, gas and water	631.7	672.9	708.2	745.7	761.9	5.3	2.2	1.5	1.5
Construction	2,497.3	2,296.9	2,112.6	2,368.4	2,613.8	12.1	10.4	4.9	5.1
Services	24,535.7	25,293.7	26,326.1	27,419.7	28,839.4	4.2	5.2	56.2	56.3
Trade, restaurant and hotel	6,927.2	7,438.6	7,792.3	7,826.2	8,180.7	0.4	4.5	16.1	16.0
Transportation, storage & communications	4,887.8	5,058.7	5,356.9	5,859.6	6,390.8	9.4	9.1	12.0	12.5
Financial and monetary institutions services	460.4	491.9	555.9	580.1	630.6	4.4	8.7	1.2	1.2
Real estate, specialized & professional services	7,472.2	7,223.7	7,518.7	8,079.3	8,598.8	7.5	6.4	16.6	16.8
Public services	3,835.4	4,138.2	4,138.9	4,002.2	3,942.2	-3.3	-1.5	8.2	7.7
Social, personal and household services	952.8	942.6	963.4	1,071.6	1,096.3	11.2	2.3	2.2	2.1
Less:									
Imputed bank service charges	348.0	424.4	371.1	322.8	350.9	-13.0	8.7	0.7	0.7
Gross domestic product (at base price)	44,810.2	45,899.7	47,564.5	48,761.5	51,245.0	2.5	5.1	100.0	100.0
Non-oil gross domestic product (at base price)	40,606.9	41,898.2	43,492.0	44,932.6	47,095.7	3.3	4.8	92.1	91.9
Net factor income from abroad	177.0	470.3	562.0	150.5	31.5				
Net indirect taxes	-97.9	27.1	65.6	51.1	8.4				
Terms of trade effect	1,719.9	262.0	-2,407.5	-867.5	-1,058.2				
Gross national product = gross national income (at market price)	46,609.1	46,659.1	45,784.6	48,095.6	50,226.7	5.0	4.4		
Less:									
Depreciation of fixed capital	9,640.5	9,747.8	9,897.3	10,045.8	10,246.7	1.5	2.0		
Net indirect taxes	-97.9	27.1	65.6	51.1	8.4				
National income	37,066.5	36,884.2	35,821.7	37,998.7	39,971.6	6.1	5.2		

**GROSS NATIONAL EXPENDITURE
AT CURRENT PRICES**

Table 3 (billion rials)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Private consumption expenditures	112,593.0	139,969.0	180,345.1	219,041.4	259,984.0	21.5	18.7	52.1	47.3
Public consumption expenditures	33,946.4	40,515.5	50,460.6	62,272.8	78,558.6	23.4	26.2	14.8	14.3
Gross fixed capital formation	65,009.4	82,035.3	96,298.6	129,027.2	170,861.7	34.0	32.4	30.7	31.1
Machinery	30,654.3	46,116.4	60,205.5	78,933.1	108,980.7	31.1	38.1	18.8	19.8
Private sector	20,949.3	35,451.7	49,399.5	64,883.5	91,295.5	31.3	40.7	15.4	16.6
Public sector	9,705.0	10,664.7	10,806.0	14,049.6	17,685.2	30.0	25.9	3.3	3.2
Construction	34,355.1	35,918.9	36,093.1	50,094.1	61,881.0	38.8	23.5	11.9	11.3
Private sector	17,020.4	16,811.8	17,245.5	22,144.3	27,934.6	28.4	26.1	5.3	5.1
Public sector	17,334.7	19,107.1	18,847.6	27,949.8	33,946.4	48.3	21.5	6.7	6.2
Change in stock	14,238.5	14,327.8	1,894.7	-15,531.1	-3,821.6			-3.7	-0.7
Net export of goods and services	14,600.3	6,343.0	-5,689.6	29,898.0	36,771.5			7.1	6.7
Export of goods and services	51,747.0	51,006.8	44,884.8	93,508.6	134,156.4	108.3	43.5	22.3	24.4
Import of goods and services	37,146.7	44,663.8	50,574.3	63,610.6	97,384.9	25.8	53.1	15.1	17.7
Statistical errors	-1,202.6	-2,116.5	-6,225.0	-4,680.6	7,475.1			-1.1	1.4
Gross domestic expenditure	239,185.0	281,074.0	317,084.4	420,027.7	549,829.1	32.5	30.9	100.0	100.0
Net factor income from abroad	-1,425.2	-1,292.2	580.7	-426.7	-3,950.9				
Gross national expenditure = gross national product	237,759.8	279,781.8	317,665.1	419,601.0	545,878.4	32.1	30.1		
Less:									
Depreciation of fixed capital	63,248.8	73,517.9	80,070.7	94,083.1	116,192.6	17.5	23.5		
Net indirect taxes	-524.3	165.8	438.1	440.8	90.2				
National income	175,035.4	206,098.2	237,156.2	325,077.1	429,595.6	37.1	32.2		

**GROSS NATIONAL EXPENDITURE
AT CONSTANT 1369 PRICES**

Table 4

(billion rials)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Private consumption expenditures	25,180.0	26,242.7	28,029.0	28,340.5	29,696.4	1.1	4.8	58.1	57.9
Public consumption expenditures	5,211.6	5,523.2	5,801.5	5,748.4	5,765.6	-0.9	0.3	11.8	11.2
Gross fixed capital formation	10,627.4	11,366.7	11,812.8	12,930.6	14,145.7	9.5	9.4	26.5	27.6
Machinery	4,269.1	5,373.0	6,227.5	6,420.6	7,242.3	3.1	12.8	13.2	14.1
Private sector	2,905.7	4,124.3	5,155.6	5,243.4	5,936.7	1.7	13.2	10.7	11.6
Public sector	1,363.4	1,248.7	1,071.9	1,177.2	1,305.6	9.8	10.9	2.4	2.5
Construction	6,358.3	5,993.7	5,585.3	6,510.0	6,903.4	16.6	6.0	13.3	13.4
Private sector	3,271.5	3,087.4	2,997.5	3,235.0	3,608.8	7.9	11.6	6.6	7.0
Public sector	3,086.8	2,906.3	2,587.8	3,275.0	3,294.6	26.6	0.6	6.7	6.4
Change in stock	2,323.9	1,404.7	-90.8	-2,892.7	-2,962.2			-5.9	-5.8
Net export of goods and services	375.1	537.4	1,641.6	3,559.6	3,289.6	116.8	-4.8	7.3	6.6
Export of goods and services	6,565.1	6,297.1	7,245.8	8,853.4	9,034.9	22.2	2.1	18.1	17.6
Import of goods and services	6,190.0	5,759.7	5,604.2	5,293.8	5,645.3	-5.5	6.6	10.8	11.0
Statistical errors	994.2	852.2	436.0	1,126.2	1,218.3				
Gross domestic expenditure	44,712.3	45,926.8	47,630.1	48,812.6	51,253.4	2.5	5.0	100.0	100.0
Terms of trade effect	1,719.9	262.0	-2,407.5	-867.5	-1,058.2				
Net factor income from abroad	177.0	470.3	562.0	150.5	31.5				
Gross national expenditure = gross national product	46,609.1	46,659.1	45,784.6	48,095.6	50,226.7	5.0	4.4		
Less:									
Depreciation of fixed capital	9,640.5	9,747.8	9,897.3	10,045.8	10,246.7	1.5	2.0		
Net indirect taxes	-97.9	27.1	65.6	51.1	8.4				
National income	37,066.5	36,884.2	35,821.6	37,998.7	39,971.6	6.1	5.2		

Table 5 ESTIMATED PRODUCTION OF MAJOR FARMING CROPS (thousand tons)

	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
Wheat	10,015	10,045	11,955	8,673	8,088	-27.5	-6.7
Barley	2,736	2,499	3,301	1,999	1,686	-39.4	-15.7
Rice (paddy)	2,685	2,350	2,771	2,348	1,971	-15.3	-16.1
Cotton	598	451	460	441	497	-4.1	12.7
Sugar beet	3,687	4,754	4,987	5,548	4,332	11.2	-21.9
Sugar cane	1,833	2,059	1,970	2,236	2,367	13.5	5.9
Tea (green)	277	309	270	275	223	1.9	-18.9
Oil seeds	210	267	329	271	247	-17.6	-8.9
Tobacco	17	24	23	22	21	-4.3	-4.5
Pulses	704	546	577	471	562	-18.4	19.3
Potatoes	3,140	3,284	3,430	3,433	3,658	0.1	6.6
Onions	1,200	1,157	1,210	1,677	1,344	38.6	-19.9
Pistachio	260	112	314	131	304	-58.3	132.1

Source: Ministry of Agriculture Jihad

Table 6 FACILITIES EXTENDED BY BANK KESHAVARZI ACCORDING TO ISLAMIC CONTRACTS(1) (billion rials)

	1375	1376	1377	1378	1379	Percentage change	Share (percent)	
							1378	1379
Gharz-al-hasaneh	283.5	277.1	295.6	285.0	57.3	-79.9	3.5	0.5
Installment sale	615.5	1,265.6	1,921.4	2,596.4	4,349.9	67.5	32.2	40.8
Civil partnership	1,778.9	2,242.8	2,171.4	1,857.3	2,260.3	21.7	23.1	21.2
Mozarebeh	692.8	830.8	1,127.9	1,659.6	2,134.4	28.6	20.6	20.0
Forward transaction	316.5	668.1	1,260.4	1,641.3	1,519.6	-7.4	20.4	14.3
Joaleh	1.5	3.8	6.6	1.7	0	-100.0	*	0
Hire purchase	6.5	-	7.7	13.8	342.5	☐	0.2	3.2
Total	3,695.2	5,288.2	6,791.0	8,055.1	10,664.0	32.4	100.0	100.0

Source: Bank Keshavarzi

(1) Includes direct and indirect payments.

**GOVERNMENT FIXED INVESTMENT OUT OF DEVELOPMENT EXPENDITURES FOR
EXPANSION OF AGRICULTURE AND NATURAL RESOURCES**

Table 7

(billion rials)

	1375	1376	1377	1378	1379	Percentage change	Share (percent)	
							1378	1379
Expansion of agriculture & natural resources	801.0	876.4	829.5	1,183.9	1,809.5	52.8	100.0	100.0
National credits	528.8	553.1	538.9	801.7	1,132.4	41.2	100.0	100.0
Water and soil	163.3	141.1	127.5	165.2	241.0	45.9	20.6	21.3
Forests and pastures	100.4	81.6	107.9	137.7	198.2	43.9	17.2	17.5
Farming	140.0	141.7	107.1	129.0	172.2	33.5	16.1	15.2
Animal husbandry and poultry	25.5	15.4	16.2	20.2	29.4	45.5	2.5	2.6
Fisheries and aquatics	37.0	38.5	46.5	54.1	53.9	-0.4	6.7	4.7
Maintenance of yielding water	23.4	32.5	31.1	43.7	86.9	98.9	5.5	7.7
Agriculture propagation & studies & natural resources	26.1	29.4	31.8	30.1	71.1	136.2	3.8	6.3
Commercial and cooperative credits	13.1	30.0	31.5	157.2	50.5	-67.9	19.6	4.4
Animal care and veterinary	0	22.5	19.9	32.3	44.9	39.0	4.0	4.0
Gardening	0	20.4	19.4	32.2	46.2	43.5	4.0	4.1
Technical and creditory assistance	0	0	0	0	138.1	0	0	12.2
Provincial credits	272.2	323.3	290.6	382.2	677.1	77.2	100.0	100.0
Research on agriculture and natural resources	178.3	221.8	230.9	268.8	353.7	31.6	100.0	100.0

Source: General budget laws and Management and Planning Organization

Table 8

LIVESTOCK PRODUCTS

(thousand tons)

	1375	1376	1377	1378▲	1379	Percentage change	
						1378	1379
Red meat	685	720	763	721	729	-5.5	1.1
Milk	4,705	4,895	5,105	5,564	5,623	9.0	1.1
Poultry	676	712	720	725	803	0.7	10.8
Egg	486	470	625	570	580	-8.8	1.8

Source: Ministry of Agriculture Jihad

**GOVERNMENT FIXED INVESTMENT OUT OF DEVELOPMENT EXPENDITURES
FOR PROVISION AND EXPANSION OF WATER RESOURCES**

Table 9 (billion rials)

	1375	1376	1377	1378	1379	Percentage change	Share (percent)	
							1378	1379
National credits	1,829.8	1,630.4	1,236.0	1,981.0	3,008.4	51.9	100.0	100.0
Provision of water	863.0	745.2	496.8	713.0	1,151.0	61.4	36.0	38.3
Irrigation networks and drainage	387.4	418.6	299.4	472.7	753.6	59.4	23.9	25.0
Irrigation of cities and industries	387.0	371.8	343.3	653.2	757.4	16.0	33.0	25.2
River and coast engineering	55.0	32.4	43.8	62.4	111.6	78.8	3.1	3.7
Optimization improvement and maintenance of water resources	91.0	33.9	24.6	41.7	70.6	69.3	2.1	2.4
Water resources' expansion study	46.4	28.5	28.1	38.0	52.5	38.2	1.9	1.7
Technical and creditory assistance	0	0	0	0	111.7	0	0	3.7
Provincial credits	189.5	211.9	191.6	371.7	644.6	73.4	100.0	100.0
Total	2,019.3	1,842.3	1,427.6	2,352.7	3,653.0	55.3		

Source: General budget laws for various years

Table 10 (million rials)

	1375	1376	1377	1378	1379	Percentage change	Share (percent)	
							1378	1379
Farming	501,880	755,320	1,177,379	1,196,862	2,419,424	102.1	26.9	34.4
Horticulture	87,151	200,575	200,847	218,087	523,201	139.9	4.9	7.4
Animal husbandry	418,528	486,861	672,122	722,531	936,234	29.6	16.3	13.3
Poultry raising	259,580	341,583	493,974	527,129	660,336	25.3	11.9	9.4
Honeybee and silkworm raising	4,499	6,031	12,682	11,932	13,661	14.5	0.3	0.2
Agricultural industries	49,139	49,872	76,093	118,093	152,241	28.9	2.7	2.2
Handicrafts and carpet-weaving	45,556	56,524	67,066	86,375	101,871	17.9	1.9	1.4
Fish raising, fishing and shrimp preying	9,850	15,241	20,120	27,786	58,082	109.0	0.6	0.8
Agricultural services	151,825	236,493	381,790	500,548	676,944	35.2	11.3	9.6
Others (1)	152,401	317,259	620,673	1,030,586	1,497,136	45.3	23.2	21.3
Total	1,680,409	2,465,759	3,722,746	4,439,929	7,039,130	58.5	100.0	100.0

Source: Bank Keshavarzi

(1) Includes exploitation of forests, pastures and seed and shoot development stations.

	Table 11 WORLD CRUDE OIL PRODUCTION (1)									
						Percentage change		Share (percent)		
	1996	1997	1998	1999	2000	1999	2000	1999	2000	
OPEC	28,255	29,555	30,805	29,300	30,825	-4.9	5.2	40.8	41.4	
Middle East members	18,570	19,470	20,675	19,755	21,000	-4.4	6.3	27.5	28.2	
Other members	9,685	10,085	10,130	9,545	9,825	-5.8	2.9	13.3	13.2	
North America	14,050	14,270	14,180	13,680	13,905	-3.5	1.6	19.0	18.6	
U.S.A.	8,295	8,270	8,010	7,730	7,745	-3.5	0.2	10.8	10.4	
Canada	2,480	2,590	2,670	2,605	2,710	-2.4	4.0	3.6	3.6	
Mexico	3,275	3,410	3,500	3,345	3,450	-4.4	3.1	4.7	4.6	
North Sea	6,045	6,065	5,975	6,090	6,025	1.9	-1.1	8.5	8.1	
England	2,730	2,705	2,760	2,885	2,660	4.5	-7.8	4.0	3.6	
Norway	3,315	3,360	3,215	3,205	3,365	-0.3	5.0	4.5	4.5	
Egypt	900	880	860	835	795	-2.9	-4.8	1.2	1.1	
Oman	895	910	905	910	960	0.6	5.5	1.3	1.3	
Commonwealth of Independent States	7,175	7,375	7,390	7,555	8,035	2.2	6.4	10.5	10.8	
China	3,170	3,210	3,210	3,215	3,245	0.2	0.9	4.5	4.3	
Other countries	9,260	9,665	9,965	10,265	10,720	3.0	4.4	14.3	14.4	
Total	69,750	71,930	73,290	71,850	74,510	-2.0	3.7	100.0	100.0	
OECD members	21,430	21,750	21,520	21,095	21,545	-2.0	2.1	29.4	28.9	

Source: BP AMOCO Statistical Bulletin , 2001

(1) Includes NGL, shale oil and oil sands.

	1996	1997	1998	1999	2000	Percentage change		Share (percent)	
						1999	2000	1999	2000
North America	20,790	21,250	21,615	22,195	22,360	2.7	0.7	30.3	30.3
U.S.A.	17,470	17,770	18,030	18,635	18,745	3.4	0.6	25.4	25.4
Canada	1,710	1,800	1,820	1,795	1,775	-1.4	-1.1	2.4	2.4
Mexico	1,610	1,680	1,765	1,765	1,840	0	4.2	2.4	2.5
Latin America	4,295	4,525	4,660	4,635	4,665	-0.5	0.6	6.3	6.3
Australia & New Zealand	920	955	955	975	1,005	2.1	3.1	1.3	1.4
Europe	15,625	15,845	16,085	16,050	15,925	-0.2	-0.8	21.9	21.5
France	1,930	1,950	2,015	2,045	2,010	1.5	-1.7	2.8	2.7
Italy	1,955	1,970	1,975	1,980	1,945	0.3	-1.8	2.7	2.6
England	1,800	1,750	1,745	1,720	1,675	-1.4	-2.6	2.3	2.3
Germany	2,920	2,915	2,915	2,825	2,760	-3.1	-2.3	3.9	3.7
Other European countries	7,020	7,260	7,435	7,480	7,535	0.6	0.7	10.2	10.2
Middle East	4,125	4,190	4,170	4,325	4,345	3.7	0.5	5.9	5.9
Africa	2,245	2,315	2,395	2,450	2,470	2.3	0.8	3.3	3.3
Japan	5,810	5,760	5,525	5,620	5,525	1.7	-1.7	7.7	7.5
China	3,670	3,935	4,045	4,415	4,840	9.1	9.6	6.0	6.5
Commonwealth of Independent States	3,780	3,750	3,610	3,565	3,475	-1.2	-2.5	4.9	4.7
Other countries	8,410	8,945	8,595	9,085	9,295	5.7	2.3	12.4	12.6
Total	69,670	71,470	71,655	73,315	73,905	2.3	0.8	100.0	100.0
OECD members	44,530	45,385	45,435	46,300	46,335	1.9	0.1	63.2	62.7

Source: BP AMOCO Statistical Bulletin, 2001

(1) Includes domestic demand for oil, aviation and navy fuel, fuel for refineries and oil wastes.

Table 13

AVERAGE SPOT PRICES OF CRUDE OIL DURING 2000

(barrel-dollar)

	Saudi Arabia		Iran	Algeria	Nigeria	U.A.E.	OPEC basket	England	U.S.A.	Egypt
	Light	Heavy	Light	Saharan	Bonny	Dubai	(1)	Brent	WTI	Suez mix
	(34.2°)	(28°)	(33.9°)	(44.1°)	(36.7°)	(32.4°)		(38°)	(40°)	(33°)
January	24.43	23.08	24.35	25.89	25.41	23.23	24.58	25.26	27.15	23.33
February	25.85	24.00	25.70	28.74	28.36	24.77	26.84	27.99	29.44	26.16
March	26.02	24.52	25.87	27.65	27.54	24.99	26.71	27.14	29.85	24.68
April	22.95	22.00	22.86	22.91	22.91	22.14	22.93	22.66	25.81	19.90
May	26.27	25.27	26.10	28.02	27.87	25.69	26.94	27.60	28.78	25.03
June	29.09	27.09	27.99	29.94	29.86	27.24	29.12	29.74	31.93	26.64
July	27.19	25.99	27.09	28.76	28.75	26.35	27.94	28.96	30.19	24.24
August	27.12	25.52	27.12	29.25	29.06	26.79	28.30	29.74	31.04	26.24
September	30.60	28.00	30.45	33.18	32.65	30.05	31.48	32.94	34.05	28.59
October	30.17	28.21	30.42	31.19	30.67	30.57	30.42	30.86	33.00	26.18
November	29.81	27.94	29.75	33.06	32.86	30.25	31.22	32.67	34.65	29.06
December	22.65	20.83	22.66	26.11	25.47	22.27	24.13	25.07	28.39	21.11
Average of 2000	26.85	25.20	26.70	28.73	28.45	26.20	27.55	28.39	30.36	25.10
The year 2001										
January	22.31	20.74	22.63	26.08	25.43	22.56	24.06	25.60	29.42	22.09
February	24.82	23.32	24.65	27.80	27.40	24.79	25.41	27.30	29.48	22.61
March	23.77	22.57	23.58	24.82	24.35	23.67	23.70	24.42	27.27	19.73
Average of 1379 (2)	26.40	24.79	26.28	28.43	28.11	26.03	27.14	28.13	30.33	24.29

Source: OPEC Monthly Bulletin, October, 2000 and May, 2001

(1) Includes seven types of crude oil: Saharan Blend, Minas, Bonny Light, Saudi Arabian Light, Dubai, Tia Juana and Isthmus (Mexico, non-OPEC).

(2) Average of the second, third and fourth quarters of 2000 and the first quarter of 2001.

Table 14 **AVERAGE SPOT PRICES OF CRUDE OIL DURING 1996-2000** **(barrel-dollar)**

	Type of crude oil	1996	1997	1998	1999	2000	Annual percentage change	
							1999	2000
Saudi Arabia	Light	19.85	18.80	12.24	17.43	26.85	42.4	54.0
	Heavy	18.36	17.26	10.95	16.41	25.20	49.9	53.6
Iran	Light	18.97	18.34	12.02	17.23	26.70	43.3	55.0
Algeria	Saharan	21.27	19.72	13.07	18.09	28.73	38.4	58.8
Nigeria	Bonny	21.17	19.50	12.82	18.04	28.45	40.7	57.7
U.A.E.	Dubai	18.53	18.19	12.19	17.22	26.20	41.3	52.1
OPEC basket (1)	—	20.33	18.77	12.33	17.44	27.55	41.4	58.0
England	Brent	20.64	19.16	12.76	17.88	28.39	40.1	58.8
U.S.A.	WTI	22.14	20.66	14.41	19.27	30.36	33.7	57.5
Egypt	Suez mix	18.69	16.99	10.47	16.17	25.10	54.4	55.2

Source: OPEC Monthly Bulletin

(1) Includes seven types of crude oil: Saharan Blend, Minas, Bonny Light, Saudi Arabian Light, Dubai, Tia Juana and Isthmus (Mexico, non-OPEC).

