

According to preliminary figures of national accounts, the domestic trade sector indicated 6.2 percent growth in 2017/18, at constant 2011/12 prices. The value-added figure of this sector increased by 14.9 percent to Rls. 1,899.5 trillion at current prices. Moreover, the value-added of the domestic trade sector constituted a share of 12.8 percent in GDP at current prices, indicating 0.2 percentage point decrease compared with the year before.

Domestic Market Regulation and Essential Goods Procurement

Improvement of goods' distribution networks, procurement and supply of basic and essential goods, and the oversight of prices for the covered goods were accomplished by the government in 2017/18, lowering goods' shortages in comparison to domestic production and leading to a better regulation of the domestic market. In addition, the Ministry of Industry, Mine, and Trade, with the aim of transferring profits acquired from distribution activities to final consumers, through expansion of chain stores and authorization provided to these stores to lower prices without obtaining required permits at times of price rises, took important steps towards price control and market regulation. The widespread implementation of the comprehensive anti-smuggling measures, the increase in quality and quantity of e-commerce, and the revision of guidelines on pricing notices to consumers were among

the other policies taken by the Ministry of Industry, Mine, and Trade in regulating the domestic market.

Performance of the Consumers and Producers Protection Organization

The objectives of the Consumers and Producers Protection Organization in 2017/18 were as follows:

- Targeted support for domestic products and consumer satisfaction;
- Addressing the impediments confronting industries and manufacturing units;
- Constant oversight of the market, detection and seizure of smuggled goods;
- Oversight and supervision of goods' and services' prices;
- Planning and implementing market oversight plans (for Ramadan, reopening of schools, Nowruz, etc.);
- Improved analysis and risk management of likely market crises for goods and services and crisis preventive measures over supply and distribution networks.

Imports and Stock of Red Meat

Based on the data released by the