Table 15 **OPEC CRUDE OIL PRODUCTION (1)** **(thousand b/d)**

	1996	1997	1998	1999	2000	Percentage change		Share (percent)	
						1999	2000	1999	2000
Middle East members	18,570	19,470	20,675	19,755	21,000	-4.4	6.3	67.4	68.1
Saudi Arabia	9,035	9,215	9,220	8,550	9,145	-7.3	7.0	29.2	29.7
Iran	3,705	3,725	3,800	3,550	3,770	-6.6	6.2	12.1	12.2
Iraq	625	1,200	2,160	2,580	2,625	19.4	1.7	8.8	8.5
Kuwait	2,140	2,145	2,195	2,025	2,150	-7.7	6.2	6.9	7.0
U.A.E	2,495	2,490	2,555	2,325	2,515	-9.0	8.2	7.9	8.1
Qatar	570	695	745	725	795	-2.7	9.7	2.5	2.6
Other members	9,685	10,085	10,130	9,545	9,825	-5.8	2.9	32.6	31.9
Venezuela	3,135	3,320	3,510	3,175	3,235	-9.5	1.9	10.8	10.5
Nigeria	2,140	2,305	2,165	2,030	2,105	-6.2	3.7	6.9	6.8
Indonesia	1,580	1,555	1,520	1,405	1,430	-7.6	1.8	4.8	4.7
Libya	1,450	1,490	1,480	1,425	1,475	-3.7	3.5	4.9	4.8
Algeria	1,380	1,415	1,455	1,510	1,580	3.8	4.6	5.2	5.1
Total (2)	28,255	29,555	30,805	29,300	30,825	-4.9	5.2	100.0	100.0

Source: BP AMOCO Statistical Bulletin, 2001

(1) Includes NGL, shale oil and oil sands.

(2) Based on OPEC Monthly Bulletin, during 1996-2000 the NGL production in OPEC member countries was 2.7, 2.8, 2.8, 2.8 and 2.9 million barrel per day, respectively.

Table 16 **IRAN'S PRODUCTION AND EXPORT OF CRUDE OIL AND OIL PRODUCTS** **(thousand b/d)**

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Production	3,610	3,623	3,666	3,373	3,661	-8.0	8.5	100.0	100.0
Export									
Crude oil	2,441	2,342	2,300	2,079	2,345	-9.6	12.8	91.3	92.8
Oil products	186	222	113	197	181	74.3	-8.1	8.7	7.2
Total export	2,627	2,564	2,413	2,276	2,526	-5.7	11.0	100.0	100.0

Source: Ministry of Petroleum

Table 17 **GEOGRAPHICAL DISTRIBUTION OF CRUDE OIL EXPORTS** **(percent)**

	1375	1376	1377	1378	1379
Europe	49.5	51.4	49.8	33.6	31.4
Japan	20.0	19.1	18.7	24.7	21.9
Asia and Far East (except Japan)	27.6	26.9	27.8	26.1	39.6
Africa	0	0	0	0	7.1
Other countries	2.9	2.6	3.7	15.6	0
Total	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Petroleum

Table 18 **CRUDE OIL DELIVERED TO DOMESTIC REFINERIES** **(thousand b/d)**

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Abadan Refinery	322	349	340	312	310	-8.2	-0.6	22.9	23.6
Isfahan Refinery	280	312	280	280	253	0	-9.6	20.6	19.2
Bandar Abbas Refinery	0	86	220	220	220	0	0	16.2	16.7
Tehran Refinery	220	207	200	210	200	5.0	-4.8	15.4	15.2
Arak Refinery	150	151	154	150	150	-2.6	0	11.0	11.4
Tabriz Refinery	104	95	100	100	100	0	0	7.4	7.6
Shiraz Refinery	39	38	44	40	40	-9.1	0	2.9	3.0
Lavan Topping Plant	23	24	27	25	21	-7.4	-16.0	1.8	1.6
Kermanshah Refinery	23	19	24	23	22	-4.2	-4.3	1.7	1.7
Total	1,161	1,281	1,389	1,360	1,316	-2.1	-3.2	100.0	100.0

Source: Ministry of Petroleum

Table 19 **DOMESTIC CONSUMPTION OF OIL PRODUCTS** **(thousand b/d)**

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Gas oil	390	405	376	364	348	-3.2	-4.4	32.2	31.7
Fuel oil	263	230	310	225	231	-27.4	2.7	19.9	21.0
Gasoline	201	220	212	212	202	0	-4.7	18.7	18.4
Kerosene	187	183	174	157	151	-9.8	-3.8	13.9	13.7
LPG	55	58	44	43	42	-2.3	-2.3	3.8	3.8
Other products	59	65	135	130	125	-3.7	-3.8	11.5	11.4
Total	1,155	1,161	1,251	1,131	1,099	-9.6	-2.8	100.0	100.0

Source: Ministry of Petroleum

Table 20 **PRODUCTION OF NATURAL GAS** **(billion cubic meters)**

	1375	1376	1377	1378 ▲	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Domestic consumption	42.4	47.6	51.5	58.7	62.8	14.0	7.0	73.4	75.5
Flared	13.2	11.5	11.1	13.5	13.8	21.6	2.2	16.9	16.6
Export	0	0	0	0	0	0	0	0	0
Regional uses and wastes	8.6	10.4	9.9	7.8	6.6	-21.2	-15.9	9.8	7.9
Total production (1)	64.2	69.5	72.5	80.0	83.2	10.3	3.9	100.0	100.0

Source: Ministry of Petroleum

(1) Excludes gas injected into oil wells.

Table 21 **PRODUCTION OF ELECTRICITY** **(million kwh)**

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Ministry of Energy	85,825	92,310	97,863	107,207	114,976	9.5	7.2	95.2	95.3
Hydroelectric	7,376	6,908	7,014	4,943	3,636	-29.5	-26.4	4.4	3.0
Steam	62,364	65,629	63,988	70,689	77,846	10.5	10.1	62.8	64.5
Gas and combined cycle	15,475	19,298	26,487	31,156	33,135	17.6	6.4	27.7	27.5
Diesel	610	475	374	419	359	12.0	-14.3	0.4	0.3
Other institutions (1)	5,026	5,434	5,550	5,389	5,624	-2.9	4.4	4.8	4.7
Total	90,851	97,744	103,413	112,596	120,600	8.9	7.1	100.0	100.0

Source: Ministry of Energy

(1) Includes miscellaneous industries and producers.

Table 22 CONSUMPTION OF ELECTRICITY(1) (million kwh)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Household	23,993	26,523	28,686	29,754	31,266	3.7	5.1	35.1	34.6
Industrial	22,925	23,661	24,140	26,504	28,937	9.8	9.2	31.3	32.0
Public	6,595	6,727	7,077	10,622	11,271	50.1	6.1	12.5	12.5
Commercial	7,622	8,160	8,484	5,567	5,991	-34.4	7.6	6.6	6.6
Agricultural	5,731	6,009	6,782	8,019	9,147	18.2	14.1	9.5	10.1
Street lighting (2)	2,805	2,278	2,477	4,190	3,754	69.2	-10.4	4.9	4.2
Total (3)	69,671	73,358	77,646	84,656	90,366	9.0	6.7	100.0	100.0

Source: Ministry of Energy

(1) Produced by Ministry of Energy (sale of electricity to subscribers)

(2) For 1375, includes electricity in rural areas, holy places (charity) and street lighting.

(3) Discrepancy between consumption and production of electricity is mainly due to wastes of transferring and distributing network.

Table 23 GOVERNMENT FIXED INVESTMENT OUT OF DEVELOPMENT EXPENDITURES IN OIL, GAS AND ELECTRICITY SECTORS (billion rials)

	1375	1376	1377	1378	1379 (1)	Percentage change		Share (percent)	
						1378	1379	1378	1379
Oil (2)	1,757.7	2,771.1	2,109.8	3,780.6	59.7	79.2	-98.2	100.0	100.0
Gas	882.4	928.8	791.3	1,778.2	0	124.7	-100.0	100.0	100.0
Electricity	1,042.8	1,487.8	2,453.4	2,956.5	455.5	20.5	-84.6	100.0	100.0
National expenditures	1,042.4	1,487.5	2,452.4	2,954.4	450.3	20.5	-84.8	99.9	98.9
Production	729.9	959.8	1,870.3	2,036.1	162.1	8.9	-92.0	68.9	35.6
Transfer	300.5	512.7	572.1	902.3	0	57.7	-100.0	30.5	0
Distribution	12.0	15.0	10.0	16.0	288.2	60.0	1,701.3	0.5	63.3
Provincial expenditures	0.4	0.3	1.0	2.1	5.2	110.0	147.6	0.1	1.1
Energy research	96.4	98.8	135.1	124.8	26.1	-7.6	-79.1	100.0	100.0

Source: General budget law-Management and Planning Organization

(1) On the basis of Note 19 of the 2nd FYDP (1374-1378), major part of development investment in oil, gas and electricity was provided through resources of charges of these industries. In the 3rd Plan, the mentioned charges are dealt with out of budget and are delivered directly to the mentioned sectors. Thus, development expenditures of these sectors have been dramatically reduced.

(2) The figure for 1379 includes program for regulating and implementing government policies in oil, gas, petrochemical and related industries.

**INVESTMENT BASED ON ESTABLISHMENT PERMITS ISSUED FOR NEWLY ESTABLISHED
INDUSTRIAL UNITS AND EXPANSION OF EXISTING UNITS**

Table 24

(billion rials)

	1375	1376	1377	1378	1379(1)	Percentage change		Share (percent)(2)	
						1378	1379	1378	1379
Manufacture of :									
Food and beverages	5,656	5,577	9,272	5,813	7,618	-37.3	31.1	20.1	12.2
Tobacco products	0	0	0	2	1	0	-50.0	*	*
Textiles	3,834	6,556	2,056	3,371	3,267	64.0	-3.1	11.6	5.2
Wearing apparel, dressing and dyeing of fur	491	445	144	230	204	59.7	-11.3	0.8	0.3
Tanning & dressing of leather, manufacture of luggage, handbags and footwear	572	552	164	211	324	28.7	53.6	0.7	0.5
Wood and wood products except furniture	512	492	191	454	867	137.7	91.0	1.6	1.4
Paper and paper products	763	900	3,700	855	1,551	-76.9	81.4	3.0	2.5
Printing, publishing and reproduction of recorded media	9	23	39	118	88	202.6	-25.4	0.4	0.1
Coke and refined petroleum products and nuclear fuels	94	169	44	120	1,630	172.7	0	0.4	2.6
Chemical products	6,642	3,469	1,084	4,546	5,900	319.4	29.8	15.7	9.5
Rubber and plastic products	2,031	2,859	761	2,049	2,160	169.3	5.4	7.1	3.5
Non-metallic mineral products	1,502	1,919	1,806	3,563	12,340	97.3	246.3	12.3	19.8
Basic metals	726	550	220	2,013	12,515	0	0	6.9	20.1
Fabricated metal products, except machinery and equipment	686	1,766	530	1,218	2,279	129.8	87.1	4.2	3.7
Machinery and equipment unclassified elsewhere	669	671	571	833	5,224	45.9	0	2.9	8.4
Office and accounting machines	176	47	31	34	130	9.7	282.4	0.1	0.2
Electrical machines and electronic devices	429	445	440	640	777	45.5	21.4	2.2	1.2
Radio, television and telecommunication instruments	323	309	346	117	117	-66.2	0	0.4	0.2
Medical, precision and optical instruments, watches and clocks	344	328	337	251	284	-25.5	13.1	0.9	0.5
Motor vehicles, trailer and semi-trailer	414	744	680	2,181	3,561	220.7	63.3	7.5	5.7
Other transport equipment	116	418	1,136	229	599	-79.8	161.6	0.8	1.0
Furniture and artificial goods unclassified elsewhere	216	250	56	106	149	89.3	40.6	0.4	0.2
Recycling	267	381	206	26	720	-87.4	0	0.1	1.2
Total	26,472	28,870	23,814	28,980	62,305	21.7	115.0	100.0	100.0

Source: Ministry of Industries and Mines

- (1) Significant growth of investment in some industry groups is mainly due to change in foreign exchange rate evaluation and inclusion of new petrochemical units in "coke and refined oil products and nuclear fuels" group.
- (2) Minor discrepancies in total are due to rounding.

**INVESTMENT BASED ON OPERATION PERMITS ISSUED FOR NEWLY ESTABLISHED
INDUSTRIAL UNITS AND EXPANSION OF EXISTING UNITS**

Table 25

(billion rials)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)(1)	
						1378	1379	1378	1379
Manufacture of :									
Food and beverages	883	1,454	1,867	1,361	1,214	-27.1	-10.8	13.2	19.3
Tobacco products	0	0	0	5	0	0	-100.0	*	0
Textiles	914	719	1,703	947	512	-44.4	-45.9	9.2	8.1
Wearing apparel, dressing and dyeing of fur	17	17	12	16	27	33.3	68.8	0.2	0.4
Tanning & dressing of leather, manufacture of luggage, handbags and footwear	65	39	40	94	83	135.0	-11.7	0.9	1.3
Wood and wood products except furniture	25	19	67	28	48	-58.2	71.4	0.3	0.8
Paper and paper products	69	115	191	96	119	-49.7	24.0	0.9	1.9
Printing, publishing and reproduction of recorded media	8	5	5	13	12	160.0	-7.7	0.1	0.2
Coke and refined petroleum products and nuclear fuels	6	17	27	3,611	53	▣	-98.5	35.0	0.8
Chemical products	304	808	250	527	627	110.8	19.0	5.1	10.0
Rubber and plastic products	397	1,220	711	615	462	-13.5	-24.9	6.0	7.3
Non-metallic mineral products	849	629	590	1,142	1,366	93.6	19.6	11.1	21.7
Basic metals	136	67	119	316	194	165.5	-38.6	3.1	3.1
Fabricated metal products, except machinery and equipment	542	202	281	732	221	160.5	-69.8	7.1	3.5
Machinery and equipment unclassified elsewhere	220	149	104	239	311	129.8	30.1	2.3	4.9
Office and accounting machines	27	52	2	22	9	▣	-59.1	0.2	0.1
Electrical machines and electronic devices	761	151	171	118	173	-31.0	46.6	1.1	2.7
Radio, television and telecommunication instruments	23	23	25	33	25	32.0	-24.2	0.3	0.4
Medical, precision and optical instruments, watches and clocks	13	5	81	39	35	-51.9	-10.3	0.4	0.6
Motor vehicles, trailer and semi-trailer	46	19	64	313	637	389.1	103.5	3.0	10.1
Other transport equipment	32	67	42	35	135	-16.7	285.7	0.3	2.1
Furniture and artificial goods unclassified elsewhere	26	20	11	18	26	63.6	44.4	0.2	0.4
Recycling	2	27	6	10	2	66.7	-80.0	0.1	*
Total	5,365	5,824	6,369	10,330	6,291	62.2	-39.1	100.0	100.0

Source: Ministry of Industries and Mines

(1) Minor discrepancies in total are due to rounding.

**NUMBER OF ESTABLISHMENT PERMITS ISSUED FOR NEWLY ESTABLISHED
INDUSTRIAL UNITS AND EXPANSION OF EXISTING UNITS**

Table 26

	1375	1376	1377	1378	1379	Percentage change		Share (percent)(1)	
						1378	1379	1378	1379
Manufacture of :									
Food and beverages	2,065	1,967	1,543	1,836	1,756	19.0	-4.4	22.7	19.6
Tobacco products	0	0	0	2	1	0	-50.0	*	*
Textiles	822	740	370	418	433	13.0	3.6	5.2	4.8
Wearing apparel, dressing and dyeing of fur	245	532	285	297	429	4.2	44.4	3.7	4.8
Tanning & dressing of leather, manufacture of luggage, handbags and footwear	153	257	112	114	151	1.8	32.5	1.4	1.7
Wood and wood products except furniture	288	186	130	145	177	11.5	22.1	1.8	2.0
Paper and paper products	532	415	233	265	354	13.7	33.6	3.3	4.0
Printing, publishing and reproduction of recorded media	27	33	12	34	41	183.3	20.6	0.4	0.5
Coke and refined petroleum products and nuclear fuels	49	74	47	56	139	19.1	148.2	0.7	1.6
Chemical products	845	1,246	616	732	753	18.8	2.9	9.0	8.4
Rubber and plastic products	965	1,110	716	861	910	20.3	5.7	10.6	10.2
Non-metallic mineral products	888	1,182	937	1,036	1,154	10.6	11.4	12.8	12.9
Basic metals	391	358	274	309	330	12.8	6.8	3.8	3.7
Fabricated metal products, except machinery and equipment	452	405	296	573	634	93.6	10.6	7.1	7.1
Machinery and equipment unclassified elsewhere	564	564	494	517	615	4.7	19.0	6.4	6.9
Office and accounting machines	33	41	24	48	56	100.0	16.7	0.6	0.6
Electrical machines and electronic devices	225	234	232	226	259	-2.6	14.6	2.8	2.9
Radio, television and telecommunication instruments	167	211	94	52	56	-44.7	7.7	0.6	0.6
Medical, precision and optical instruments, watches and clocks	153	231	111	85	87	-23.4	2.4	1.0	1.0
Motor vehicles, trailer and semi-trailer	141	190	134	278	313	107.5	12.6	3.4	3.5
Other transport equipment	61	7	36	89	108	147.2	21.3	1.1	1.2
Furniture and artificial goods unclassified elsewhere	72	127	102	95	143	-6.9	50.5	1.2	1.6
Recycling	44	46	58	28	38	-51.7	35.7	0.3	0.4
Total	9,182	10,156	6,856	8,096	8,937	18.1	10.4	100.0	100.0

Source: Ministry of Industries and Mines

(1) Minor discrepancies in total are due to rounding.

**NUMBER OF OPERATION PERMITS ISSUED FOR NEWLY ESTABLISHED
INDUSTRIAL UNITS AND EXPANSION OF EXISTING UNITS**

Table 27

	1375	1376	1377	1378	1379	Percentage change		Share (percent)(1)	
						1378	1379	1378	1379
Manufacture of :									
Food and beverages	645	582	636	594	591	-6.6	-0.5	17.5	18.3
Tobacco products	0	0	0	1	0	0	-100.0	*	0
Textiles	314	287	244	297	253	21.7	-14.8	8.8	7.8
Wearing apparel, dressing and dyeing of fur	150	74	87	77	165	-11.5	114.3	2.3	5.1
Tanning & dressing of leather, manufacture of luggage, handbags and footwear	89	57	58	119	97	105.2	-18.5	3.5	3.0
Wood and wood products except furniture	60	52	44	50	62	13.6	24.0	1.5	1.9
Paper and paper products	112	106	83	108	130	30.1	20.4	3.2	4.0
Printing, publishing and reproduction of recorded media	11	12	12	13	19	8.3	46.2	0.4	0.6
Coke and refined petroleum products and nuclear fuels	6	16	28	33	41	17.9	24.2	1.0	1.3
Chemical products	176	185	172	272	264	58.1	-2.9	8.0	8.2
Rubber and plastic products	287	300	324	635	484	96.0	-23.8	18.7	15.0
Non-metallic mineral products	748	691	354	331	310	-6.5	-6.3	9.8	9.6
Basic metals	103	130	54	92	76	70.4	-17.4	2.7	2.3
Fabricated metal products, except machinery and equipment	260	176	120	248	221	106.7	-10.9	7.3	6.8
Machinery and equipment unclassified elsewhere	318	214	144	227	209	57.6	-7.9	6.7	6.5
Office and accounting machines	15	14	20	19	21	-5.0	10.5	0.6	0.6
Electrical machines and electronic devices	121	106	112	72	71	-35.7	-1.4	2.1	2.2
Radio, television and telecommunication instruments	16	14	17	17	25	0	47.1	0.5	0.8
Medical, precision and optical instruments, watches and clocks	26	16	17	26	25	52.9	-3.8	0.8	0.8
Motor vehicles, trailer and semi-trailer	65	29	34	100	104	194.1	4.0	3.0	3.2
Other transport equipment	27	37	23	20	35	-13.0	75.0	0.6	1.1
Furniture and artificial goods unclassified elsewhere	45	42	25	31	28	24.0	-9.7	0.9	0.9
Recycling	6	5	7	5	5	-28.6	0	0.1	0.2
Total	3,600	3,145	2,615	3,387	3,236	29.5	-4.5	100.0	100.0

Source: Ministry of Industries and Mines

(1) Minor discrepancies in total are due to rounding.

**EMPLOYMENT BASED ON ESTABLISHMENT PERMITS ISSUED FOR NEWLY ESTABLISHED
INDUSTRIAL UNITS AND EXPANSION OF EXISTING UNITS**

Table 28

	1375	1376	1377	1378	1379	Percentage change		Share (percent)(1)	
						1378	1379	1378	1379
Manufacture of :									
Food and beverages	54,379	47,442	44,331	43,361	47,242	-2.2	9.0	20.8	18.0
Tobacco products	0	0	0	25	20	0	-20.0	*	*
Textiles	45,975	47,488	18,217	17,295	15,986	-5.1	-7.6	8.3	6.1
Wearing apparel, dressing and dyeing of fur	8,576	12,317	7,221	6,716	9,164	-7.0	36.5	3.2	3.5
Tanning & dressing of leather, manufacture of luggage, handbags and footwear	5,437	4,859	4,103	2,841	3,792	-30.8	33.5	1.4	1.4
Wood and wood products except furniture	5,323	5,782	2,518	3,062	3,086	21.6	0.8	1.5	1.2
Paper and paper products	8,995	9,924	9,009	5,545	8,020	-38.5	44.6	2.7	3.1
Printing, publishing and reproduction of recorded media	387	148	235	511	445	117.4	-12.9	0.2	0.2
Coke and refined petroleum products and nuclear fuels	69	74	47	1,356	3,619	0	166.9	0.6	1.4
Chemical products	35,919	35,786	17,176	18,631	24,572	8.5	31.9	8.9	9.4
Rubber and plastic products	27,622	23,571	13,949	15,358	14,789	10.1	-3.7	7.3	5.6
Non-metallic mineral products	19,942	32,775	19,266	22,704	31,655	17.8	39.4	10.9	12.0
Basic metals	6,228	6,728	3,924	10,321	18,915	163.0	83.3	4.9	7.2
Fabricated metal products, except machinery and equipment	9,031	12,209	8,000	13,961	14,854	74.5	6.4	6.7	5.7
Machinery and equipment unclassified elsewhere	13,038	13,119	9,368	12,990	21,008	38.7	61.7	6.2	8.0
Office and accounting machines	1,385	1,186	1,145	832	1,128	-27.3	35.6	0.4	0.4
Electrical machines and electronic devices	5,164	12,756	6,172	10,453	7,259	69.4	-30.6	5.0	2.8
Radio, television and telecommunication instruments	4,706	3,375	3,162	1,360	1,265	-57.0	-7.0	0.7	0.5
Medical, precision and optical instruments, watches and clocks	3,773	3,496	2,829	2,119	1,960	-25.1	-7.5	1.0	0.7
Motor vehicles, trailer and semi-trailer	7,409	4,292	4,859	12,248	21,982	152.1	79.5	5.9	8.4
Other transport equipment	2,188	4,155	3,832	4,895	8,581	27.7	75.3	2.3	3.3
Furniture and artificial goods unclassified elsewhere	2,437	3,353	2,020	1,894	2,633	-6.2	39.0	0.9	1.0
Recycling	1,049	1,109	1,576	484	724	-69.3	49.6	0.2	0.3
Total	269,032	285,944	182,959	208,962	262,699	14.2	25.7	100.0	100.0

Source: Ministry of Industries and Mines

(1) Minor discrepancies in total are due to rounding.

**EMPLOYMENT BASED ON OPERATION PERMITS ISSUED FOR NEWLY ESTABLISHED
INDUSTRIAL UNITS AND EXPANSION OF EXISTING UNITS**

Table 29

(person)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)(1)	
						1378	1379	1378	1379
Manufacture of :									
Food and beverages	14,185	12,343	13,530	12,934	13,816	-4.4	6.8	19.3	24.9
Tobacco products	0	0	0	179	0	0	-100.0	0.3	0
Textiles	19,503	9,718	6,759	9,404	4,888	39.1	-48.0	14.0	8.8
Wearing apparel, dressing and dyeing of fur	2,130	1,405	1,195	1,279	2,199	7.0	71.9	1.9	4.0
Tanning & dressing of leather, manufacture of luggage, handbags and footwear	1,600	1,101	802	1,696	1,307	111.5	-22.9	2.5	2.4
Wood and wood products except furniture	721	738	762	915	755	20.1	-17.5	1.4	1.4
Paper and paper products	2,342	3,006	1,254	1,229	1,259	-2.0	2.4	1.8	2.3
Printing, publishing and reproduction of recorded media	90	149	57	72	105	26.3	45.8	0.1	0.2
Coke and refined petroleum products and nuclear fuels	65	292	416	3,003	550	▣	-81.7	4.5	1.0
Chemical products	3,659	6,882	2,513	3,618	4,293	44.0	18.7	5.4	7.7
Rubber and plastic products	4,327	4,234	6,159	6,480	4,116	5.2	-36.5	9.7	7.4
Non-metallic mineral products	12,998	10,369	7,127	6,714	6,717	-5.8	*	10.0	12.1
Basic metals	2,253	1,379	1,077	3,259	1,445	202.6	-55.7	4.9	2.6
Fabricated metal products except machinery and equipment	7,950	3,726	2,599	6,017	2,350	131.5	-60.9	9.0	4.2
Machinery and equipment unclassified elsewhere	4,566	4,088	3,124	4,062	3,812	30.0	-6.2	6.0	6.9
Office and accounting machines	170	197	178	369	215	107.3	-41.7	0.5	0.4
Electrical machines and electronic devices	2,690	2,011	1,547	1,317	1,870	-14.9	42.0	2.0	3.4
Radio, television and telecommunication instruments	2,473	293	1,968	277	340	-85.9	22.7	0.4	0.6
Medical, precision and optical instruments, watches and clocks	354	350	520	889	432	71.0	-51.4	1.3	0.8
Motor vehicles, trailer and semi-trailer	1,307	143	1,613	2,158	2,704	33.8	25.3	3.2	4.9
Other transport equipment	872	1,588	745	681	1,948	-8.6	186.0	1.0	3.5
Furniture and artificial goods unclassified elsewhere	782	624	318	539	344	69.5	-36.2	0.8	0.6
Recycling	96	85	86	53	54	-38.4	1.9	0.1	0.1
Total	85,133	64,721	54,349	67,144	55,519	23.5	-17.3	100.0	100.0

Source: Ministry of Industries and Mines

(1) Minor discrepancies in total are due to rounding.

Table 30

EMPLOYMENT INDEX OF LARGE MANUFACTURING ESTABLISHMENTS (1)

(1376=100)

	1375	1376	1377	1378▲	1379	Percentage change	
						1378	1379
Manufacture of :							
Food and beverages	..	100.0	101.0	102.1	101.3	1.1	-0.8
Tobacco products (cigarettes)	..	100.0	103.7	101.5	100.6	-2.1	-0.9
Textiles	..	100.0	98.3	94.2	88.9	-4.2	-5.6
Wearing apparel, dressing and dyeing of fur	..	100.0	89.8	66.9	46.4	-25.5	-30.6
Leather and leather products (bag, shoes, suitcase, etc.)	..	100.0	92.0	80.7	69.2	-12.3	-14.3
Wood, wood and corky products (except furniture)	..	100.0	97.5	94.6	90.2	-3.0	-4.7
Paper and paper products	..	100.0	97.3	94.0	90.9	-3.4	-3.3
Oil products (except oil refineries)	..	100.0	102.8	106.3	105.6	3.4	-0.7
Chemical products	..	100.0	111.6	113.4	114.9	1.6	1.3
Rubber and plastic products	..	100.0	104.0	104.0	106.8	0	2.7
Non-metallic mineral products	..	100.0	101.1	103.0	101.8	1.9	-1.2
Basic metals	..	100.0	101.1	101.2	103.2	0.1	2.0
Fabricated metal products, except machinery and equipment	..	100.0	101.9	109.4	111.5	7.4	1.9
Machinery and equipment unclassified elsewhere	..	100.0	101.8	102.8	103.5	1.0	0.7
Electrical power generators & transmission network & electronic devices	..	100.0	104.5	112.6	112.0	7.8	-0.5
Radio, television and telecommunication instruments	..	100.0	101.0	96.2	96.5	-4.8	0.3
Medical, precision and optical instruments, watches and clocks	..	100.0	101.2	98.6	99.7	-2.6	1.1
Motor vehicles and trailer	..	100.0	109.8	118.4	127.7	7.8	7.9
Other transport equipment	..	100.0	103.5	107.3	112.7	3.7	5.0
Furniture and artificial goods unclassified elsewhere	..	100.0	94.0	139.5	137.6	48.4	-1.4
Total	..	100.0	101.7	102.1	101.4	0.4	-0.7

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

Table 31

WAGE AND FRINGE BENEFITS INDEX OF LARGE MANUFACTURING ESTABLISHMENTS (1)

(1376=100)

	1375	1376	1377	1378▲	1379	Percentage change	
						1378	1379
Manufacture of :							
Food and beverages	..	100.0	123.5	156.4	195.6	26.6	25.1
Tobacco products (cigarettes)	..	100.0	125.5	151.7	193.9	20.9	27.8
Textiles	..	100.0	118.4	138.2	157.3	16.7	13.8
Wearing apparel, dressing and dyeing of fur	..	100.0	104.5	127.6	84.4	22.1	-33.9
Leather and leather products (bag, shoes, suitcase, etc.)	..	100.0	121.7	122.9	126.9	1.0	3.3
Wood, wood and corky products (except furniture)	..	100.0	112.9	130.9	155.7	15.9	18.9
Paper and paper products	..	100.0	121.2	152.0	193.4	25.4	27.2
Oil products (except oil refineries)	..	100.0	137.0	181.9	193.6	32.8	6.4
Chemical products	..	100.0	128.7	160.1	200.0	24.4	24.9
Rubber and plastic products	..	100.0	120.7	157.0	195.5	30.1	24.5
Non-metallic mineral products	..	100.0	122.4	160.7	207.8	31.3	29.3
Basic metals	..	100.0	118.3	159.2	205.6	34.6	29.1
Fabricated metal products, except machinery and equipment	..	100.0	126.7	166.2	206.9	31.2	24.5
Machinery and equipment unclassified elsewhere	..	100.0	124.7	153.9	189.1	23.4	22.9
Electrical power generators & transmission network & electronic devices	..	100.0	122.9	169.8	208.4	38.2	22.7
Radio, television and telecommunication instruments	..	100.0	125.2	151.0	197.7	20.6	30.9
Medical, precision and optical instruments, watches and clocks	..	100.0	125.3	155.3	207.7	23.9	33.7
Motor vehicles and trailer	..	100.0	138.2	180.3	231.0	30.5	28.1
Other transport equipment	..	100.0	128.9	159.2	213.0	23.5	33.8
Furniture and artificial goods unclassified elsewhere	..	100.0	130.6	269.9	301.2	106.7	11.6
Total	..	100.0	123.7	156.9	194.4	26.8	23.9

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

Table 32

PRODUCTION INDEX OF LARGE MANUFACTURING ESTABLISHMENTS (1)

(1376=100)

	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
Manufacture of :							
Food and beverages	..	100.0	98.6	109.4	110.1	11.0	0.6
Tobacco products (cigarettes)	..	100.0	121.4	150.0	99.8	23.6	-33.5
Textiles	..	100.0	98.5	96.3	92.0	-2.2	-4.5
Wearing apparel, dressing and dyeing of fur	..	100.0	67.4	78.4	69.4	16.3	-11.5
Leather and leather products (bag, shoes, suitcase, etc.)	..	100.0	81.2	58.6	71.5	-27.8	22.0
Wood, wood and corky products (except furniture)	..	100.0	89.1	94.6	89.9	6.2	-5.0
Paper and paper products	..	100.0	98.5	112.8	106.8	14.5	-5.3
Oil products (except oil refineries)	..	100.0	103.2	132.2	171.4	28.1	29.7
Chemical products	..	100.0	99.3	108.9	109.8	9.7	0.8
Rubber and plastic products	..	100.0	90.1	106.3	118.4	18.0	11.4
Non-metallic mineral products	..	100.0	100.0	115.3	121.4	15.3	5.3
Basic metals	..	100.0	92.9	106.2	112.9	14.3	6.3
Fabricated metal products, except machinery and equipment	..	100.0	99.7	107.8	110.9	8.1	2.9
Machinery and equipment unclassified elsewhere	..	100.0	102.6	106.9	108.3	4.2	1.3
Electrical power generators & transmission network & electronic devices	..	100.0	107.7	129.0	143.7	19.8	11.4
Radio, television and telecommunication instruments	..	100.0	102.4	131.2	122.1	28.1	-6.9
Medical, precision and optical instruments, watches and clocks	..	100.0	98.6	90.2	103.1	-8.5	14.3
Motor vehicles and trailer	..	100.0	119.7	137.3	153.2	14.7	11.6
Other transport equipment	..	100.0	117.0	116.2	149.2	-0.7	28.4
Furniture and artificial goods unclassified elsewhere	..	100.0	86.4	177.4	189.1	105.3	6.6
Total	..	100.0	101.2	113.8	120.6	12.5	6.0

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

**GOVERNMENT DEVELOPMENT EXPENDITURES IN
MANUFACTURING AND MINING SECTORS**

Table 33

(million rials)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
National expenditures	529,064	336,326	314,364	471,698	765,876	50.0	62.4	100.0	100.0
Industry	338,044	142,411	136,003	88,094	192,221	-35.2	118.2	18.7	25.1
Establishment & development of textiles, handicraft, rural & leather industries	1,943	2,464	3,110	8,994	6,162	189.2	-31.5	1.9	0.8
Establishment & development of metal and metal smelting Industries	151,850	77,857	87,000	42,100	68,022	-51.6	61.6	8.9	8.9
Establishment and development of mechanical industries	0	0	0	0	25,762	0	0	0	3.4
Technical assistance	184,051	62,090	25,993	20,000	0	-23.1	-100.0	4.2	0
Arrangement of industries' installation	0	0	7,150	17,000	12,275	137.8	-27.8	3.6	1.6
Formulation, supervision, implementation and development of technical standards	0	0	12,750	0	0	-100.0	0	0	0
Technical and creditory aid	0	0	0	0	80,000	0	0	0	10.4
Research and study	200	0	0	0	0	0	0	0	0
Mining	157,808	167,136	140,429	172,275	310,637	22.7	80.3	36.5	40.6
Exploration of mines	24,625	40,784	39,802	55,840	110,133	40.3	97.2	11.8	14.4
Mobilization and operation of mines	133,063	126,352	100,627	116,435	136,304	15.7	17.1	24.7	17.8
Technical and creditory aid	0	0	0	0	64,200	0	0	0	8.4
Research and study	120	0	0	0	0	0	0	0	0
Industrial research	33,212	26,779	37,932	211,329	263,018	457.1	24.5	44.8	34.3
Provincial expenditures	17,409	29,549	26,945	34,677	74,171	28.7	113.9	100.0	100.0
Industry	14,611	24,953	23,061	28,069	59,164	21.7	110.8	80.9	79.8
Mining	2,798	4,596	3,884	6,608	15,007	70.1	127.1	19.1	20.2
Total	546,473	365,875	341,309	506,375	840,047	48.4	65.9		

Source: General budget laws for 1377-1380 and Draft Budget for 1381

INVESTMENT BY THE PRIVATE SECTOR IN NEW BUILDINGS IN URBAN AREAS (1)

Table 34 **(at current prices)** **(billion rials)**

	1375	1376(2)	1377	1378▲	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Tehran	5,834.1	6,685.6	4,842.6	6,020.0	9,384.8	24.3	55.9	27.3	32.6
Large cities	3,466.7	5,793.4	5,831.0	8,085.7	8,517.5	38.7	5.3	36.6	29.6
Other urban areas	3,531.6	5,300.1	7,276.1	7,963.4	10,879.9	9.4	36.6	36.1	37.8
All urban areas	12,832.4	17,779.1	17,949.7	22,069.1	28,782.2	22.9	30.4	100.0	100.0

(1) Excludes the cost of land.

(2) Due to revision in the statistical framework in 1376, figures are not comparable with the previous years.

**INVESTMENT BY THE PRIVATE SECTOR IN NEW BUILDINGS IN URBAN AREAS(1)
BY CONSTRUCTION PHASES**

Table 35 **(at current prices)** **(billion rials)**

	1375	1376(2)	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Newly started buildings	3,991.8	5,016.7	4,974.4	6,377.0	8,504.5	28.2	33.4	28.9	29.5
Semi-finished buildings	6,307.3	9,665.7	9,383.2	10,944.6	14,157.7	16.6	29.4	49.6	49.2
Completed buildings	2,533.2	3,096.6	3,592.1	4,747.5	6,120.0	32.2	28.9	21.5	21.3
All urban areas	12,832.3	17,779.0	17,949.7	22,069.1	28,782.2	22.9	30.4	100.0	100.0

(1) Excludes the cost of land.

(2) Due to revision in the statistical framework in 1376 figures are not comparable with the previous years.

Table 36 **FACILITIES EXTENDED BY BANK MASKAN (HOUSING BANK)** **(1376=100)**

	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
Number	147.9	175.7	285.8	285.2	217.0	-9.7	-16.0
Amount (billion rials)	2,882.8	3,994.7	6,489.7	9,452.7	10,445.6	45.7	10.5

Source: Bank Maskan (Housing Bank)

**GOVERNMENT DEVELOPMENT EXPENDITURES IN CONSTRUCTION,
HOUSING AND URBAN DEVELOPMENT SECTORS**

Table 37

(million rials)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
National expenditures	861,664	1,161,086	830,948	1,577,200	2,074,020	89.8	31.5	100.0	100.0
Government buildings and establishments	403,982	622,849	391,164	621,271	404,442	58.8	-34.9	39.4	19.5
National buildings establishment	198,581	279,285	271,094	465,779	402,773	72.0	-13.5	29.5	19.4
Military buildings establishment	63,667	114,708	120,070	153,944	1,669	28.0	-98.9	9.8	0.1
Other government buildings establishment	141,734	228,856	0	1,548	0	0	-100.0	0.1	0
Provision of housing	158,294	195,285	203,887	370,518	432,342	81.7	16.7	23.5	20.8
Housing for workers	2,111	3,000	1,350	2,880	0	113.3	-100.0	0.2	0
Housing for employees	20,848	24,528	30,298	50,068	75,385	65.3	50.6	3.2	3.6
Inexpensive houses	0	0	0	0	4,071	0	0	0	0.2
Creditory aid for provision of housing	135,335	164,447	167,761	307,140	0	83.1	-100.0	19.5	0
Rural housing	0	1,300	1,609	5,530	13,318	243.7	140.8	0.4	0.6
Coordination of land and housing affairs	0	2,010	2,869	4,900	0	70.8	-100.0	0.3	0
Technical and financial assistance	0	0	0	0	339,568	0	0	0	16.4
Urban development	291,452	337,094	228,329	574,881	1,223,239	151.8	112.8	36.4	59.0
Urban planning	2,792	5,908	5,355	29,274	45,930	446.7	56.9	1.9	2.2
Potable water for urban areas	2,075	1,200	2,020	0	0	-100.0	0	0	0
Sewage system in urban areas	182,741	171,370	140,539	329,764	484,520	134.6	46.9	20.9	23.4
Urban safety facilities	4,373	4,500	4,000	6,500	0	62.5	-100.0	0.4	0
Improvement of urban transportation	85,124	150,906	76,100	204,373	685,520	168.6	235.4	13.0	33.1
Other urban establishments and facilities	11,723	1,530	315	4,170	4,262	0	2.2	0.3	0.2
Improvement of urban environment	0	0	0	0	1,840	0	0	0	0.1
Improvement of urban & municipalities affairs	2,624	1,680	0	800	1,167	0	45.9	0.1	0.1
Research on housing & urban & rural development	7,936	5,858	7,568	10,530	13,997	39.1	32.9	0.7	0.7
Provincial expenditures (1)	784,308	940,966	616,888	756,727	1,170,878	22.7	54.7	100.0	100.0
Total	1,645,972	2,102,052	1,447,836	2,333,927	3,244,898	61.2	39.0		

Source: General budget laws for 1377-1380 and Draft Budget for 1381

(1) Includes provincial expenditures of government buildings and establishments, provision of housing and urban development.

Table 38

CONSTRUCTION PERMITS ISSUED IN URBAN AREAS

	1375	1376	1377	1378	1379	Percentage change [○]		Share (percent)(1)	
						1378	1379	1378	1379
Number									
Tehran	13,961	8,209	6,997	12,119	19,417	73.2	60.2	8.7	14.4
Large cities	42,666	39,682	38,243	40,644	38,487	6.3	-5.3	29.3	28.6
Other urban areas	82,018	82,619	87,654	86,080	76,586	-1.8	-11.0	62.0	56.9
All urban areas	138,645	130,510	132,894	138,843	134,490	4.5	-3.1	100.0	100.0
Total floor-space estimate (thousand square meters)									
Tehran	12,238.6	7,443.7	5,334.5	10,120.4	16,296.7	89.7	61.0	22.9	33.0
Large cities	13,418.2	11,818.7	12,354.3	15,141.7	15,312.6	22.6	1.1	34.3	31.0
Other urban areas	16,157.1	17,044.0	18,518.1	18,861.5	17,826.9	1.9	-5.5	42.7	36.1
All urban areas	41,813.9	36,306.4	36,206.9	44,123.6	49,436.2	21.9	12.0	100.0	100.0
Average floor-space (square meter)									
Tehran	877	907	762	835	839	9.5	0.5		
Large cities	314	298	323	373	398	15.3	6.8		
Other urban areas	197	206	211	219	233	3.7	6.2		
All urban areas	302	278	272	318	368	16.6	15.7		

(1) Minor discrepancies in total are due to rounding.

Table 39

CONSTRUCTION INDICES

(1376=100)

	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
Construction services index	84.8	100.0	113.3	128.5	142.3	13.4	10.7
Daily wage of bricklayer	85.2	100.0	118.7	138.3	153.2	16.5	10.8
Daily wage of unskilled construction worker	86.7	100.0	111.5	126.0	138.9	13.0	10.2
Wage paid for painting	83.9	100.0	110.8	126.1	138.7	13.8	10.0
Wage paid for roof-asphalting	84.6	100.0	108.6	116.9	128.8	7.6	10.2
Wage paid for well-digging	88.1	100.0	117.4	140.1	155.2	19.3	10.8
Wage paid for cementing	..	100.0	114.4	131.1	143.6	14.6	9.5
Wage paid for tile covering	..	100.0	112.4	119.2	135.8	6.0	13.9
Wage paid for plaster working	..	100.0	112.6	130.2	144.2	15.6	10.8
Wholesale price index of construction materials	94.4	100.0	108.7	134.8	155.2	24.0	15.1
Metallic	97.4	100.0	103.6	132.5	151.1	27.9	14.0
Non-metallic	83.5	100.0	115.7	138.1	160.9	19.4	16.5

Table 40

CONSTRUCTIONS BEGUN BY THE PRIVATE SECTOR IN URBAN AREAS

	1375	1376(1)	1377	1378 ▲	1379	Percentage change○		Share (percent)(2)	
						1378	1379	1378	1379
Number									
Tehran	13,030	8,742	7,546	11,098	16,312	47.1	47.0	6.5	9.5
Large cities	47,467	62,415	54,369	48,407	51,415	-11.0	6.2	28.2	30.0
Other urban areas	63,849	93,824	111,925	112,431	103,806	0.5	-7.7	65.4	60.5
All urban areas	124,346	164,981	173,840	171,936	171,533	-1.1	-0.2	100.0	100.0
Total floor-space estimate (thousand square meters)									
Tehran	12,258	9,312	6,608	8,596	13,605	30.1	58.3	20.3	27.4
Large cities	11,492	15,239	13,274	13,029	15,665	-1.8	20.2	30.7	31.6
Other urban areas	12,895	17,418	20,695	20,817	20,326	0.6	-2.4	49.0	41.0
All urban areas	36,645	41,969	40,577	42,442	49,596	4.6	16.9	100.0	100.0
Average floor-space (square meter)									
Tehran	941	1,065	876	775	834	-11.5	7.7		
Large cities	242	244	244	269	305	10.2	13.2		
Other urban areas	202	186	185	185	196	0.1	5.8		
All urban areas	295	254	233	247	289	5.8	17.1		

(1) Due to revision in the statistical framework in 1376 figures are not comparable with the previous years.

(2) Minor discrepancies in total are due to rounding.

Table 41

CONSTRUCTIONS COMPLETED BY THE PRIVATE SECTOR IN URBAN AREAS

	1375	1376(1)	1377	1378 ▲	1379	Percentage change○		Share (percent)(2)	
						1378	1379	1378	1379
Number									
Tehran	9,857	8,230	8,092	10,594	12,908	30.9	21.8	7.1	7.2
Large cities	46,122	29,695	40,951	52,231	55,351	27.5	6.0	35.1	30.9
Other urban areas	65,193	36,393	71,204	85,796	110,831	20.5	29.2	57.7	61.9
All urban areas	121,172	74,318	120,247	148,621	179,090	23.6	20.5	100.0	100.0
Total floor-space (thousand square meters)									
Tehran	7,095	5,856	6,783	9,001	10,200	32.7	13.3	22.7	22.7
Large cities	10,767	7,481	10,196	14,628	14,608	43.5	-0.1	36.9	32.6
Other urban areas	12,067	7,229	13,456	15,976	20,061	18.7	25.6	40.3	44.7
All urban areas	29,929	20,566	30,435	39,605	44,869	30.1	13.3	100.0	100.0
Average floor-space (square meter)									
Tehran	720	712	838	850	790	1.4	-7.0		
Large cities	233	252	249	280	264	12.5	-5.8		
Other urban areas	185	199	189	186	181	-1.5	-2.8		
All urban areas	247	277	253	266	251	5.3	-6.0		

(1) Due to revision in the statistical framework in 1376 figures are not comparable with the previous years.

(2) Minor discrepancies in total are due to rounding.

	1375	1376	1377	1378	1379 (1)	Percentage change		Share (percent)	
						1378	1379	1378	1379
General education	8,317.0	10,382.3	12,121.3	14,436.5	18,601.8	19.1	28.9	38.4	37.4
Culture and art	723.4	894.3	968.2	1,164.6	1,790.7	20.3	53.8	3.1	3.6
Health, medical care and nutrition	3,107.4	3,458.0	3,694.2	4,006.7	5,187.4	8.5	29.5	10.7	10.4
Social security and social welfare	3,840.5	5,398.9	6,686.4	8,464.3	10,935.7	26.6	29.2	22.5	22.0
Physical education and youth affairs	401.3	513.8	566.2	689.7	863.7	21.8	25.2	1.8	1.7
Urban development	690.8	904.8	668.4	1,129.5	2,103.3	69.0	86.2	3.0	4.2
Renovation and development of rural areas	1,341.1	1,390.7	1,581.2	1,617.2	2,267.8	2.3	40.2	4.3	4.6
Provision of housing	484.0	469.2	345.8	510.7	635.5	47.7	24.4	1.4	1.3
Environment protection	75.5	87.4	90.1	107.3	172.3	19.1	60.6	0.3	0.3
Reclamation	170.7	215.6	205.9	211.2	272.5	2.6	29.0	0.6	0.5
Technical and professional training	1.1	721.8	792.8	1,208.8	1,718.2	52.5	42.1	3.2	3.5
Higher education	1,976.0	2,274.5	2,487.1	2,667.7	3,687.0	7.3	38.2	7.1	7.4
Research	670.3	778.5	942.1	1,343.4	1,522.0	42.6	13.3	3.6	3.1
Total	21,799.1	27,489.8	31,149.7	37,557.6	49,757.9	20.6	32.5	100.0	100.0

Source: General budget laws

(1) Management and Planning Organization-appendices of Draft Budget for 1381

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Urban areas									
Active	9,655	9,880	10,134	..	..	..	..	..	..
Employed	8,799	9,058	9,322	..	..	..	..	..	..
Total	36,818	37,816	38,681	39,718	40,791	2.7	2.7	63.2	63.9
Rural areas(2)									
Active	6,372	6,922	7,178	..	..	..	..	..	..
Employed	5,772	5,745	5,641	..	..	..	..	..	..
Total	23,237	23,178	23,161	23,099	23,071	-0.3	-0.1	36.8	36.1
Whole country									
Active	16,027	16,802	17,312	18,020	18,559	4.1	3.0	28.7	29.1
Employed	14,571	14,803	14,963	15,177	15,576	1.4	2.6	24.2	24.4
Total	60,055	60,994	61,842	62,817	63,862	1.6	1.7	100.0	100.0

Source: Data for 1375 are from Iran Statistical Center and data for 1376-1379 are estimates of Management and Planning Organization.

(1) Includes population of 10 years and over.

(2) Includes non-resident population.

Table 44	ENROLLMENT AND LITERACY RATES					(percent)
	1375	1376▲	1377▲	1378	1379	
Enrollment rate (6-14 years)						
Urban areas	94.2	94.5	98.9	94.0	95.2	
Rural areas	81.4	81.2	82.1	83.0	85.0	
Total	89.0	89.2	92.1	90.0	91.3	
Literacy rate (6-29 years)						
Urban areas	96.0	96.4	97.5	98.2	98.0	
Rural areas	87.7	88.7	84.9	85.5	91.0	
Total	92.8	93.5	95.1	96.3	97.0	

Source: Management and Planning Organization

Table 45	NUMBER OF SCHOOLS, CLASSES AND TEACHING STAFF (1)									
	Academic year					Percentage change		Share (percent)		
	1375-76	1376-77	1377-78	1378-79	1379-80	1378-79	1379-80	1378-79	1379-80	
Number of schools										
Urban areas	43,041	45,274	47,246	49,788	50,889	5.4	2.2	43.8	41.8	
Rural areas	60,420	60,134	62,807	63,916	70,991	1.8	11.1	56.2	58.2	
Total	103,461	105,408	110,053	113,704	121,880	3.3	7.2	100.0	100.0	
Number of classes										
Urban areas	379,574	392,652	401,959	404,093	407,496	0.5	0.8	63.3	62.6	
Rural areas	232,768	231,675	237,274	234,696	243,430	-1.1	3.7	36.7	37.4	
Total	612,342	624,327	639,233	638,789	650,926	-0.1	1.9	100.0	100.0	
Teaching staff										
Urban areas	507,258	573,107	599,416	628,574	615,960	4.9	-2.0	67.8	67.3	
Rural areas	256,427	277,970	294,073	298,726	298,798	1.6	0	32.2	32.7	
Total	763,685	851,077	893,489	927,300	914,758	3.8	-1.4	100.0	100.0	

Source: Ministry of Education

(1) Includes kindergartens, primary schools, junior high schools, and public high schools. Data for pre-university students are included since 1375-76 academic year.

	Table 46									
	NUMBER OF STUDENTS									
	(thousand persons)									
	Academic year					Percentage change		Share (percent)		
	1375-76	1376-77	1377-78	1378-79	1379-80	1378-79	1379-80	1378-79	1379-80	
Kindergartens	195	204	220	252	287	14.5	13.9	1.4	1.6	
Primary schools	9,238	8,938	8,667	8,288	7,969	-4.4	-3.8	44.6	43.6	
Junior high schools	5,189	5,283	5,295	5,173	5,027	-2.3	-2.8	27.8	27.5	
High schools (day and night schools)										
Former system	909	498	148	14	0	-90.5	-100.0	0.1	0	
New system	2,492	3,176	3,768	3,995	4,064	6.0	1.7	21.5	22.3	
Technical and professional schools	80	30	4	0	0	-100.0	0	0	0	
Pre-university	107	200	367	396	414	7.9	4.5	2.1	2.3	
Teacher training centers	17	10	20	25	14	25.0	-44.0	0.1	0.1	
Others (1)	312	342	383	456	484 (2)	19.1	6.1	2.4	2.6	
Total	18,539	18,681	18,872	18,599	18,259	-1.4	-1.8	100.0	100.0	

Source: Ministry of Education

(1) Includes students enrolled in technology institutes (old professional education and agricultural education), adult schools and schools for exceptional children, while excludes exceptional children since 1375 academic year.

(2) Includes adult students in night primary course, general course and complementary course.

Table 47

NUMBER OF STUDENTS IN PUBLIC UNIVERSITIES AND HIGHER EDUCATION INSTITUTES

	Academic year					Percentage change		Share (percent)	
	1375-76	1376-77	1377-78	1378-79	1379-80	1378-79	1379-80	1378-79	1379-80
Training sciences and teacher training	67,909	63,470	58,227	56,538	25,784	-2.9	-54.4	8.3	3.5
Humanities, religion and theology	62,427	69,664	74,051	79,097	84,756	6.8	7.2	11.7	11.6
Fine arts	10,195	12,975	15,862	17,625	21,256	11.1	20.6	2.6	2.9
Law	7,329	7,577	7,499	7,609	7,398	1.5	-2.8	1.1	1.0
Social and behavioral sciences	46,569	51,404	52,911	58,736	91,861	11.0	56.4	8.7	12.5
Administration, commerce and management affairs	70,143	74,913	78,981	85,044	95,519	7.7	12.3	12.5	13.0
Public relation and mass media	3,522	3,917	4,213	4,349	5,080	3.2	16.8	0.6	0.7
Household economy	62	16	25	59	81	136.0	37.3	*	*
Physical and natural sciences	37,630	42,793	44,158	46,347	49,354	5.0	6.5	6.8	6.7
Mathematics and computer sciences	28,700	32,914	35,569	42,096	34,385	18.4	-18.3	6.2	4.7
Medical and health sciences	94,307	98,168	97,673	95,142	99,689	-2.6	4.8	14.0	13.6
Engineering	113,921	121,417	123,671	133,495	157,034	7.9	17.6	19.7	21.4
Architecture and city planning	4,142	5,857	6,816	7,539	9,144	10.6	21.3	1.1	1.3
Professional, industrial and commerce affairs	153	154	149	139	88	-6.7	-36.7	*	*
Agriculture, fishery and forestry	32,061	35,010	37,408	40,384	47,686	8.0	18.1	6.0	6.5
Others	0	5,131	1,700	4,453	4,412	161.9	-0.9	0.7	0.6
Total	579,070	625,380	638,913	678,652	733,527	6.2	8.1	100.0	100.0

Source: Ministry of Science, Research and Technology

Table 48 NUMBER OF STUDENTS IN ISLAMIC AZAD UNIVERSITY

	Academic year					Percentage change		Share (percent)	
	1375-76	1376-77	1377-78	1378-79	1379-80	1378-79	1379-80	1378-79	1379-80
Medical sciences	30,554	33,084	36,493	38,573	42,375	5.7	9.9	5.3	5.1
Humanities	372,578	400,561	392,101	407,162	452,966	3.8	11.2	56.1	54.2
Basic sciences	43,373	47,708	50,957	58,952	73,304	15.7	24.3	8.1	8.8
Technical and engineering	116,536	126,820	136,107	165,919	198,552	21.9	19.7	22.9	23.7
Agriculture and veterinary	40,133	43,876	41,417	44,477	52,895	7.4	18.9	6.1	6.3
Arts	8,269	7,229	9,454	11,145	16,157	17.9	45.0	1.5	1.9
Total	611,443	659,278	666,529	726,228	836,249	9.0	15.1	100.0	100.0

Source: Islamic Azad University

Table 49 NUMBER OF PHYSICIANS, DENTISTS, PHARMACISTS AND HOSPITAL BEDS

	1375	1376▲	1377▲	1378	1379	Percentage change	
						1378	1379
Physician	50,770	55,372	59,710	63,331	67,046	6.1	5.9
Dentist	9,427	10,615	11,421	12,168	12,926	6.5	6.2
Pharmacist	6,816	8,257	8,753	9,209	9,774	5.2	6.1
Hospital bed	98,549	96,148	98,669	103,394	105,716	4.8	2.2

Source: Medical Council and Ministry of Health, Medical Care and Medical Education

Table 50 COMPOSITION OF THE INSURED BY THE SOCIAL SECURITY ORGANIZATION (percent)

	by place of occupation		by insurance premium		by gender	
	Governmental	Non-governmental	18%	27%	Female	Male
1375	18.7	81.3	4.7	95.3	7.3	92.7
1376	17.3	82.7	4.5	95.5	7.3	92.7
1377	16.1	83.9	4.5	95.5	7.3	92.7
1378	15.5	84.5	4.0	96.0	7.7	92.3
1379	14.3	85.7	2.7	97.3	7.8	92.2

Source: Social Security Organization

**NUMBER OF THE INSURED AND PENSIONERS SUPPORTED
BY SOCIAL SECURITY ORGANIZATION**

Table 51

	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
Main and dependent insured	19,236,712	21,282,913	22,205,000	22,676,781	23,192,788	2.1	2.3
Main	5,131,276	5,658,038	5,882,172	5,977,598	6,094,588	1.6	2.0
Employed	5,055,610	5,581,038	5,789,572	5,909,153	6,022,650	2.1	1.9
Unemployed	75,666	77,000	92,600	68,445	71,938	-26.1	5.1
Dependent	14,105,436	15,624,875	16,322,828	16,699,183	17,098,200	2.3	2.4
Main and dependent pensioners	1,760,682	1,826,955	1,971,000	2,102,709	2,168,663	6.7	3.1
Main	949,615	984,887	1,041,050	1,099,463	1,144,022	5.6	4.1
Retired	310,005	323,192	344,762	369,784	387,534	7.3	4.8
Disabled	67,541	68,789	69,153	69,112	67,067	-0.1	-3.0
Survivors	572,069	592,906	627,135	660,567	689,421	5.3	4.4
Dependent	811,067	842,068	929,950	1,003,246	1,024,641	7.9	2.1
Total	20,997,394	23,109,868	24,176,000	24,779,490	25,361,451	2.5	2.3

Source: Social Security Organization

Table 52

NUMBER OF PEOPLE COVERED BY MEDICAL CARE SERVICES INSURANCE ORGANIZATION

(thousand persons)

	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
Staff fund	6,198	6,018	6,157	6,405	6,553	4.0	2.3
Self-employed fund	900	1,167	985	503	428	-48.9	-14.9
Others fund	678	739	762	1,321	1,379	73.4	4.4
Villagers fund	–	–	21,231	22,479	22,723	5.9	1.1
Total	7,776	7,924	29,135	30,708	31,083	5.4	1.2

Source: Medical Care Services Insurance Organization

Table 53

MINIMUM MONTHLY WAGE

	1375	1376	1377	1378	1379
Minimum nominal wage (rial)	207,210	254,460	297,000	361,830	458,010
Average consumer price index (1376=100)	85.3	100.0	118.1	141.8	159.7
Minimum real wage (rial)	242,919	254,460	251,482	255,169	286,794

Source: Social Security Organization

GOVERNMENT FISCAL POSITION
(excluding special revenues and expenditures)
(realized and approved figures of 1379 Budget)

Table 54	(billion rials)		
	Approved	Realized	% of realized figures to the approved
Revenues	107,020.2	104,640.8	97.8
Oil	57,625.0	59,448.5	103.2
Tax	33,960.6	32,842.1	96.7
Corporate taxes	12,898.6	11,295.5	87.6
Income taxes	7,520.0	6,834.0	90.9
Wealth taxes	1,426.0	1,455.1	102.0
Import taxes	6,899.7	7,947.7	115.2
Sales and consumption taxes	5,216.3	5,309.8	101.8
Others	15,434.7	12,350.2	80.0
Government monopolies and ownership	413.8	439.9	106.3
Services and sale of goods	8,626.0	6,615.3	76.7
Government foreign loans and investment returns	0.3	0.3	100.0
Miscellaneous	6,394.6	5,294.7	82.8
Payments	111,335.5	109,407.1	98.3
Current payments	84,965.2	85,847.3	101.0
Current expenditures	84,865.7	82,082.9	96.7
Repayment of principal of foreign loans	99.5	..	0
Strengthening defense power	3,888.2	3,764.4	96.8
Development payments	26,370.3	23,559.8	89.3
Strengthening defense power	0	0	0
Deficit (-) or surplus (+)	-4,315.3	-4,766.3	110.5
Deficit finance (+) or surplus use (-)	4,315.3	4,766.3	110.5
Returns, prepayments and other accounts	940.0	1,287.2	136.9
Receipts from foreign facilities	391.4	175.0	44.7
Receipts from Islamic Development Bank facilities	253.5	0	0
Principal of government loans abroad	0.7	0.7	100.0
Receipts from repayment of public corporations' and agencies' loans out of government guaranteed loans	229.5	162.6	70.8
Revenues of privatization	500.0	0.2	0
Revenues received from sale of participation papers	2,000.0	2,049.8	102.5
Others (1)	0.2	1,090.8	□

Source: Approved figures are based on the 1379 Budget Law and realized figures are based on the data released by Treasury General (Ministry of Economic Affairs and Finance), Management and Planning Organization and Draft Budget for 1381.

(1) It is related to prepayments of provinces and other government deposits

GOVERNMENT FISCAL POSITION

(excluding special revenues and expenditures)

Table 55

(billion rials)

	1375	1376	1377	1378	1379(1)	Percentage change		Share (percent)(2)	
						1378	1379	1378	1379
Revenues	57,121.9	62,378.1	53,626.0	92,315.7	104,640.8	72.1	13.4	100.0	100.0
Oil and gas	38,153.0	36,446.7	22,619.9	44,487.6	59,448.5	96.7	33.6	48.2	56.8
Crude oil	30,624.0	23,806.1	14,604.3	21,807.0	20,125.0	49.3	-7.7	23.6	19.2
Fuel oil and other petroleum products	2,121.7	2,211.9	1,993.7	4,148.4	0	108.1	-100.0	4.5	0
Sale of foreign exchange	5,407.3	10,428.7	6,021.9	18,532.2	39,323.5	207.7	112.2	20.1	37.6
Taxes	12,560.2	17,344.6	18,686.6	25,831.3	32,842.1	38.2	27.1	28.0	31.4
Direct	8,970.0	11,053.0	12,676.3	16,584.0	19,584.6	30.8	18.1	18.0	18.7
Indirect	3,589.6	6,291.6	6,010.3	9,247.3	13,257.5	53.9	43.4	10.0	12.7
Others	6,408.7	8,586.8	12,319.5	21,996.8	12,350.2	78.6	-43.9	23.8	11.8
Government monopolies and ownerships	195.2	218.1	1,500.3	1,417.7	439.9	-5.5	-69.0	1.5	0.4
Sale of goods and services	2,131.6	2,490.8	3,283.1	4,982.3	6,615.3	51.8	32.8	5.4	6.3
Foreign loans and investment returns	55.6	55.0	1.8	0.3	0.3	-83.3	0	*	*
Miscellaneous	4,026.3	5,822.9	7,534.3	15,596.5	5,294.7	107.0	-66.1	16.9	5.1
Expenditures (3)	56,783.1	65,438.0	70,970.3	93,242.9	109,407.1	31.4	17.3	100.0	100.0
Current expenditures	37,571.2	44,966.9	53,545.6	68,219.3	85,847.3	27.4	25.8	73.2	78.5
Current outlays	34,341.3	42,178.9	51,014.8	65,131.0	82,082.9	27.7	26.0	69.9	75.0
Repayment of principal of foreign loans	0.1	4.0	28.1	52.0	0	85.1	-100.0	0.1	0
Strengthening defense power	2,292.5	2,315.4	2,502.7	2,856.3	3,764.4	14.1	31.8	3.1	3.4
Repayment of government indebtedness to Central Bank	937.3	468.6	0	180.0	0	0	-100.0	0.2	0
Development expenditures	19,211.9	20,471.1	17,424.7	25,023.6	23,559.8	43.6	-5.8	26.8	21.5
Strengthening defense power	0	170.0	0	0	0	0	0	0	0
Repayment of government indebtedness to Central Bank	1,819.5	1,409.8	0	0	0	0	0	0	0
Deficit (-) or surplus (+)	338.8	-3,059.9	-17,344.3	-927.2	-4,766.3				
Deficit finance (+) or surplus use (-)	-338.8	3,059.9	17,344.3	927.2	4,766.3				
Receipts from domestic loans	0	0	6,636.0	0	0				
Receipts from foreign facilities	153.7	191.0	135.7	154.0	175.0				
Utilization of returns, prepayments and other accounts	534.6	653.2	479.0	640.0	1,287.2				
Receipts from principal of government loans abroad	0.7	0.7	1.2	17.7	0.7				
Receipts from payment of public corporations' & institutions' previous loans out of government guaranteed loans	66.7	329.7	187.2	195.5	162.6				
Receipts from sale of public corporations	0	0	0	4.2	0.2				
Receipts from the sale of participation papers	0	2,174.0	2,500.0	1,884.3	2,049.8				
Oil prefinance	0	0	5,570.0	0	0				
Advance receipts of some part of Hadj Pilgrimage	0	0	2,338.7	0	0				
Others (4)	-1,094.5	-288.7	-503.5	-1,968.5	1,090.8				

Source: General budget laws

- (1) Statistics for revenues are released by Treasury General and Ministry of Economic Affairs and Finance, for expenditures by Management and Planning Organization and for deficit finance from Draft Budget for 1381.
- (2) Discrepancy in total is due to rounding.
- (3) Includes government facilities extended to public corporations out of development expenditures (based on Article 32 of Plan and Budget Law) and due to unavailability of its breakdown has appeared under expenditures. (4) It is related to advance payments of provinces and circulating documents held by provincial treasury authorities.

TAX REVENUES
(Excluding Special Revenues)

Table 56

(billion rials)

	1375	1376	1377	1378	1379(1)	Percentage change		Share (percent)(2)	
						1378	1379	1378	1379
Corporate taxes	5,378.3	6,857.8	7,923.6	10,048.4	11,295.5	26.8	12.4	38.9	34.4
Public legal entities	2,304.9	3,167.2	3,829.5	4,929.3	4,899.2	28.7	-0.6	19.1	14.9
Goods' procurement and distribution centers	23.4	29.5	0	14.6	0	0	-100.0	0.1	0
Private legal entities	3,050.0	3,661.1	4,094.1	5,104.5	6,396.3	24.7	25.3	19.8	19.5
Income taxes	2,993.7	3,484.6	3,897.1	5,383.1	6,834.0	38.1	27.0	20.8	20.8
Salary	1,586.1	1,616.2	1,698.5	2,469.2	3,413.5	45.4	38.2	9.6	10.4
Professions	1,203.8	1,588.3	1,803.1	2,424.2	2,926.9	34.4	20.7	9.4	8.9
Real estate	197.1	272.1	352.6	398.3	409.2	13.0	2.7	1.5	1.2
Others	6.7	8.0	42.9	91.4	84.4	113.1	-7.7	0.4	0.3
Wealth taxes	598.6	710.6	855.6	1,152.5	1,455.1	34.7	26.3	4.5	4.4
Property transactions and goodwill	305.6	352.5	440.6	575.2	699.6	30.5	21.6	2.2	2.1
Heritage	88.0	108.9	130.7	169.7	186.4	29.8	9.8	0.7	0.6
Stamp fee, check, bill, promissory note, ...	185.1	226.9	258.0	364.6	529.5	41.3	45.2	1.4	1.6
Others	19.9	22.3	26.3	43.0	39.6	63.5	-7.9	0.2	0.1
Total direct taxes	8,970.6	11,053.0	12,676.3	16,584.0	19,584.6	30.8	18.1	64.2	59.6
Import taxes	2,934.3	4,289.2	4,431.8	5,805.1	7,947.7	31.0	36.9	22.5	24.2
Customs duties	504.1	753.0	764.9	626.6	700.8	-18.1	11.8	2.4	2.1
Commercial profit	1,032.4	1,301.7	1,772.7	2,419.0	3,457.1	36.5	42.9	9.4	10.5
Order registration fee	1,357.6	2,162.7	1,846.4	2,531.6	3,480.1	37.1	37.5	9.8	10.6
30 percent tax on imported cars	30.9	48.4	5.3	2.5	2.0	-52.8	-20.0	*	*
Others	9.3	23.4	42.5	225.4	307.7	430.4	36.5	0.9	0.9
Sales and consumption taxes	655.3	2,002.4	1,578.5	3,442.2	5,309.8	118.1	54.3	13.3	16.2
Oil products	63.2	82.9	74.5	76.4	76.4	2.6	0	0.3	0.2
Non-alcoholic beverages	81.9	90.6	91.4	298.5	326.5	226.6	9.4	1.2	1.0
Automobiles (numbering)	65.2	116.6	164.5	155.8	160.3	-5.3	2.9	0.6	0.5
Automobiles fixed tax (10 percent)	0	0	0	1,007.9	1,396.5	0	38.6	3.9	4.3
Automobiles transactions	114.3	153.2	200.4	238.9	292.4	19.2	22.4	0.9	0.9
Cigarettes	65.9	57.9	111.3	105.5	101.7	-5.2	-3.6	0.4	0.3
Communication services	149.3	259.8	313.5	337.9	406.3	7.8	20.2	1.3	1.2
Other items of Note 35 of the budget law	...	...	502.7	1,042.5	2,341.1	107.4	124.6	4.0	7.1
Others	115.5	1,241.4	120.2	178.8	208.6	48.8	16.7	0.7	0.6
Total indirect taxes	3,589.6	6,291.6	6,010.3	9,247.3	13,257.5	53.9	43.4	35.8	40.4
Grand total	12,560.2	17,344.6	18,686.6	25,831.3	32,842.1	38.2	27.1	100.0	100.0

Source: General Budget Laws

(1) Figures are based on the data released by Treasury General and Ministry of Economic Affairs and Finance.

(2) Discrepancies in total are due to rounding.

**GOVERNMENT DEVELOPMENT EXPENDITURES ACCORDING TO
AFFAIRS AND CHAPTERS OF THE BUDGET**

Table 57

(billion rials)

	1375	1376	1377	1378	1379(1)	Percentage change		Share (percent)(2)	
						1378	1379	1378	1379
General affairs	967.8	1,230.5	837.1	1,091.8	1,581.9	30.4	44.9	4.4	6.7
Statistics and technical public services	124.7	112.7	83.6	76.6	102.1	-8.4	33.3	0.3	0.4
Information and communication	223.0	224.1	168.4	251.5	247.2	49.3	-1.7	1.0	1.0
Government buildings and establishments	505.3	771.5	491.9	761.5	603.0	54.8	-20.8	3.1	2.6
Others	114.8	122.2	93.2	2.2	629.6	-97.6	▣	*	2.7
National defense affairs	0	0	206.5	376.2	388.1	82.2	3.2	1.5	1.6
Social affairs	5,870.4	6,156.3	5,648.8	7,056.6	10,053.0	24.9	42.5	28.3	42.7
General education	1,002.2	1,089.7	917.5	1,033.3	1,485.0	12.6	43.7	4.1	6.3
Culture and art	320.7	389.1	352.2	414.0	672.8	17.5	62.5	1.7	2.9
Health, medical care and nutrition	717.9	563.1	496.3	526.4	594.7	6.1	13.0	2.1	2.5
Social security and social welfare	56.3	49.2	43.6	53.8	85.3	23.4	58.6	0.2	0.4
Physical education and youth affairs	270.8	345.4	378.0	467.3	560.1	23.6	19.9	1.9	2.4
Urban development	678.8	892.5	655.6	1,116.0	2,088.2	70.2	87.1	4.5	8.9
Renovation and development of rural areas	1,252.3	1,221.2	1,353.5	1,375.2	1,999.1	1.6	45.4	5.5	8.5
Provision of housing	454.0	432.2	292.8	445.9	539.7	52.3	21.0	1.8	2.3
Environment protection	48.3	50.3	36.1	44.9	85.0	24.4	89.3	0.2	0.4
Reclamation	158.9	200.8	189.1	191.7	252.4	1.4	31.7	0.8	1.1
Technical and professional education	1.1	55.1	51.9	124.5	166.1	139.9	33.4	0.5	0.7
Higher education	527.9	443.7	385.2	488.6	713.8	26.9	46.1	2.0	3.0
Research	381.2	424.0	497.0	775.0	810.9	55.9	4.6	3.1	3.4
Economic affairs	9,703.9	11,030.5	10,732.3	16,416.9	11,446.8	53.0	-30.3	65.8	48.6
Agriculture and natural resources	801.0	876.5	829.4	1,183.9	1,809.4	42.7	52.8	4.7	7.7
Water resources	2,019.3	1,842.3	1,427.6	2,352.7	3,652.9	64.8	55.3	9.4	15.5
Electricity	1,042.8	1,487.8	2,453.4	2,956.5	455.5	20.5	-84.6	11.9	1.9
Industries	352.7	167.4	159.1	116.2	251.4	-27.0	116.4	0.5	1.1
Oil	1,757.7	2,771.1	2,109.8	3,780.6	59.7	79.2	-98.4	15.2	0.3
Gas	882.4	928.8	791.3	1,778.2	0	124.7	-100.0	7.1	0
Mines	160.6	171.7	144.3	178.9	325.6	24.0	82.0	0.7	1.4
Commerce	111.7	98.6	66.0	83.6	160.7	26.7	92.2	0.3	0.7
Road and transportation	2,277.6	2,298.1	2,189.6	2,886.2	3,768.1	31.8	30.6	11.6	16.0
Post and telecommunication	284.7	376.4	541.8	1,057.0	51.6	95.1	-95.1	4.2	0.2
Tourism	13.4	11.8	20.0	43.1	91.6	115.5	112.5	0.2	0.4
Nuclear science and technology	0	0	0	0	820.3	0	0	0	3.5
Miscellaneous expenditures	837.3	644.0	0	0	0	0	0	0	0
Commission fee and loans' guaranteed profit	0	0	0	0	90.0	0	0	0	0.4
Repayment of loans, debt payments & prepayments	1,832.5	1,409.8	0	0	0	0	0	0	0
Total	19,211.9	20,471.1	17,424.7	24,941.5(3)	23,559.8	43.1	-5.5	100.0	100.0

Source: General budget laws

(1) Figures are based on the data released by Management and Planning Organization.

(2) Discrepancy in total is due to rounding.

(3) In 1380 Budget Law, the figure for the performance of the 1378 development expenditures is Rls. 25,023.6 billion, and Rls. 82.1 billion discrepancy with total is not clear in this column.

**GOVERNMENT CURRENT EXPENDITURES ACCORDING TO AFFAIRS
AND CHAPTERS OF THE BUDGET**

Table 58

(billion rials)

						Percentage change		Share (percent)(2)	
	1375	1376	1377	1378	1379(1)	1378	1379	1378	1379
General affairs	3,810.5	4,546.1	5,631.9	7,365.0	10,930.2	30.8	48.4	10.8	12.7
Maintaining security and order	1,616.3	2,017.0	2,534.5	3,411.6	5,192.6	34.6	52.2	5.0	6.0
Information and communication	494.2	608.1	744.7	870.5	1,109.8	16.9	27.5	1.3	1.3
Judiciary, notarial and endowment affairs	392.8	519.7	648.6	832.8	1,456.2	28.4	74.9	1.2	1.7
Others	1,307.2	1,401.3	1,704.1	2,250.1	3,171.6	32.0	41.0	3.3	3.7
National defense affairs	4,616.1	6,547.6	7,936.8	9,095.8	17,315.2	14.6	90.4	13.3	20.2
Social affairs	15,928.7	21,333.9	25,501.0	30,501.0	39,704.9	19.6	30.2	44.7	46.3
General education	7,314.8	9,292.6	11,203.8	13,403.2	17,116.9	19.6	27.7	19.6	19.9
Culture and art	402.7	505.2	616.0	750.6	1,117.9	21.9	48.9	1.1	1.3
Health, medical care and nutrition	2,389.5	2,894.9	3,197.9	3,480.3	4,592.7	8.8	32.0	5.1	5.3
Social security and social welfare	3,784.2	5,349.9	6,642.8	8,410.5	10,850.4	26.6	29.0	12.3	12.6
Physical education and youth affairs	130.4	168.4	188.2	222.4	303.6	18.2	36.5	0.3	0.4
Urban development	12.0	12.4	12.8	13.5	15.1	5.5	11.9	*	*
Renovation and development of rural areas	88.8	169.6	227.7	242.1	268.6	6.3	10.9	0.4	0.3
Provision of housing	30.1	37.0	53.0	64.8	95.8	22.3	47.8	0.1	0.1
Environment protection	27.2	37.1	54.0	62.4	87.3	15.6	39.9	0.1	0.1
Reclamation	11.8	14.8	16.8	19.5	20.1	16.1	3.1	*	*
Technical and professional education	0	666.7	740.9	1,084.2	1,552.1	46.3	43.2	1.6	1.8
Higher education	1,448.1	1,830.7	2,102.0	2,179.1	2,973.3	3.7	36.4	3.2	3.5
Research	289.1	354.6	445.1	568.4	711.1	27.7	25.1	0.8	0.8
Economic affairs	2,405.0	2,761.5	3,188.9	3,941.9	2,142.6	23.6	-45.6	5.8	2.5
Agriculture and natural resources	555.7	710.0	762.3	919.7	1,141.4	20.6	24.1	1.3	1.3
Water resources	26.5	21.5	15.9	54.7	17.1	244.0	-68.7	0.1	*
Electricity	8.8	10.6	10.9	11.5	3.6	5.5	-68.7	*	*
Industries	48.8	74.4	117.3	127.9	174.6	9.0	36.5	0.2	0.2
Oil and gas	1,064.1	1,015.1	1,437.2	1,943.3	0.1	35.2	-100.0	2.8	*
Mines	12.9	17.7	23.3	29.4	36.0	26.2	22.4	*	*
Commerce	115.5	170.7	175.7	169.3	303.8	-3.6	79.4	0.2	0.4
Road and transportation	283.7	365.5	412.7	341.4	354.3	-17.3	3.8	0.5	0.4
Post and telecommunication	29.4	46.7	12.7	15.3	18.0	20.5	17.6	*	*
Tourism	259.6	329.3	220.9	329.4	37.7	49.1	-88.6	0.5	*
Nuclear science and technology	0	0	0	0	56.1	0	0	0	0.1
Miscellaneous expenditures (3)	9,788.0	9,096.1	10,576.1	15,485.2	11,414.4	46.4	-26.3	22.7	13.3
Commission fee and loans' guaranteed profit	12.3	87.3	464.9	1,347.1	3,554.6	189.8	163.9	2.0	4.1
Repayment of loans, debt payments & prepayments (4)	1,010.6	594.4	246.0	483.3	785.5	96.5	62.5	0.7	0.9
Total	37,571.2	44,966.9	53,545.6	68,219.3	85,847.4	27.4	25.8	100.0	100.0

Source: General budget laws (1) Figures are based on the data released by Management and Planning Organization. (2) Discrepancy in total is due to rounding.

(3) This ledger mainly includes subsidy to goods and services related to Note 5 and enhancing of defense power. (4) This ledger mainly includes repayment of external debts and obligations, repayment of Central Banks' claim on government, payment to Central Bank for the Algerian Decree and unpaid obligations of previous years.

Table 59		SUBSIDY PAID ON GOODS AND SERVICES					(billion rials)
	Subsidy on	1375	1376	1377	1378▲(1)	1379	
Agriculture Supportive Services Corporation	Chemical fertilizer	492.0	521.3	453.1	470.7	543.1	
Iran Milk Industries	Milk	206.0	254.8	284.0	291.0	430.0	
Iran Milk Industries	Cheese	125.0	155.8	0	189.6	193.0	
State Sugar Organization	Sugar and cube sugar	345.0	292.0	85.0	20.0	434.0	
State Grain Organization	Purchase of wheat	3,609.0	3,390.0	4,447.5	5,200.0	5,835.0	
State Veterinary Organization	Livestock drugs	0	0	9.3	13.5	12.5	
Central Organization of Rural Cooperation	Loss of agricultural products	12.0	2.5	0	0	0	
Central Organization of Rural Cooperation	Freight charges of rural and ration goods	4.4	7.0	10.5	21.4	31.8	
Hadj Organization	Exchange rate differential for Hadj pilgrims	240.1	294.0	196.6	348.7	0	
Ministry of Commerce	Basij Committee expenses	1.2	1.5	1.8	8.2	4.0	
Iran's Customs Administration	Improvement of entrance of customs houses	3.0	0	0	0	0	
Ministry of the Interior	Special expenditures of the Basij Committee of provinces	7.0	9.0	10.5	14.0	20.0	
Commercial Services Development Corporation	Oil	306.8	135.5	176.7	0	-316.0(2)	
Commercial Services Development Corporation	Rice	188.2	77.0	159.4	98.5	42.0	
State Meat Organization	Meat	192.0	111.0	84.2	335.0	323.6	
Agriculture Supportive Services Corporation	Pesticides, seed	70.0	66.5	42.8	58.9	58.0	
Ministry of Education –Free Nutrition Committee	Students' free nutrition	46.4	0	0	0	0	
Moghan Agro- Industrial Corporation	Sugar beet fineness differential	1.6	0	0	0	0	
Dezful Sugar Company	Sugar beet fineness differential	5.5	0	0	0	0	
Insurance Fund for Agricultural Products-Bank Keshavarzi	Insurance charges of agricultural products	10.5	11.5	11.5	62.0	75.0	
Ministry of Agriculture-State Tea Organization	Tea	25.0	50.0	29.8	38.0	0	
Bank Keshavarzi Support Fund for Agricultural and Livestock Products' Damages Reparation	Agricultural and livestock damages	13.0	0	0	0	0	
Ministry of Health , Medical Care and Medical Education	Medicine, baby formula and hygienic products	453.0	416.5	289.7	231.2	259.0	
Ministry of Science and Higher Education-Ministry of Health, Medical Care & Medical Education-Teacher Training Center	Students' nutrition	28.5	0	0	0	0	
Research and Educational Curriculum Organization	Exchange rate differential for textbooks	30.0	0	0	0	0	
Adult Educational Center	Exchange rate differential for textbooks	5.0	0	0	0	0	
Export Promotion Center	Promotion of exports	5.0	5.0	0	0	0	
Organization for Protection of Consumers and Producers	Deficit of current expenditures & purchase of computerized equipment	1.0	0	0	0	0	
Ministry of Agriculture	Tuba Project	...	...	...	...	189.7
Ministry of Agricultural Jihad	Tuba Project	...	...	...	...	21.7
Others	Various projects	10.5	0	0	293.4	234.1	
Total Subsidy paid		6,436.7	5,800.9	6,292.4	7,694.1	8,390.5(3)	

Source: Ministry of Economic Affairs and Finance and Organization for Protection of Consumers and Producers

(1) The 1378 figures are revised based on the approved report of the general meeting of Organization for Protection of Consumers and Producers.

(2) The negative figure of subsidy paid on oil is the algebraic sum of differentials received for distribution of oil at guild and industrial rates and the subsidy paid on distribution of oil at household rate.

(3) Includes RIs. 272 billion performance of Paragraph (B) of Article 46 of the 3rd Plan Law.

	FOREIGN EXCHANGE BALANCE OF THE BANKING SYSTEM					(million dollars)	
	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
Net current account	7,254	-2,245	-3,485	3,222	10,644		230.4
Current receipts	19,713	15,437	9,782	16,725	22,649	71.0	35.4
Goods	18,874	14,102	8,535	15,777	21,894	84.9	38.8
Foreign exchange receipts from oil exports	16,892	12,126	6,991	13,265	20,290	89.8	53.0
Foreign exchange receipts from gas exports	195	244	192	229	317	19.3	38.3
Purchase of foreign exchange from export of goods	1,787	1,732	1,353	2,283	1,287	68.8	-43.6
Services	839	1,335	1,247	948	755	-24.0	-20.4
Non-public sector	443	789	582	521	219	-10.5	-58.0
Public sector	51	80	436	246	20	-43.5	-91.9
Interest received	345	466	230	181	516	-21.3	184.5
Current Payments	12,460	17,682	13,267	13,503	12,005	1.8	-11.1
Goods	10,882	15,653	12,152	11,398	10,528	-6.2	-7.6
Non-public sector	3,822	7,150	6,124	6,128	5,812	0.1	-5.2
Public sector	7,060	8,502	6,028	5,270	4,716	-12.6	-10.5
Services	1,578	2,029	1,115	2,105	1,477	88.8	-29.8
Non-public sector	544	525	232	775	284	234.1	-63.3
Public sector	880	1,304	717	1,148	773	60.1	-32.7
Interest received	154	201	166	182	420	9.6	130.8
Net capital account	-564	945	1,816	1,008	-145	-44.5	
Receipts	499	1,253	2,136	1,642	2,115	-23.1	28.8
Government utilization of foreign loans and credits	460	1,252	2,132	1,637	1,800	-23.2	9.9
Inflow of private foreign loans and investments	0	0	0	0	0	0	0
Repayment of principal of foreign loans and capital	39	1	4	4	314	0	0
SDR utilization	0	0	0	1	1	0	0
Payments	1,062	308	320	634	2,260	98.1	-256.4
Repayment of principal of domestic loans and credits	964	198	283	616	2,249	117.7	-265.1
Outflow of private foreign loans and investments	12	11	11	6	3	-45.5	-50.0
Investment abroad and extending loans	87	99	25	10	8	-60.0	-20.0
Repayment of SDR	0	0	0	2	0	0	-100.0
Adjustments related to foreign exchange rate and unregistered transactions	-3,022	-2,143	-904	3,385	-4,346		
Overall foreign exchange balance	3,668	-3,443	-2,573	7,615	6,153		-19.2

Table 61	BALANCE OF PAYMENTS					(million dollars)
	1375	1376	1377	1378	1379	
Current account balance	5,232	2,213	-2,140	6,589	12,634	
Trade balance	7,402	4,258	-1,168	7,597	13,375	
Exports	22,391	18,381	13,118	21,030	28,461	
Oil and gas and oil products	19,271	15,471	9,933	17,089	24,280	
Others	3,120	2,910	3,185	3,941	4,181	
Imports	14,989	14,123	14,286	13,433	15,086	
Services	-2,633	-2,438	-1,469	-1,533	-1,351	
Receipts	1,348	1,658	2,023	1,396	1,416	
Freight and insurance	366	323	298	310	450	
Passenger services	123	174	166	183	210	
Travel	19	16	490	403	467	
Investment income	488	466	230	181	215	
Other public services	51	80	436	239	20	
Other private services	301	599	403	80	54	
Payments	3,981	4,096	3,492	2,929	2,767	
Freight and insurance	1,668	1,550	1,711	1,240	1,347	
Passenger services	16	14	2	8	3	
Travel	258	382	153	631	238	
Investment income	898	725	731	473	370	
Other public services	872	1,297	817	552	766	
Other private services	269	128	78	25	43	
Transfers (net)	463	393	497	525	610	
Public	-8	-7	-3	17	74	
Private	471	400	500	508	536	
Capital account (net)	-5,508	-4,822	2,270	-5,894	-4,573	
Long-term	-5,246	-3,554	-1	-3,342	-3,218	
Public	-5,260	-3,597	-13	-3,371	-3,299	
Liabilities	-5,114	-3,450	-206	-3,365	-3,297	
Assets	-146	-147	193	-6	-2	
Others	14	43	12	29	81	
Short-term	-262	-1,268	2,271	-2,552	-1,355	
Public	406	-208	93	-130	260	
Banks and others	-668	-1,060	2,178	-2,422	-1,615	
Changes of exchange rate	1,403	340	-150	-157	211	
Errors and omissions	1,219	-1,436	-1,552	1,307	-1,743	
Overall balance (change in international reserves) (1)	2,346	-3,705	-1,572	1,845	6,529	

(1) Equal to \$ 5,944 million of the overall balance in 1379 is related to OSF and the remaining is Central Bank's international reserves.

	VALUE OF EXPORTED GOODS									
	(excluding oil, gas, electricity and oil products)									
	(million dollars)									
						Percentage change		Share (percent)		
	1375	1376	1377	1378	1379	1378	1379	1378	1379	
Agricultural and traditional goods	1,645.8	1,250.7	1,412.3	1,478.0	1,465.8	4.7	-0.8	43.9	39.0	
Carpets	642.5	635.7	570.1	691.2	619.5	21.2	-10.4	20.5	16.5	
Fresh and dried fruits	639.2	337.5	591.9	517.3	504.1	-12.6	-2.6	15.4	13.4	
Pistachio	477.5	197.3	416.0	315.1	318.5	-24.3	1.1	9.4	8.5	
Raisins	49.1	25.0	37.9	53.9	55.0	42.2	2.0	1.6	1.5	
All kinds of skin and leather	98.4	101.3	54.0	55.5	79.4	2.8	43.1	1.7	2.1	
Caviar	23.8	29.5	37.9	26.1	38.5	-31.1	47.5	0.8	1.0	
Casings	35.8	36.2	34.3	32.7	30.3	-4.7	-7.3	1.0	0.8	
Gum tragacanth	1.7	1.1	1.6	1.6	1.5	0	-6.3	*	*	
Cumin	20.4	6.8	21.9	11.4	8.7	-47.9	-23.7	0.3	0.2	
Cotton	31.4	16.7	5.6	2.6	5.4	-53.6	107.7	0.1	0.1	
Others	152.6	85.9	95.0	139.6	178.4	46.9	27.8	4.2	4.7	
Metallic and mineral ores	46.8	45.1	12.8	36.3	37.7	183.6	3.9	1.1	1.0	
Industrial goods	1,413.1	1,579.8	1,588.2	1,847.7	2,259.2	16.3	22.3	55.0	60.0	
Detergents and soaps	23.7	28.4	27.5	28.7	39.0	4.4	35.9	0.9	1.0	
Chemical and petrochemical products	182.8	101.9	139.7	83.3	110.2	-40.4	32.3	2.5	2.9	
Shoes	61.3	61.6	47.1	42.7	65.4	-9.3	53.2	1.3	1.7	
Ready-made clothes, knitwear & all kinds of fabric	75.3	41.0	17.8	40.9	85.1	129.8	108.1	1.2	2.3	
Cement, stones & construction materials	30.2	22.6	36.7	59.4	95.3	61.9	60.4	1.8	2.5	
Transportation vehicles	10.6	7.4	12.0	34.4	39.3	186.7	14.2	1.0	1.0	
Copper bar, sheet and wire	40.6	41.2	28.2	85.1	85.4	201.8	0.4	2.5	2.3	
Home appliances and sanitary ware	59.1	48.3	5.6	0	0	-100.0	0	0	0	
Cast iron, iron and steel	69.9	183.9	138.6	219.4	300.8	58.3	37.1	6.5	8.0	
Hydrocarbons (gas)	112.8	152.1	183.4	150.7	194.2	-17.8	28.9	4.5	5.2	
Others	746.8	891.4	951.6	1,103.1	1,244.5	15.9	12.8	32.8	33.1	
Total	3,105.7	2,875.6	3,013.3	3,362.0	3,762.7	11.6	11.9	100.0	100.0	

Source: Foreign trade statistics

COMPOSITION OF EXPORTS ACCORDING TO USES

(excluding oil, gas, electricity and oil products)(1)

Table 63

(million dollars)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Raw materials and intermediate goods	1,112.7	1,194.1	1,211.4	1,396.3	1,623.3	15.3	16.3	41.5	43.1
Manufacturing and Mining	890.9	1,080.6	958.4	1,064.6	1,410.8	11.1	32.5	31.7	37.5
Textiles	38.3	22.8	7.7	11.7	30.6	51.5	162.4	0.3	0.8
Chemical	401.1	451.9	477.7	414.0	632.1	-13.3	52.7	12.3	16.8
Skin and leather	87.0	87.5	44.8	46.6	31.9	3.9	-31.5	1.4	0.8
Metal smelting	72.7	129.4	86.2	181.7	224.6	110.8	23.6	5.4	6.0
Foodstuffs	75.1	71.6	57.8	73.5	74.8	27.2	1.8	2.2	2.0
Others	216.7	317.4	284.2	337.1	416.8	18.6	23.6	10.0	11.1
Construction	183.2	72.6	81.8	153.9	165.9	88.1	7.8	4.6	4.4
Agriculture	17.7	4.0	45.2	10.1	4.1	-77.6	-59.6	0.3	0.1
Services	21.0	36.9	126.0	167.7	42.5	33.1	-74.7	5.0	1.1
Capital goods	57.0	56.0	69.4	91.2	138.9	31.4	52.3	2.7	3.7
Consumer goods	1,935.9	1,625.4	1,732.5	1,874.5	2,000.5	8.2	6.7	55.8	53.2
Unclassified goods	0	0.1	0	0	0	0	0	0	0
Total	3,105.7	2,875.6	3,013.3	3,362.0	3,762.7	11.6	11.9	100.0	100.0

Source: Foreign trade statistics

(1) Breakdown of goods groups is done on the basis of Central Bank's instructions.

Table 64

DISTRIBUTION OF EXPORTS BY GROUP OF COUNTRIES

(million dollars)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
European Union (EU)	1,053.9	906.3	889.4	888.5	842.2	-0.1	-5.2	26.4	22.4
Economic and Social Commission for Asia and the Pacific (ESCAP)	1,155.5	1,266.4	1,194.2	1,270.8	1,604.8	6.4	26.3	37.8	42.7
Economic Cooperation Organization (ECO)	729.2	661.1	541.5	600.8	775.1	11.0	29.0	17.9	20.6
Organization of the Petroleum Exporting Countries (OPEC)	365.4	376.1	625.4	851.6	749.2	36.2	-12.0	25.3	19.9
Asian Clearing Union (ACU)	169.6	131.3	200.1	190.6	247.3	-4.7	29.8	5.7	6.6
Total exports	3,105.7	2,875.6	3,013.3	3,362.0	3,762.8	11.6	11.9		

Source: Foreign trade statistics

Table 65

DISTRIBUTION OF EXPORTS BY CONTINENTS

(million dollars)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
America	53.7	77.3	72.6	134.5	156.6	85.3	16.4	4.0	4.2
Europe	1,293.1	1,220.1	1,187.2	1,242.7	1,245.1	4.7	0.2	37.0	33.1
Asia	1,719.9	1,530.9	1,706.2	1,910.7	2,274.2	12.0	19.0	56.8	60.4
Africa	28.1	37.5	38.8	61.6	74.3	58.8	20.6	1.8	2.0
Australia and New Zealand	10.9	9.8	8.5	12.5	12.6	47.1	0.6	0.4	0.3
Total exports	3,105.7	2,875.6	3,013.3	3,362.0	3,762.8	11.6	11.9	100.0	100.0

Source: Foreign trade statistics

DISTRIBUTION OF EXPORTS BY COUNTRIES

(excluding oil, gas, electricity and oil products)

(million dollars)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
U.A.E.	256.5	285.6	515.7	598.8	444.3	16.1	-25.8	17.8	11.8
Germany	570.2	391.5	410.1	424.0	354.3	3.4	-16.4	12.6	9.4
Azerbaijan	189.5	193.7	120.3	119.2	248.8	-0.9	108.7	3.5	6.6
Italy	205.4	275.5	202.2	180.1	191.4	-10.9	6.3	5.4	5.1
China	73.6	62.1	92.3	77.3	170.0	-16.3	119.9	2.3	4.5
Turkey	133.8	90.2	158.3	183.6	165.5	16.0	-9.9	5.5	4.4
India	120.3	95.1	144.7	128.6	152.5	-11.1	18.6	3.8	4.1
Japan	99.2	104.3	43.0	57.2	126.7	33.0	121.5	1.7	3.4
Ukraine	96.7	83.7	16.6	22.0	99.1	32.3	351.1	0.7	2.6
U.S.A.	3.0	4.7	3.5	5.1	98.7	45.7	▣	0.2	2.6
Saudi Arabia	38.5	37.7	40.5	54.9	88.3	35.6	60.8	1.6	2.3
Turkmenistan	125.1	146.2	102.3	122.3	87.2	19.6	-28.7	3.6	2.3
Uzbekistan	124.6	104.2	53.7	49.6	81.4	-7.6	64.1	1.5	2.2
Kuwait	36.4	30.4	36.0	54.2	74.3	50.6	37.1	1.6	2.0
South Korea	79.1	94.9	46.2	60.9	73.5	31.8	20.7	1.8	2.0
Russia	48.9	45.5	36.3	62.0	68.5	70.8	10.5	1.8	1.8
Pakistan	33.2	29.5	35.6	50.1	64.6	40.7	28.9	1.5	1.7
Thailand	39.4	28.7	13.4	52.4	53.4	291.0	1.9	1.6	1.4
Spain	38.6	23.0	51.0	56.2	52.7	10.2	-6.2	1.7	1.4
Taiwan	58.2	66.6	58.8	97.2	52.4	65.3	-46.1	2.9	1.4
Armenia	52.8	39.9	37.2	37.0	50.1	-0.5	35.4	1.1	1.3
Hong Kong	10.7	7.9	39.0	21.3	49.2	-45.4	131.0	0.6	1.3
France	53.9	40.1	61.7	45.7	44.8	-25.9	-2.0	1.4	1.2
Belgium	28.6	15.0	22.0	16.2	44.5	-26.4	174.7	0.5	1.2
Singapore	12.0	9.5	76.0	29.3	43.1	-61.4	47.1	0.9	1.1
Others	577.5	570.2	596.9	756.8	783.4	26.8	3.5	22.5	20.8
Total	3,105.7	2,875.6	3,013.3	3,362.0	3,762.7	11.6	11.9	100.0	100.0

Source: Foreign trade statistics

Table 67

VALUE OF IMPORTS ACCORDING TO INTERNATIONAL CLASSIFICATION OF GOODS

(million dollars)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Food and live animals	2,581	2,508	1,583	1,953	1,977	23.4	1.2	15.4	13.8
Dairy and eggs	60	35	77	37	62	-51.9	66.2	0.3	0.4
Grains and derivatives	1,881	1,705	878	1,319	1,390	50.2	5.4	10.4	9.7
Sugar, its derivatives and honey	335	405	230	281	213	22.2	-24.3	2.2	1.5
Coffee, tea, cocoa, spices, etc.	28	38	37	62	74	67.6	18.9	0.5	0.5
Fruits and vegetables	4	4	3	6	14	100.0	129.7	*	0.1
Others	273	321	358	248	226	-30.7	-9.0	2.0	1.6
Beverages and tobacco	11	8	9	6	17	-33.3	176.7	*	0.1
Raw non-edible products (excluding petroleum fuels)	770	647	596	648	707	8.7	9.2	5.1	4.9
Raw caoutchouc	113	72	52	58	63	11.5	9.3	0.5	0.4
Textile fibers unlisted	226	200	201	219	195	9.0	-11.1	1.7	1.4
Various raw fertilizers and minerals	73	97	64	68	59	6.3	-13.7	0.5	0.4
Others	358	278	279	303	391	8.6	28.9	2.4	2.7
Mineral products, fuel, oily products and their derivatives	377	265	186	215	330	15.6	53.6	1.7	2.3
Vegetable and animal shortenings	602	434	654	516	417	-21.1	-19.2	4.1	2.9
Vegetable shortenings	580	420	633	499	408	-21.2	-18.2	3.9	2.8
Others	22	14	21	17	9	-19.0	-49.6	0.1	0.1
Chemical products	1,931	1,890	1,774	1,894	2,027	6.8	7.0	14.9	14.1
Chemicals and their compounds	571	494	458	470	460	2.6	-2.1	3.7	3.2
Raw materials for paints, dyes and tanning	116	169	135	129	125	-4.4	-3.0	1.0	0.9
Medical and pharmaceutical products	448	393	329	393	395	19.5	0.6	3.1	2.8
Plastic, cellulose and artificial resins	385	403	413	391	428	-5.3	9.4	3.1	3.0
Other unlisted chemical products	242	267	316	361	408	14.2	12.9	2.8	2.8
Others	169	164	123	150	211	22.0	40.7	1.2	1.5
Goods classified according to their compositions	3,704	2,720	2,520	2,213	3,185	-12.2	43.9	17.4	22.2
Paper, cardboard and derivatives	569	392	266	292	422	9.8	44.5	2.3	2.9
Various textile yarns and related products	304	324	310	266	303	-14.2	14.0	2.1	2.1
Non-metal mineral goods	137	163	166	139	124	-16.3	-10.6	1.1	0.9
Iron and steel	2,049	1,290	1,287	1,173	1,819	-8.9	55.1	9.2	12.7
Others	645	551	491	343	516	-30.1	50.6	2.7	3.6
Machinery and transportation tools	4,205	5,045	6,348	4,785	5,172	-24.6	8.1	37.7	36.1
Non-electrical machinery	2,325	2,672	3,501	3,021	2,976	-13.7	-1.5	23.8	20.7
Electrical machinery, tools and appliances	1,184	1,444	1,521	961	1,085	-36.8	12.9	7.6	7.6
Transportation vehicles	696	929	1,326	803	1,111	-39.4	38.4	6.3	7.7
Miscellaneous finished products	353	384	538	305	447	-43.3	46.4	2.4	3.1
Scientific and professional tools	217	271	380	237	288	-37.6	21.3	1.9	2.0
Artificial goods unlisted elsewhere	130	108	155	67	154	-56.8	130.2	0.5	1.1
Others	6	5	3	1	5	-66.7	385.8	*	*
Goods not classified according to their use	583	295	115	148	67	28.7	-54.9	1.2	0.5
Value of imports	15,117	14,196	14,323	12,683	14,347	-11.5	13.1	100.0	100.0
Total adjusted imports	14,467	13,633	13,708	11,972	13,187	-12.7	10.1		

Source: Foreign trade statistics

	COMPOSITION OF IMPORTS BY USE (1)					(million dollars)			
	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Raw materials and intermediate goods	9,115	7,524	6,310	6,225	7,401	-1.3	18.9	49.1	51.6
Manufacturing and mining	7,779	6,542	5,372	5,464	6,421	1.7	17.5	43.1	44.8
Textiles	274	290	274	297	281	8.4	-5.4	2.3	2.0
Chemical	1,605	1,514	1,479	1,396	1,512	-5.6	8.3	11.0	10.5
Skin and leather	5	5	5	6	4	20.0	-33.3	*	*
Metal smelting	352	205	139	130	205	-6.5	57.3	1.0	1.4
Food	2,002	1,912	1,354	1,556	1,501	14.9	-3.5	12.3	10.5
Others	3,541	2,616	2,121	2,079	2,918	-2.0	40.4	16.4	20.3
Construction	667	464	571	402	438	-29.6	8.9	3.2	3.1
Agriculture	179	186	138	176	214	27.5	21.4	1.4	1.5
Services	490	332	229	183	329	-20.1	79.9	1.4	2.3
Capital goods	3,807	4,661	6,002	4,510	4,834	-24.9	7.2	35.6	33.7
Consumer goods	2,194	2,007	2,011	1,948	2,112	-3.1	8.4	15.4	14.7
Unclassified goods	1	4	0	0	0	0	0	0	0
Total	15,117	14,196	14,323	12,683	14,347	-11.5	13.1	100.0	100.0
Adjusted imports	14,467	13,633	13,708	11,972	13,187	-12.7	10.1		

Source: Foreign trade statistics

(1) Breakdown of goods groups is done on the basis of Central Bank's instructions.

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
America	1,971	1,957	1,589	1,613	1,550	1.5	-3.9	12.7	10.8
Europe	7,750	7,650	7,753	6,509	7,125	-16.0	9.5	51.3	49.7
Asia	4,325	3,770	4,362	4,030	4,983	-7.6	23.6	31.8	34.7
Africa	253	269	174	201	241	15.5	19.7	1.6	1.7
Australia and New Zealand	818	550	445	330	449	-25.8	35.9	2.6	3.1
Value of imports	15,117	14,196	14,323	12,683	14,347	-11.5	13.1	100.0	100.0
Adjusted imports	14,467	13,633	13,708	11,972	13,187	-12.7	10.1		

Source: Foreign trade statistics

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
European Union (EU)	5,840	5,666	6,233	5,147	5,321	-17.4	3.4	40.6	37.1
Economic and Social Commission for Asia and the Pacific (ESCAP)	4,827	4,555	4,605	4,138	4,742	-10.1	14.6	32.6	33.1
Economic Cooperation Organization (ECO)	770	573	477	457	727	-4.2	59.1	3.6	5.1
Organization of the Petroleum Exporting Countries (OPEC)	676	759	923	964	1,076	4.4	11.6	7.6	7.5
Asian Clearing Union (ACU)	379	315	281	287	356	2.1	24.1	2.3	2.5
Value of imports	15,117	14,196	14,323	12,683	14,347	-11.5	13.1		
Adjusted imports	14,467	13,633	13,708	11,972	13,187	-12.7	10.1		

Source: Foreign trade statistics

Table 71

DISTRIBUTION OF IMPORTS BY COUNTRIES

(million dollars)

	1375	1376	1377	1378	1379	Percentage change		Share (percent)	
						1378	1379	1378	1379
Germany	2,100	1,854	1,660	1,382	1,504	-16.7	8.8	10.9	10.5
U.A.E.	473	562	759	769	1,154	1.3	50.1	6.1	8.0
Russia	644	704	549	532	920	-3.1	72.9	4.2	6.4
Italy	675	796	1,188	901	856	-24.2	-5.0	7.1	6.0
South Korea	445	552	687	708	737	3.1	4.0	5.6	5.1
Japan	844	882	1,005	590	684	-41.3	15.9	4.7	4.8
France	437	675	556	685	617	23.2	-9.9	5.4	4.3
China	242	395	655	613	565	-6.4	-7.8	4.8	3.9
Brazil	349	294	472	681	538	44.3	-21.1	5.4	3.7
England	685	681	574	439	510	-23.5	16.1	3.5	3.6
Canada	449	616	311	531	477	70.7	-10.1	4.2	3.3
Belgium	926	457	899	597	426	-33.6	-28.6	4.7	3.0
Australia	741	522	358	298	403	-16.8	35.2	2.3	2.8
Kazakistan	112	100	87	132	345	51.4	161.1	1.0	2.4
Spain	252	263	410	341	343	-16.8	0.6	2.7	2.4
Switzerland	812	531	326	336	327	3.1	-2.8	2.6	2.3
Sweden	125	189	148	120	310	-18.9	158.2	0.9	2.2
Argentina	798	833	632	131	304	-79.3	132.3	1.0	2.1
Austria	172	265	267	304	277	13.9	-8.9	2.4	1.9
Netherlands	268	296	362	213	270	-41.2	26.8	1.7	1.9
India	231	230	204	199	254	-2.5	27.5	1.6	1.8
Turkey	284	289	272	228	233	-16.2	2.2	1.8	1.6
Thailand	405	173	162	214	228	32.1	6.6	1.7	1.6
Indonesia	83	106	139	111	156	-20.1	40.5	0.9	1.1
Singapore	81	58	106	100	155	-5.5	55.2	0.8	1.1
Others	2,484	1,873	1,535	1,528	1,755	-0.5	14.8	12.0	12.2
Total	15,117	14,196	14,323	12,683	14,347	-11.5	13.1	100.0	100.0
Adjusted imports	14,467	13,633	13,708	11,972	13,187	-12.7	10.1		

Source: Foreign trade statistics

Table 72

SUMMARY OF THE ASSETS AND LIABILITIES OF THE BANKING SYSTEM (1)

(billion rials)

	Outstanding at the end of the year					Percentage change	
	1375	1376	1377	1378	1379	1378	1379
Assets							
Foreign assets	27,969.6	16,213.8	11,737.6	18,325.0	32,832.8	56.1	79.2
Gold	3,408.9	2,482.5	1,937.9	2,652.0	2,589.3	36.8	-2.4
Gold with IMF	91.6	89.4	90.9	89.4	84.5	-1.7	-5.5
Foreign exchange	19,996.7	9,339.4	5,734.6	10,951.4	26,519.0	91.0	142.2
Clearing foreign exchange	2,615.1	2,338.7	2,284.8	2,461.3	1,377.9	7.7	-44.0
Quota and subscription to international organizations	1,278.9	1,387.5	1,687.3	1,700.6	1,666.1	0.8	-2.0
Special Drawing Right	578.4	576.3	2.1	470.3	596.1	▣	26.7
Claims on public sector	65,916.0	80,703.6	109,976.1	117,116.9	122,785.3	6.5	4.8
Government	42,736.4	48,202.0	66,336.0	69,209.5	67,053.8	4.3	-3.1
Public corporations and agencies	23,179.6	32,501.6	43,640.1	47,907.4	55,731.5	9.8	16.3
Claims on non-public sector	61,439.0	75,740.1	98,220.0	137,912.9	180,870.7	40.4	31.1
Others	89,488.4	94,227.1	108,757.7	123,000.6	163,608.5	13.1	33.0
Sub-total	244,813.0	266,884.6	328,691.4	396,355.4	500,097.4	20.6	26.2
Customers' undertakings re: letters of credit, guarantees & acceptances	57,720.6	48,651.9	44,718.3	48,460.6	56,295.8	8.4	16.2
Total assets = total liabilities	302,533.6	315,536.5	373,409.7	444,816.0	556,393.2	19.1	25.1
Liabilities							
Liquidity	116,552.6	134,286.3	160,401.5	192,689.2	249,110.7	20.1	29.3
Money	56,271.9	63,303.7	74,784.4	86,751.0	114,420.5	16.0	31.9
Quasi-money	60,280.7	70,982.6	85,617.1	105,938.2	134,690.2	23.7	27.1
Public sector deposits	12,848.2	14,461.7	21,363.1	25,653.1	36,563.7	20.1	42.5
Government	10,485.9	11,060.8	17,139.1	20,402.5	27,400.5	19.0	34.3
Public corporations and agencies	2,362.3	3,400.9	4,224.0	5,250.6	9,163.2	24.3	74.5
Capital account	5,677.8	5,928.9	6,444.3	6,471.0	8,284.5	0.4	28.0
Foreign loans and credits and foreign exchange deposits	9,740.6	8,018.5	12,373.2	14,995.6	27,322.6	21.2	82.2
Import order registration deposits of non-public sector	2.5	2.6	2.0	2.0	2.0	0	0
Advance payments on letters of credit by public sector	9,225.6	6,435.9	3,774.7	3,487.3	3,064.4	-7.6	-12.1
Others	90,765.7	97,750.7	124,332.6	153,057.2	175,749.5	23.1	14.8
Sub-total	244,813.0	266,884.6	328,691.4	396,355.4	500,097.4	20.6	26.2
Contingent liabilities re: letters of credit, guarantees & acceptances	57,720.6	48,651.9	44,718.3	48,460.6	56,295.8	8.4	16.2

(1) Since 1376 excludes commercial banks' branches abroad, and since Aban 1378 includes non-bank credit institutions.

**SUMMARY OF THE ASSETS AND LIABILITIES OF CENTRAL BANK
OF THE ISLAMIC REPUBLIC OF IRAN**

Table 73

(billion rials)

	Outstanding at the end of the year					Percentage change	
	1375	1376	1377	1378	1379	1378	1379
Assets							
Foreign assets	19,629.6	12,065.6	9,313.6	13,035.4	23,566.8	40.0	80.8
Gold	3,403.8	2,475.1	1,930.9	2,645.4	2,573.1	37.0	-2.7
Gold with IMF	91.6	89.4	90.9	89.4	84.5	-1.7	-5.5
Foreign exchange	11,661.8	5,198.6	3,317.6	5,668.4	17,269.1	70.9	204.7
Clearing foreign exchange	2,615.1	2,338.7	2,284.8	2,461.3	1,377.9	7.7	-44.0
Quota and subscription to international organizations	1,278.9	1,387.5	1,687.3	1,700.6	1,666.1	0.8	-2.0
Special Drawing Right	578.4	576.3	2.1	470.3	596.1	⊖	26.7
Notes and coins in till	31.9	197.1	174.0	219.9	324.3	26.4	47.5
Claims on public sector	51,906.6	59,044.8	72,907.7	75,866.9	75,118.2	4.1	-1.0
Government	40,911.8	46,377.9	58,593.6	62,058.5	60,859.0	5.9	-1.9
Public corporations and agencies	10,994.8	12,666.9	14,314.1	13,808.4	14,259.1	-3.5	3.3
Claims on banks	10,190.0	14,929.8	13,399.8	20,811.0	23,553.4	55.3	13.2
Others	6,086.2	6,201.7	9,844.3	7,619.7	26,395.3	-22.6	246.4
Sub-total	87,844.3	92,439.0	105,639.4	117,552.9	148,958.0	11.3	26.7
Customers' undertakings re: letters of credit, guarantees & acceptances	20,287.2	13,927.4	10,343.3	7,490.6	5,400.8	-27.6	-27.9
Total assets = total liabilities	108,131.5	106,366.4	115,982.7	125,043.5	154,358.8	7.8	23.4
Liabilities							
Notes and coins	14,260.8	16,990.1	20,345.1	24,133.6	27,555.4	18.6	14.2
With the public	13,216.1	15,380.2	18,773.1	22,119.3	25,158.3	17.8	13.7
With banks	1,012.8	1,412.8	1,398.0	1,794.4	2,072.8	28.4	15.5
With the Central Bank	31.9	197.1	174.0	219.9	324.3	26.4	47.5
Deposits of banks and credit institutions (1)	33,114.3	35,720.5	41,793.5	47,908.9	57,167.0	14.6	19.3
Legal (2)	31,755.8	34,460.8	37,834.8	45,377.4	51,830.4	19.9	14.2
Sight (3)	1,358.5	1,259.7	3,958.7	2,531.5	5,336.6	-36.1	110.8
Public sector deposits	12,567.0	14,041.0	18,865.2	21,886.8	33,807.2	16.0	54.5
Government	10,204.7	10,640.1	14,641.2	16,636.2	24,644.0	13.6	48.1
Public corporations and agencies	2,362.3	3,400.9	4,224.0	5,250.6	9,163.2	24.3	74.5
Capital account	420.6	420.6	511.3	598.0	680.9	17.0	13.9
Foreign exchange liabilities	4,369.2	6,123.7	6,848.2	8,585.6	15,990.0	25.4	86.2
Foreign loans and foreign exchange deposits	2,953.8	4,686.2	5,292.1	7,177.6	15,243.1	35.6	112.4
Clearing foreign exchange	826.4	862.5	971.3	832.8	203.6	-14.3	-75.5
Special Drawing Right allocations	589.0	575.0	584.8	575.2	543.3	-1.6	-5.5
Import order registration deposits of non-public sector	2.5	2.6	2.0	2.0	2.0	0	0
Advance payments on letters of credit by public sector	9,225.6	6,435.9	3,774.7	3,487.3	3,064.4	-7.6	-12.1
Others	13,884.3	12,704.6	13,499.4	10,950.7	10,691.1	-18.9	-2.4
Sub-total	87,844.3	92,439.0	105,639.4	117,552.9	148,958.0	11.3	26.7
Contingent liabilities re: letters of credit, guarantees & acceptances	20,287.2	13,927.4	10,343.3	7,490.6	5,400.8	-27.6	-27.9

(1) Includes non-bank credit institutions since Aban 1378.

(2) Includes adjustments made in advance payments on letters of credit.

(3) Includes banks' special term deposits since Shahrivar 1378.

**SUMMARY OF THE ASSETS AND LIABILITIES OF BANKS
AND NON-BANK CREDIT INSTITUTIONS (1)**

Table 74

(billion rials)

	Outstanding at the end of the year					Percentage change	
	1375	1376	1377	1378	1379	1378	1379
Assets							
Foreign assets	8,340.0	4,148.2	2,424.0	5,289.6	9,266.0	118.2	75.2
Gold	5.1	7.4	7.0	6.6	16.2	-5.7	145.7
Foreign exchange	8,334.9	4,140.8	2,417.0	5,283.0	9,249.8	118.6	75.1
Notes and coins in till	1,012.8	1,412.8	1,398.0	1,794.4	2,072.8	28.4	15.5
Deposit with the Central Bank	33,114.3	35,720.5	41,793.5	47,908.9	57,167.0	14.6	19.3
Legal (2)	31,755.8	34,460.8	37,834.8	45,377.4	51,830.4	19.9	14.2
Sight (3)	1,358.5	1,259.7	3,958.7	2,531.5	5,336.6	-36.1	110.8
Claims on public sector	14,009.4	21,658.8	37,068.4	41,250.0	47,667.1	11.3	15.6
Government (4)	1,824.6	1,824.1	7,742.4	7,151.0	6,194.8	-7.6	-13.4
Public corporations and agencies	12,184.8	19,834.7	29,326.0	34,099.0	41,472.3	16.3	21.6
Claims on non-public sector	61,439.0	75,740.1	98,220.0	137,912.9	180,870.7	40.4	31.1
Others	39,053.2	35,765.2	42,148.1	44,646.7	54,095.7	5.9	21.2
Sub-total	156,968.7	174,445.6	223,052.0	278,802.5	351,139.4	25.0	25.9
Customers' undertakings re: letters of credit, guarantees & acceptances	37,433.4	34,724.5	34,375.0	40,970.0	50,895.0	19.2	24.2
Total assets = total liabilities	194,402.1	209,170.1	257,427.0	319,772.5	402,034.4	24.2	25.7
Liabilities							
Non-public sector deposits	103,336.5	118,906.1	141,628.4	170,569.9	223,952.3	20.4	31.3
Sight	43,055.8	47,923.5	56,011.3	64,631.7	89,262.2	15.4	38.1
Savings and time	60,280.7	70,982.6	85,617.1	105,938.2	134,690.2	23.7	27.1
Claims of the Central Bank	10,190.0	14,929.8	13,399.8	20,811.0	23,553.4	55.3	13.2
Deposits and funds of public sector	281.2	420.7	2,497.9	3,766.3	2,756.5	50.8	-26.8
Government	281.2	420.7	2,497.9	3,766.3	2,756.5	50.8	-26.8
Public corporations and agencies	0	0	0	0	0	0	0
Capital account	5,257.2	5,508.3	5,933.0	5,873.0	7,603.6	-1.0	29.5
Foreign loans and foreign exchange deposits	5,371.4	1,894.8	5,525.0	6,410.0	11,332.7	16.0	76.8
Others	32,532.4	32,785.9	54,067.9	71,372.3	81,940.9	32.0	14.8
Sub-total	156,968.7	174,445.6	223,052.0	278,802.5	351,139.4	25.0	25.9
Contingent liabilities re: letters of credit, guarantees & acceptances	37,433.4	34,724.5	34,375.0	40,970.0	50,895.0	19.2	24.2

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(1) Since 1376 excludes commercial banks' branches abroad and since Aban 1378 includes non-bank credit institutions.

(2) Includes adjustments made in advance payments on letters of credit.

(3) Since Shahrivar 1378 includes banks' special term deposits.

(4) Since 1377 includes public sector participation papers.

Table 75

SUMMARY OF THE ASSETS AND LIABILITIES OF COMMERCIAL BANKS(1)

(billion rials)

	Outstanding at the end of the year					Percentage change	
	1375	1376	1377	1378	1379	1378	1379
Assets							
Foreign assets	8,084.8	3,864.8	2,103.0	4,889.2	7,567.3	132.5	54.8
Gold	5.0	6.8	7.0	6.2	15.5	-11.4	150.6
Foreign exchange	8,079.8	3,858.0	2,096.0	4,883.0	7,551.8	133.0	54.7
Notes and coins in till	930.9	1,308.0	1,270.0	1,580.8	1,757.6	24.5	11.2
Deposit with the Central Bank	32,353.8	34,843.9	40,527.5	46,089.3	54,439.5	13.7	18.1
Legal (2)	31,392.2	33,585.7	36,656.2	43,741.8	49,914.6	19.3	14.1
Sight (3)	961.6	1,258.2	3,871.3	2,347.5	4,524.9	-39.4	92.8
Claims on public sector	13,843.6	21,046.2	36,039.4	40,048.1	46,786.0	11.1	16.8
Government	1,823.0	1,822.3	6,947.4	6,139.1	5,506.6	-11.6	-10.3
Public corporations and agencies	12,020.6	19,223.9	29,092.0	33,909.0	41,279.4	16.6	21.7
Claims on non-public sector	46,202.0	54,775.5	69,553.0	95,199.9	124,118.9	36.9	30.4
Others	35,566.5	31,751.9	37,547.1	38,833.7	47,093.3	3.4	21.3
Sub-total	136,981.6	147,590.3	187,040.0	226,641.0	281,762.6	21.2	24.3
Customers' undertakings re: letters of credit, guarantees & acceptances	36,806.4	34,194.1	33,312.0	39,530.0	46,992.7	18.7	18.9
Total assets = total liabilities	173,788.0	181,784.4	220,352.0	266,171.0	328,755.3	20.8	23.5
Liabilities							
Deposits of non-public sector	96,938.2	109,123.0	129,004.7	152,725.2	197,565.8	18.4	29.4
Sight	40,439.4	44,230.9	52,906.6	60,201.0	83,201.4	13.8	38.2
Savings and time	56,498.8	64,892.1	76,098.1	92,524.2	114,364.4	21.6	23.6
Claims of the Central Bank	7,677.5	10,939.1	8,474.0	13,009.3	14,539.2	53.5	11.8
Deposits and funds of public sector	101.0	245.1	2,419.9	3,697.2	2,669.1	52.8	-27.8
Government	101.0	245.1	2,419.9	3,697.2	2,669.1	52.8	-27.8
Public corporations and agencies	0	0	0	0	0	0	0
Capital account	3,326.7	3,378.3	3,760.0	3,662.0	3,822.3	-2.6	4.4
Foreign loans and foreign exchange deposits	5,240.3	1,764.8	5,194.0	5,951.0	10,842.5	14.6	82.2
Others	23,697.9	22,140.0	38,187.4	47,596.3	52,323.7	24.6	9.9
Sub-total	136,981.6	147,590.3	187,040.0	226,641.0	281,762.6	21.2	24.3
Contingent liabilities re: letters of credit, guarantees & acceptances	36,806.4	34,194.1	33,312.0	39,530.0	46,992.7	18.7	18.9

(1) Since 1376 excludes commercial banks' branches abroad.

(2) Includes adjustments made in advance payments on letters of credit.

(3) Since Shahrivar 1378 includes banks' special term deposits.

Table 76

SUMMARY OF THE ASSETS AND LIABILITIES OF SPECIALIZED BANKS

(billion rials)

	Outstanding at the end of the year					Percentage change	
	1375	1376	1377	1378	1379	1378	1379
Assets							
Foreign assets	255.2	283.4	321.0	398.4	1,695.4	24.1	325.6
Gold	0.1	0.6	0	0.4	0.7	0	70.0
Foreign exchange	255.1	282.8	321.0	398.0	1,694.7	24.0	325.8
Notes and coins in till	81.9	104.8	128.0	208.6	307.0	63.0	47.2
Deposit with the Central Bank	760.5	876.6	1,266.0	1,793.0	2,666.2	41.6	48.7
Legal	363.6	875.1	1,178.6	1,616.6	1,855.4	37.2	14.8
Sight	396.9	1.5	87.4	176.4	810.9	101.8	359.7
Claims on public sector	165.8	612.6	1,029.0	1,141.5	691.2	10.9	-39.4
Government	1.6	1.8	795.0	951.5	498.3	19.7	-47.6
Public corporations and agencies	164.2	610.8	234.0	190.0	192.9	-18.8	1.5
Claims on non-public sector	15,237.0	20,964.6	28,667.0	42,505.0	56,313.2	48.3	32.5
Others	3,486.7	4,013.3	4,601.0	5,706.1	6,764.1	24.0	18.5
Sub-total	19,987.1	26,855.3	36,012.0	51,752.6	68,437.1	43.7	32.2
Customers' undertakings re: letters of credit, guarantees & acceptances	627.0	530.4	1,063.0	1,383.0	3,695.2	30.1	167.2
Total assets = total liabilities	20,614.1	27,385.7	37,075.0	53,135.6	72,132.3	43.3	35.8
Liabilities							
Non-public sector deposits	6,398.3	9,783.1	12,623.7	17,538.8	25,652.4	38.9	46.3
Sight	2,616.4	3,692.6	3,104.7	4,428.7	6,058.1	42.6	36.8
Savings and time	3,781.9	6,090.5	9,519.0	13,110.1	19,594.3	37.7	49.5
Claims of the Central Bank	2,512.5	3,990.7	4,925.8	7,801.7	9,014.2	58.4	15.5
Deposits and funds of public sector	180.2	175.6	78.0	69.1	87.4	-11.4	26.5
Government	180.2	175.6	78.0	69.1	87.4	-11.4	26.5
Public corporations and agencies	0	0	0	0	0	0	0
Capital account	1,930.5	2,130.0	2,173.0	2,162.0	3,721.0	-0.5	72.1
Foreign loans and credits and foreign exchange deposits	131.1	130.0	331.0	457.0	487.1	38.1	6.6
Others	8,834.5	10,645.9	15,880.5	23,724.0	29,475.1	49.4	24.2
Sub-total	19,987.1	26,855.3	36,012.0	51,752.6	68,437.1	43.7	32.2
Contingent liabilities re: letters of credit, guarantees & acceptances	627.0	530.4	1,063.0	1,383.0	3,695.2	30.1	167.2

Table 77

SUMMARY OF THE ASSETS AND LIABILITIES OF NON-BANK CREDIT INSTITUTIONS

(billion rials)

	Outstanding at the end of the year		Percentage change		Outstanding at the end of the year		Percentage change
	1378	1379	1379		1378	1379	1379
Assets				Liabilities			
Foreign assets	2.0	3.3	65.0	Non-public sector deposits	305.9	734.2	140.0
Gold	0	0	0	Sight (2)	2.0	2.7	35.0
Foreign exchange	2.0	3.3	65.0	Savings and time	303.9	731.5	140.7
Notes and coins in till	5.0	8.2	64.7	Claims of the Central Bank	0	0	0
Deposit with the Central Bank	26.6	61.2	130.1	Deposits and funds of public sector	0	0	0
Legal	19.0	60.4	218.1	Government	0	0	0
Sight	7.6	0.8	-89.8	Public corporations and agencies	0	0	0
Claims on public sector	60.4	189.9	214.4	Capital account	49.0	60.3	23.1
Government (1)	60.4	189.9	214.4	Foreign loans and foreign exchange deposits	2.0	3.0	50.7
Public corporations and agencies	0	0	0	Others	52.0	142.1	173.3
Claims on non-public sector	208.0	438.7	110.9	Sub-total	408.9	939.6	129.8
Others	106.9	238.3	122.9	Contingent liabilities re: letters of credit, guarantees & acceptances	57.0	207.1	263.4
Sub-total	408.9	939.6	129.8				
Customers' undertakings re: letters of credit, guarantees & acceptances	57.0	207.1	263.4				
Total assets = total liabilities	465.9	1,146.8	146.1	Total assets = total liabilities	465.9	1,146.8	146.1

(1) Includes only participation papers of public sector.

(2) Includes only miscellaneous creditors.

**BANKS AND NON-BANK CREDIT INSTITUTIONS CLAIMS
ON NON-PUBLIC SECTOR**

Table 78 (billion rials)

	Outstanding at the end of the year					Percentage change	
	1375	1376	1377	1378	1379	1378	1379
Banks and non-bank credit institutions	61,439.0	75,740.1	98,220.0	137,912.9	180,870.7	40.4	31.1
Facilities (1)	54,213.8	65,907.8	88,243.0	128,435.0	170,894.9	45.5	33.1
Direct investment and legal partnership	3,799.3	5,161.7	4,544.0	5,613.0	6,012.6	23.5	7.1
Loans and credits (2)	3,425.9	4,670.6	5,433.0	3,864.9	3,963.2	-28.9	2.5
Commercial banks	46,202.0	54,775.5	69,553.0	95,199.9	124,118.9	36.9	30.4
Facilities	40,107.4	46,075.2	60,695.0	86,960.0	115,501.4	43.3	32.8
Direct investment and legal partnership	2,981.0	4,296.1	3,737.0	4,672.0	5,034.4	25.0	7.8
Loans and credits	3,113.6	4,404.2	5,121.0	3,567.9	3,583.0	-30.3	0.4
Specialized banks	15,237.0	20,964.6	28,667.0	42,505.0	56,313.2	48.3	32.5
Facilities	14,106.4	19,832.6	27,548.0	41,269.0	54,969.9	49.8	33.2
Direct investment and legal partnership	818.3	865.6	807.0	941.0	964.7	16.6	2.5
Loans and credits	312.3	266.4	312.0	295.0	378.6	-5.4	28.3
Non-bank credit institutions	...	...	...	208.0	438.7	0	110.9
Facilities	...	...	...	206.0	423.6	0	105.7
Direct investment and legal partnership	...	...	...	0	13.4	0	0
Loans and credits	...	...	...	2.0	1.6	0	-18.0

(1) Facilities are those extended by banks based upon the Usury-free Banking Operation Act (without direct investment and legal partnership), debt purchase and property transactions.

(2) Includes outstanding of all loans and credits extended before implementation of the Usury-free Banking Operation Act.

Table 79 (billion rials)

LIQUIDITY

	Outstanding at the end of the year					Percentage change	
	1375	1376	1377	1378	1379	1378	1379
1. Money(M1)	56,271.9	63,303.7	74,784.4	86,751.0	114,420.5	16.0	31.9
Notes and coins with the public	13,216.0	15,380.2	18,773.1	22,119.3	25,158.3	17.8	13.7
Sight deposits	43,055.8	47,923.5	56,011.3	64,631.7	89,262.2	15.4	38.1
2. Quasi-money	60,280.7	70,982.6	85,617.1	105,938.2	134,690.2	23.7	27.1
Gharz-al-hasaneh saving deposits	6,039.1	8,693.2	12,420.0	16,296.0	22,014.4	31.2	35.1
Term investment deposits	35,847.1	47,103.8	62,429.1	79,532.0	103,363.6	27.4	30.0
Short-term	19,051.1	24,289.7	32,046.0	39,564.0	50,442.8	23.5	27.5
Long-term	16,796.0	22,814.1	30,383.1	39,968.0	52,920.8	31.5	32.4
Miscellaneous deposits (1)	18,394.5	15,185.6	10,768.0	10,110.2	9,312.2	-6.1	-7.9
3. Liquidity (1+2) (M2)	116,552.5	134,286.3	160,401.5	192,689.2	249,110.7	20.1	29.3

(1) Includes advance payments for letters of credit, guarantees, advance payments for transactions and retirement and savings funds of banks' employees.

**CHANGES IN THE BALANCE OF COMMERCIAL BANKS'
SOURCES AND USES OF FUNDS**

Table 80	(billion rials)		
	1377	1378	1379
Non-public sector deposits	19,881.7	23,720.5	44,840.6
Sight	8,675.7	7,294.4	23,000.4
Non-sight	11,206.0	16,426.1	21,840.2
Blocked resources	3,032.5	6,211.0	5,735.0
Notes and coins in till	-38.0	310.8	176.8
Legal deposits (1)	3,070.5	7,085.6	6,172.8
Government bonds (1)	0	-1,185.4	-614.6
Free resources out of non-public sector deposits	16,849.2	17,509.5	39,105.6
Other resources	2,556.5	1,179.3	-867.8
Capital account	381.7	-98.0	160.3
Public sector funds and deposits	2,174.8	1,277.3	-1,028.1
Total free resources	19,405.7	18,688.8	38,237.8
Uses	28,726.7	27,867.0	31,345.5
Non-public sector indebtedness (2)	13,733.5	22,672.9	25,222.2
Public sector indebtedness	14,993.2	5,194.1	6,123.3
Deficit (-) or surplus (+)	-9,321.0	-9,178.2	6,892.3

(1) Figures are extracted from Central Bank's Balance Sheet.

(2) Excludes profit and revenue receivables.

**CHANGES IN THE BALANCE OF SPECIALIZED BANKS'
SOURCES AND USES OF FUNDS**

Table 81	(billion rials)		
	1377	1378	1379
Non-public sector deposits	2,840.6	4,915.1	8,113.6
Sight	-587.9	1,324.0	1,629.4
Non-sight	3,428.5	3,591.1	6,484.2
Blocked resources	326.7	518.6	337.4
Notes and coins in till	23.2	80.6	98.4
Legal deposits (1)	303.5	438.0	238.8
Government bonds (1)	0	0	0.2
Free resources out of non-public sector deposits	2,513.9	4,396.5	7,776.2
Capital account	43.0	-11.0	1,559.0
Claims of the Central Bank	935.1	2,875.9	1,212.5
Claims of other banks	66.1	198.0	-160.0
Foreign debts	201.0	126.0	30.1
Public sector funds and deposits	-97.6	-8.9	18.3
Other funds	2,022.3	1,445.0	-611.4
Total free credit resources	5,683.8	9,021.5	9,824.7
Non-public sector indebtedness (2)	5,267.4	8,909.0	10,275.2
Public sector indebtedness	416.4	112.5	-450.5

(1) Figures are extracted from Central Bank's Balance Sheet.

(2) Excludes profit and revenue receivables.

Table 82

SHARE PRICE INDEX BY INDUSTRIES

(1369=100)

	At the end of the year					Percentage change	
	1375	1376	1377	1378	1379	1378	1379
Exploitation of mines	185.85	166.00	159.33	276.72	341.97	73.7	23.6
Foodstuffs	2,999.64	1,953.08	2,069.43	2,908.44	3,177.42	40.5	9.2
Textiles	307.01	288.55	268.30	261.03	255.49	-2.7	-2.1
Paper and wood	1,874.05	2,155.06	1,938.25	2,731.52	3,697.68	40.9	35.4
Paper products	1,198.01	898.86	598.83	638.03	1,811.63	6.5	183.9
Print and publication	3,555.09	3,248.41	3,051.96	4,489.94	6,436.08	47.1	43.3
Oil refining and nuclear fuels	2,407.26	2,198.87	2,139.48	4,601.60	9,905.76	115.1	115.3
Chemical products	2,848.32	2,478.72	2,077.81	3,155.89	3,510.34	51.9	11.2
Plastic and rubber	1,215.79	1,279.13	982.77	1,454.08	2,126.03	48.0	46.2
Non-metallic minerals	1,366.06	1,266.81	1,126.61	2,028.35	3,105.27	80.0	53.1
Basic metals	1,280.06	1,092.78	759.46	1,307.74	1,379.74	72.2	5.5
Fabricated metals	1,835.93	1,321.88	1,145.02	1,553.61	1,937.60	35.7	24.7
Machinery and equipment	2,319.22	2,006.54	1,841.85	1,821.21	1,720.79	-1.1	-5.5
Electrical apparatus	10,599.56	8,429.93	6,448.48	11,946.54	12,326.89	85.3	3.2
Radio and television	1,728.21	1,600.45	1,457.36	1,972.58	1,287.81	35.4	-34.7
Motor vehicles	701.36	535.89	576.04	823.13	985.76	42.9	19.8
Transportation equipment	1,690.16	1,576.75	1,346.33	2,010.23	1,840.56	49.3	-8.4
Side-activities and financial intermediations (investment companies)	4,802.39	4,114.91	4,048.17	4,683.56	6,347.29	15.7	35.5
Manufacturing of office machinery	...	...	...	...	102.22	0	0
General index	1,936.75	1,653.06	1,537.96	2,206.19	2,978.26	43.4	35.0

Source: Tehran Stock Exchange, statistical report of various years

Table 83

PARTICIPATION PAPERS ISSUED(1)

Name of participation paper	Issuer(s)	Date of first issuance	Term maturity (year)	Stages of issuance	Date of maturity of first stage	Approved amount (billion Rls.)	Issued amount (billion Rls.)	Amount sold up (billion Rls.)	Agent bank	Provisional profit rate (% per annum)
Navvab Project	Tehran Municipality	Mehr 1373 (2)	4	4	Mehr 1377	250	250	250	Melli Iran	20
Healthy City and Renovation of Hazrat Abdolazim Shrine	Tehran Municipality and Superintendence of Hazrat Abdolazim Foundation	Aban 1374	2.5	1	Ordibehesht 1377	70	70	70	Melli Iran	20
Hospital Projects (Note 68)	Ministry of Housing & Urban Development	Bahman 1374	5	1	Bahman 1379	30	30	30	Mellat	20
Samen Project	Khorasan House Building Company	Mordad 1375	5	3	Mordad 1380	80	80	80	Saderat Iran	20
New Paykan Auto-Manufacturing Project	Iran Khodrow	Dey 1375	4	2	Dey 1379	513.1	513.1	513.1	Melli Iran	24 (stage 1) 20 (stage 2)
New Cities	Development Company of New Cities	Ordibehesht 1376	3	1	Ordibehesht 1379	110.3	35	35	Maskan	20
West of Tabriz Bazaar	Azerbaijan Development and Expansion Company	Azar 1376	4	1	Dey 1380	100	50	50	Melli Iran	20
National Participation (Note 16)	Government	Esfand 1376	3	1	Esfand 1379	2,250	2,250	2,174	Melli Iran	20
Energy (Note 48)	Ministry of Energy	Aban 1377	3	1	Aban 1380	300	300	300	Tejarat	20
Methanol Khark	Khark Petrochemical Company	Aban 1377	2.5	1	Ordibehesht 1380	200	200	200	Melli Iran	20
Zakaria Tabriz Pharmaceutical Company	Pharmaceutical Z.T.P Company	Azar 1377	2.5	1	Khordad 1380	50	30	30	Melli Iran	20
National Participation	Government	Azar 1377	3	1	Azar 1380	2,500	2,500	2,500	Melli Iran	20

Meibod Yazd Steel	Meibod Yazd Steel Company	Esfand 1377	4	1	Esfand 1381	100	70	70	Melli Iran	20
National Participation (Para. A, Note 48)	Government	Shahrivar 1378	4	3	Shahrivar 1382	2,000	2,000	1,927	Melli Iran Mellat Sepah	19
Karkheh Damb (Para. B, Note 48)	Ministry of Energy	Aban 1378	4	1	Aban 1382	150	150	150	Sepah	19
Fishery (Note 48)	Ministry of Agricultural Jihad (Fishery Corporation)	Bahman 1378	3	1	Bahman 1381	100	100	100	Keshavarzi	19
Energy (Para. B, Note 48)	Ministry of Energy	Bahman 1378	3	1	Bahman 1381	150	150	150	Tejarat	19
National Participation (Para. A, Note 48)	Government	Mordad 1379	4	3	Mordad 1383	2,000	2,000	2,000	Melli Iran Saderat Iran Mellat Tejarat Sepah Refah- Kargaran Keshavarzi	19
Energy (Para. B, Note 48)	Ministry of Energy	Aban 1379	3	1	Aban 1382	300	300	300	Keshavarzi Tejarat	19
Acrylic Production	Iran PolyAcryl Corporation	Mehr 1379	4	2 ⁽³⁾	Mehr 1383	130	130	130	Melli Iran	20

(1) All participation papers issued are bearer and are converted to cash at any time by any agent branch. Moreover, they exclude Central Bank's participation papers.

(2) The first stage of issuance of Navvab Project Papers at Rls. 75 billion was in 1373, a year before the beginning of Second Development Plan, and the second, third and fourth stages were during 1374-1375.

(3) The first stage of issuance of Acrylic Production at Rls. 50 billion was in Ordibehesht, 1378.

Table 84

TRANSACTIONS OF SHARES AND PRIORITY SHARES BY INDUSTRIES ON THE TSE

	Number (million shares)			Value (billion rials)			Share in 1379(percent)	
	1378	1379	Percentage change	1378	1379	Percentage change	Number	Value
Exploitation of mines	2.0	2.4	24.4	10.1	11.1	9.8	0.1	0.1
Foodstuffs	51.3	83.3	62.3	214.6	426.2	98.6	5.0	4.6
Textiles	11.3	28.7	153.3	23.1	33.3	44.6	1.7	0.4
Paper and wood	0.4	2.1	384.0	2.0	8.0	297.8	0.1	0.1
Paper products	2.6	8.7	232.4	28.3	76.2	169.5	0.5	0.8
Print and publication	0.2	0.6	217.1	2.8	11.5	314.0	*	0.1
Oil refining and nuclear fuels	141.4	312.0	120.7	482.7	2,518.3	421.7	18.6	27.4
Chemical products	40.3	80.7	100.1	217.6	516.4	137.3	4.8	5.6
Plastic and rubber	45.2	75.8	67.9	156.8	672.9	329.1	4.5	7.3
Non-metallic minerals	83.1	109.8	32.1	425.8	966.3	126.9	6.5	10.5
Basic metals manufacturing	24.9	62.0	148.9	231.1	486.5	110.5	3.7	5.3
Fabricated metals	20.4	27.5	35.1	88.0	139.8	58.9	1.6	1.5
Machinery and equipment	59.4	115.5	94.3	207.4	1,052.0	407.2	6.9	11.5
Electrical apparatus and machinery	6.5	7.3	13.1	55.0	50.0	-9.1	0.4	0.5
Radio and television	15.3	49.2	222.2	61.6	114.3	85.5	2.9	1.2
Motor vehicles	244.8	226.8	-7.4	2,170.0	1,134.5	-47.7	13.5	12.4
Transportation equipment	74.1	12.6	-83.0	91.4	23.2	-74.6	0.7	0.3
Financial intermediations	358.6	475.7	32.7	775.4	933.8	20.4	28.3	10.2
Manufacturing of office machinery	...	0.7	0	...	2.5	0	*	*
General index	1,181.9	1,681.5	42.3	5,243.6	9,176.7	75.0	100.0	100.0

Source: Tehran Stock Exchange, statistical report of 1378-1379

Table 85

SHARES OFFERED BY PUBLIC SECTOR AND BANKS

	Number (thousand shares)		Value (billion rials)		Percentage change		Share (percent)	
	1378	1379	1378	1379	Number	Value	Number	Value
Public organizations and corporations	195,919.4	190,188.6	1,821.2	1,489.8	-2.9	-18.2	58.2	66.3
National Iranian Industries Organization	22,320.6	12,694.5	169.4	90.9	-43.1	-46.3	3.9	4.0
Industrial Development and Renovation Organization	143,306.5	105,861.8	1,571.4	1,214.7	-26.1	-22.7	32.4	54.0
The Organization for Expansion of Ownership of Manufacturing Units	30,292.3	71,632.3	80.4	184.1	136.5	129.0	21.9	8.2
National Petrochemical Industries Corporation	0	0	0	0	θ	θ	0	0
Foundations	7,679.5	22,329.5	24.1	37.2	190.8	54.2	6.8	1.7
Mostazafan va Janbazan	6,139.1	20,130.9	20.2	26.6	227.9	31.7	6.2	1.2
Shahid	0	275.5	0	0.7	θ	θ	0.1	*
Sadoogh-e bozorg	0	0.2	0	0	θ	θ	*	0
15 th khordad	1,540.4	1,922.9	3.9	9.9	24.8	151.3	0.6	0.4
Banking system	39,117.1	114,453.5	189.5	721.0	192.6	280.5	35.0	32.1
Central Bank	0	0	0	0	0	0	0	0
Commercial banks	19,069.3	21,178.6	25.2	120.9	11.1	380.3	6.5	5.4
Bank Melli Iran	0	568.3	0	3.1	θ	θ	0.2	0.1
Bank Saderat Iran	18,974.1	0	22.6	0	-100.0	-100.0	1.1	0
Bank Tejarat	95.2	14,748.8	2.6	110.7	▣	▣	4.5	4.9
Bank Sepah	0	5,803.0	0	6.7	θ	θ	1.8	0.3
Bank Mellat	0	0	0	0	θ	θ	0	0
Bank Refah Kargaran	0	58.5	0	0.4	θ	θ	*	*
Specialized banks	20,047.8	93,274.9	164.3	600.2	365.3	265.2	28.5	26.7
Bank of Industry and Mine	19,743.4	91,198.0	163.3	587.8	361.9	260.0	27.9	26.1
Bank Keshavarzi	0.2	0.2	0	0	0	0	*	0
Bank Maskan	304.2	2,076.7	1.1	12.4	▣	▣	0.6	0.6
Total	242,716.0	326,971.5	2,034.8	2,248.0	34.7	10.5	100.0	100.0

Source: Tehran Stock Exchange, statistical report for 1378-1379

Table 86

AVERAGE ANNUAL PRODUCER PRICE INDEX

(1376=100)

	Relative weight in the base year						Percentage change		Direct effect on changes of general index in 1379	
		1375	1376	1377	1378	1379	1378	1379	Percentage point	Percent point
Special groups										
Agriculture, animal husbandry, forestry and fishing	23.62	87.8	100.0	122.7	152.7	180.1	24.4	17.9	4.4	27.0
Manufacturing and mining products	47.92	89.0	100.0	117.7	146.3	169.0	24.3	15.5	7.5	46.0
Services	28.47	80.0	100.0	117.2	139.7	162.0	19.2	16.0	4.4	27.0
General index	100.00	86.5	100.0	118.7	145.9	169.7	22.9	16.3	16.3	100.0
Main groups										
Agriculture, animal husbandry and forestry	23.19	87.8	100.0	122.6	152.7	180.0	24.6	17.9	4.3	26.4
Fishing	0.42	..	100.0	128.0	152.5	190.8	19.1	25.1	0.1	0.6
Mining products	0.94	90.0	100.0	122.8	130.5	152.8	6.3	17.1	0.2	1.2
Manufacturing products	45.18	90.1	100.0	117.0	145.7	168.5	24.5	15.6	7.1	43.6
Provision of electricity, gas and water	1.80	66.9	100.0	131.4	166.8	190.8	26.9	14.4	0.3	1.8
Repairing motor vehicles	0.32	..	100.0	121.1	146.6	161.9	21.1	10.4	0	0
Hotel and restaurant	0.73	84.9	100.0	125.7	156.7	185.2	24.7	18.2	0.1	0.6
Transportation, warehousing and communication	10.53	84.2	100.0	115.3	138.1	152.1	19.8	10.1	1.0	6.1
Financial intermediations	1.17	99.6	100.0	100.2	120.1	156.6	19.9	30.4	0.3	1.8
Real estate, renting and occupations	11.19	76.5	100.0	119.3	139.2	164.4	16.7	18.1	1.9	11.7
Training	0.59	94.5	100.0	110.4	132.0	168.9	19.6	28.0	0.2	1.2
Health and social work	2.23	76.1	100.0	122.7	153.6	183.7	25.2	19.6	0.5	3.1
Other public services activities	1.72	..	100.0	118.0	141.8	170.8	20.2	20.5	0.3	1.8

	1375	1376	1377	1378	1379
Farvardin	80.0	93.4	111.7	134.4	162.2
Ordibehesht	82.7	95.0	112.7	136.1	163.0
Khordad	84.3	95.9	114.1	138.3	165.1
Tir	84.6	96.8	114.7	141.6	166.5
Mordad	85.3	97.9	115.9	143.6	168.0
Shahrivar	85.6	100.5	118.4	145.6	169.3
Mehr	86.3	100.7	119.6	147.3	169.9
Aban	87.1	101.0	120.6	148.5	171.6
Azar	89.1	101.5	121.1	150.3	173.0
Dey	89.8	105.1	124.6	152.7	173.8
Bahman	91.4	105.9	125.3	154.7	174.5
Esfand	92.0	106.5	126.3	157.7	178.9
Annual average	86.5	100.0	118.7	145.9	169.7

	Relative weight in the base year						Percentage change		Direct effect on changes of general index in 1379	
		1375	1376	1377	1378	1379	1378	1379	Percentage point	Percent
Special groups										
Goods	60.93	89.1	100.0	116.7	140.3	153.0	20.2	9.1	5.5	43.6
Services	12.03	82.4	100.0	118.8	145.9	170.8	22.8	17.1	2.1	16.7
Housing, fuel and lighting	27.04	76.7	100.0	120.8	143.4	169.8	18.7	18.4	5.0	39.7
General index	100.00	85.2	100.0	118.1	141.8	159.7	20.1	12.6	12.6	100.0
Main groups										
Food, beverages and tobacco	32.45	87.8	100.0	124.5	152.7	166.3	22.7	8.9	3.1	24.6
Red meat, poultry and fish	7.91	94.0	100.0	124.2	158.5	183.1	27.6	15.5	1.4	11.1
Bread, rice, and grain products	5.56	95.9	100.0	148.3	182.4	178.6	23.1	-2.1	-0.2	-1.6
Fruits and vegetables	7.95	79.6	100.0	108.3	134.8	153.5	24.5	13.9	1.0	7.9
Dairy products and egg	3.84	79.2	100.0	118.4	134.1	153.8	13.2	14.7	0.5	4.0
Housing, fuel and lighting	27.04	76.7	100.0	120.8	143.4	169.8	18.7	18.4	5.0	39.7
Housing	25.41	77.1	100.0	119.6	139.2	164.6	16.4	18.2	4.5	35.7
Electricity, water and fuel	1.63	71.7	100.0	139.8	209.2	252.1	49.7	20.5	0.5	4.0
Clothing	9.55	88.4	100.0	105.3	112.1	121.8	6.5	8.7	0.7	5.6
Household furnishings, goods & services	7.22	93.0	100.0	106.8	122.8	137.6	15.0	12.1	0.8	6.3
Transportation and communication	11.40	87.7	100.0	114.7	146.0	158.4	27.3	8.5	1.0	7.9
Health and medical care	4.57	78.9	100.0	122.2	152.0	183.5	24.4	20.7	1.0	7.9
Recreation, education and reading	3.53	91.3	100.0	107.1	126.9	144.4	18.5	13.8	0.4	3.2
Miscellaneous goods and services	4.24	91.3	100.0	113.5	137.5	158.1	21.1	15.0	0.6	4.8

	MONTHLY CONSUMER PRICE INDEX IN URBAN AREAS									
	Before seasonal adjustments					After seasonal adjustments (1)				
	1375	1376	1377	1378	1379	1375	1376	1377	1378	1379
Farvardin	82.4	94.7	112.3	135.8	153.9	103.0	102.9	102.8	102.6	102.6
Ordibehesht	82.4	96.5	112.7	137.1	154.2	102.9	102.8	102.6	102.3	102.2
Khordad	81.9	96.9	112.7	138.2	156.1	101.9	101.8	101.8	101.7	101.7
Tir	82.2	96.9	113.9	137.1	154.9	100.2	100.1	100.0	99.9	99.9
Mordad	82.4	98.1	114.6	137.8	156.4	99.0	99.1	99.3	99.3	99.3
Shahrivar	83.5	98.7	115.5	139.0	158.0	98.8	98.8	98.8	98.8	98.8
Mehr	84.6	98.9	116.9	140.7	158.8	98.3	98.3	98.3	98.3	98.3
Aban	85.7	99.5	118.7	141.5	160.5	97.9	98.0	98.0	98.0	98.0
Azar	87.5	101.3	121.8	145.0	163.6	98.5	98.7	98.9	99.0	99.0
Dey	88.7	103.7	123.6	148.1	164.8	99.1	99.2	99.4	99.5	99.5
Bahman	90.2	106.8	125.7	149.8	166.2	99.7	99.8	99.9	99.9	99.8
Esfand	91.5	108.2	128.8	151.9	169.1	100.8	100.6	100.7	100.7	100.7

(1) Figures are based on the revision in 1380.

	AVERAGE ANNUAL WHOLESALE PRICE INDEX									
	Relative weight in the base year						Percentage change		Direct effect on changes of general index in 1379	
		1375	1376	1377	1378	1379	1378	1379	Percentage point	Percent
Table 90										
(1376=100)										
Major groups										
Domestically produced and consumed goods	71.75	89.1	100.0	118.7	145.8	167.4	22.8	14.8	10.7	72.8
Imported goods	24.29	93.6	100.0	110.0	134.2	152.1	22.0	13.3	3.0	20.4
Exported goods	3.96	92.8	100.0	121.9	195.9	234.5	60.7	19.7	1.0	6.8
General index	100.00	91.0	100.0	116.7	144.9	166.3	24.2	14.7	14.7	100.0
Main groups										
Foodstuffs	35.40	86.7	100.0	126.4	155.4	177.0	22.9	13.9	5.3	36.1
Beverages and tobacco	0.78	89.3	100.0	118.6	150.6	172.6	27.0	14.6	0.1	0.7
Industrial materials (except mineral fuel)	3.86	100.7	100.0	113.0	134.5	166.3	19.0	23.6	0.8	5.4
Mineral fuels and their products	2.76	83.1	100.0	139.5	216.8	242.6	55.4	11.9	0.5	3.4
Chemical and petrochemical products	8.60	87.7	100.0	114.4	148.6	179.7	29.9	20.9	1.8	12.2
Manufactured goods according to raw materials	26.93	100.0	100.0	106.5	131.4	152.8	23.4	16.3	4.0	27.2
Machinery and transportation vehicles	19.45	85.5	100.0	112.7	135.9	151.0	20.6	11.1	2.0	13.6
Miscellaneous goods	2.23	98.4	100.0	108.6	134.0	146.1	23.4	9.0	0.2	1.4
Special groups										
Agricultural, animal husbandry and fishing products	26.82	86.6	100.0	122.6	154.5	176.5	26.0	14.2	4.1	27.9
Agriculture	16.82	85.0	100.0	122.6	155.1	173.2	26.5	11.7	2.1	14.3
Animal husbandry and fishing	10.00	91.6	100.0	122.5	153.6	182.0	25.4	18.5	2.0	13.6
Construction materials	10.74	94.4	100.0	108.7	134.8	155.2	24.0	15.1	1.5	10.2
Metallic	6.23	97.4	97.4	103.6	132.5	151.1	27.9	14.0	0.8	5.4
Non-metallic	4.51	83.5	100.0	115.7	138.1	160.9	19.4	16.5	0.7	4.8

Table 91	MONTHLY WHOLESALE PRICE INDEX (BEFORE SEASONAL ADJUSTMENT)					(1376=100)
	1375	1376	1377	1378	1379	
Farvardin	86.0	95.7	112.4	135.3	162.0	
Ordibehesht	87.9	97.3	111.5	135.1	162.8	
Khordad	88.8	97.2	113.6	137.6	165.8	
Tir	90.6	97.9	113.1	139.9	165.2	
Mordad	91.4	98.6	113.6	140.7	165.7	
Shahrivar	90.8	99.5	114.6	142.6	166.3	
Mehr	91.1	99.4	115.3	145.0	165.3	
Aban	92.0	99.4	117.6	147.0	166.3	
Azar	93.3	100.5	119.7	150.1	167.8	
Dey	93.2	103.0	122.3	153.8	168.3	
Bahman	93.6	105.8	122.9	155.2	169.4	
Esfand	93.6	105.6	124.3	157.1	170.9	
Annual average	91.0	100.0	116.7	144.9	166.3	

Province	1375	1376	1377	1378	1379	Percentage change	
						1378	1379
East Azerbaijan	82.1	100.0	118.0	144.3	159.3	22.3	10.4
West Azerbaijan	85.2	100.0	117.9	142.0	157.4	20.4	10.8
Ardabil	86.0	100.0	119.0	138.6	153.0	16.5	10.4
Isfahan	84.4	100.0	118.3	141.2	155.3	19.4	10.0
Eilam	88.4	100.0	118.2	139.8	159.9	18.3	14.4
Booshehr	85.0	100.0	116.8	138.3	152.9	18.4	10.6
Tehran	84.8	100.0	116.6	139.0	159.9	19.2	15.0
Chahar Mahal va Bakhtiari	83.9	100.0	117.2	139.2	153.9	18.8	10.6
Khorasan	85.2	100.0	119.3	143.9	160.4	20.6	11.5
Khoozestan	89.1	100.0	119.4	147.5	166.7	23.5	13.0
Zanjan	86.3	100.0	120.5	145.2	162.4	20.5	11.8
Semnan	87.5	100.0	118.2	144.9	162.7	22.6	12.3
Systan va Baluchestan	85.9	100.0	120.6	146.0	163.5	21.1	12.0
Fars	85.8	100.0	117.8	141.5	157.8	20.1	11.5
Ghazvin	...	...	118.3	142.8	159.3	20.7	11.6
Ghom	...	...	120.0	145.1	160.8	20.9	10.8
Kordestan	86.8	100.0	120.4	145.3	160.5	20.7	10.5
Kerman	85.4	100.0	119.7	144.6	164.4	20.8	13.7
Kermanshah	86.8	100.0	123.4	145.9	163.9	18.2	12.3
Kohkiluyeh va Boyer Ahmad	87.9	100.0	120.0	145.9	163.6	21.6	12.1
Golestan	...	...	116.8	140.4	152.5	20.2	8.6
Guilan	83.9	100.0	118.4	142.6	158.6	20.4	11.2
Lorestan	85.6	100.0	119.3	144.2	160.6	20.9	11.4
Mazandaran	85.4	100.0	120.3	147.7	166.3	22.8	12.6
Markazi	85.5	100.0	118.2	144.2	159.7	22.0	10.7
Hormozgan	86.5	100.0	115.8	135.7	149.2	17.2	9.9
Hamadan	85.7	100.0	117.9	140.5	155.1	19.2	10.4
Yazd	85.7	100.0	118.6	145.9	160.8	23.0	10.2

Table 93

AVERAGE ANNUAL INDEX OF EXPORTED GOODS

(1376=100)

	Relative weight in the base year					Percentage change		Direct effect on changes of general index in 1379	
		1376	1377	1378	1379	1378	1379	Percentage point	Percent
General index	100.00	100.0	122.2	195.3	229.8	59.8	17.7	17.7	100.0
Animal products	1.85	100.0	125.4	222.9	288.1	77.8	29.3	0.6	3.4
Vegetable products	11.40	100.0	103.9	210.1	225.3	102.2	7.2	0.9	5.1
Animal and vegetable fats and oils	0.43	100.0	137.3	205.0	181.4	49.3	-11.5	-0.1	-0.6
Prepared foodstuffs, beverages and tobacco	8.87	100.0	137.9	203.4	230.9	47.5	13.5	1.3	7.3
Mineral products	9.69	100.0	162.6	373.4	492.4	129.6	31.9	5.9	33.3
Products of the chemical or allied industries	15.57	100.0	125.8	168.8	196.0	34.2	16.1	2.2	12.4
Plastic and articles thereof, rubber and articles thereof	3.63	100.0	119.7	194.2	206.9	62.2	6.5	0.2	1.1
Raw hides and skins, leather and articles thereof	3.49	100.0	105.9	183.8	282.1	73.6	53.5	1.8	10.2
Wood and articles of wood	0.29	100.0	136.2	178.3	199.0	30.9	11.6	0	0
Pulp of wood, paper and paperboard	0.98	100.0	108.2	134.2	186.3	24.0	38.8	0.3	1.7
Textiles and textile articles	27.73	100.0	108.2	136.4	157.8	26.1	15.7	3.0	16.9
Footwear	2.09	100.0	124.6	202.9	217.9	62.8	7.4	0.2	1.1
Articles of stone	1.56	100.0	148.2	251.9	249.5	70.0	-1.0	0	0
Base metals and articles of base metals	9.82	100.0	117.9	196.3	217.7	66.5	10.9	1.1	6.2
Machinery and mechanical appliances, electrical equipment	0.72	100.0	131.2	211.3	222.4	61.1	5.3	0	0
Vehicles, and associated transport equipment	1.12	100.0	125.3	173.9	181.2	38.8	4.2	0	0
Optical, precision and medical instruments	0.76	100.0	206.8	237.7	310.0	14.9	30.5	0.3	1.7

	1376	1377	1378	1379
Farvardin	101.0	102.2	157.5	223.3
Ordibehesht	99.5	102.1	161.8	220.3
Khordad	101.0	101.9	177.1	221.8
Tir	100.9	101.1	184.9	223.2
Mordad	101.0	103.6	194.9	224.8
Shahrivar	101.3	105.4	204.1	225.0
Mehr	101.1	133.8	206.0	225.4
Aban	101.3	141.9	201.8	237.0
Azar	99.4	143.3	207.2	238.8
Dey	98.1	141.1	210.2	239.3
Bahman	97.2	143.4	215.6	239.7
Esfand	98.3	147.1	222.7	239.6
Annual Average	100.0	122.2	195.3	229.8

	Relative weight in the base year	1375	1376	1377	1378	1379	Percentage change	
							1378	1379
Special groups								
Goods	91.3	124.2	145.3	186.2	234.8	277.8	26.1	18.3
Services	8.7	138.9	176.5	218.4	292.9	361.9	34.1	23.6
General index	100.0	126.6	150.5	191.6	244.5	291.8	27.6	19.3
Selected groups of goods and services								
Food, beverages and tobacco	50.6	119.6	139.1	186.8	234.1	275.2	25.3	17.6
Bread, rice and grain products	13.5	111.9	125.3	173.6	216.1	233.6	24.5	8.1
Meat, poultry and fish	10.6	127.2	142.4	181.6	232.3	274.6	27.9	18.2
Dairy products and egg	5.4	133.2	164.8	206.4	246.4	296.3	19.4	20.3
Fruits and vegetables	6.6	132.4	170.1	261.6	340.9	461.7	30.3	35.4
Clothing and shoes	13.1	138.0	165.8	198.0	241.3	295.6	21.9	22.5
Housing, electricity, water, fuel and lighting	5.9	136.0	166.4	210.8	277.6	329.5	31.7	18.7
Household furnishings, goods and services	7.4	124.2	142.8	164.1	196.7	231.3	19.9	17.6
Health and medical care	7.2	138.8	179.6	224.7	340.7	445.5	51.6	30.8
Transportation and communication	3.9	134.4	160.2	196.8	266.3	316.0	35.3	18.7
Recreation, education and reading	1.8	126.7	147.0	176.4	225.2	269.9	27.7	19.8
Miscellaneous goods and services	10.1	128.8	153.3	189.9	247.2	288.6	30.2	16.7

Source: Statistical Center of Iran

**CORRESPONDENCE OF IRANIAN (1)
AND GREGORIAN CALENDARS**

Table 96

Months		1372		1373		1374		1375		1376		1377		1378		1379	
		<u>1993</u>		<u>1994</u>		<u>1995</u>		<u>1996</u>		<u>1997</u>		<u>1998</u>		<u>1999</u>		<u>2000</u>	
Farvardin	1	March	21	March	21	March	21	March	21	March	21	March	21	March	21	March	21
	31	April	20	April	20	April	20	April	20	April	20	April	20	April	20	April	20
Ordibehesht	1	April	21	April	21	April	21	April	21	April	21	April	21	April	21	April	21
	31	May	21	May	21	May	21	May	21	May	21	May	21	May	21	May	21
Khordad	1	May	22	May	22	May	22	May	22	May	22	May	22	May	22	May	22
	31	June	21	June	21	June	21	June	21	June	21	June	21	June	21	June	21
Tir	1	June	22	June	22	June	22	June	22	June	22	June	22	June	22	June	22
	31	July	22	July	22	July	22	July	22	July	22	July	22	July	22	July	22
Mordad	1	July	23	July	23	July	23	July	23	July	23	July	23	July	23	July	23
	31	Aug	22	Aug	22	Aug	22	Aug	22	Aug	22	Aug	22	Aug	22	Aug	22
Shahrivar	1	Aug	23	Aug	23	Aug	23	Aug	23	Aug	23	Aug	23	Aug	23	Aug	23
	31	Sept	22	Sept	22	Sept	22	Sept	22	Sept	22	Sept	22	Sept	22	Sept	22
Mehr	1	Sept	23	Sept	23	Sept	23	Sept	23	Sept	23	Sept	23	Sept	23	Sept	23
	30	Oct	22	Oct	22	Oct	22	Oct	22	Oct	22	Oct	22	Oct	22	Oct	22
Aban	1	Oct	23	Oct	23	Oct	23	Oct	23	Oct	23	Oct	23	Oct	23	Oct	23
	30	Nov	21	Nov	21	Nov	21	Nov	21	Nov	21	Nov	21	Nov	21	Nov	21
Azar	1	Nov	22	Nov	22	Nov	22	Nov	22	Nov	22	Nov	22	Nov	22	Nov	22
	30	Dec	21	Dec	21	Dec	21	Dec	21	Dec	21	Dec	21	Dec	21	Dec	21
Dey	1	Dec	22	Dec	22	Dec	22	Dec	22	Dec	22	Dec	22	Dec	22	Dec	22
	30	Jan	<u>20</u>	Jan	<u>20</u>	Jan	<u>20</u>	Jan	<u>20</u>	Jan	<u>20</u>	Jan	<u>20</u>	Jan	<u>20</u>	Jan	<u>20</u>
Bahman	1	Jan	21	Jan	21	Jan	21	Jan	21	Jan	21	Jan	21	Jan	21	Jan	21
	30	Feb	19	Feb	19	Feb	19	Feb	19	Feb	19	Feb	19	Feb	19	Feb	19
Esfand	1	Feb	20	Feb	20	Feb	20	Feb	20	Feb	20	Feb	20	Feb	20	Feb	20
	30	March	20	March	20	March	20	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.

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Any inquiry should be directed to:
Economic Research and Policy Department
Central Bank of Islamic Republic of Iran
P.O.Box: 15875/7177
TEHRAN – IRAN
Telex: 213965-8
Fax: 29954853
Internet: <http://www.cbi.ir>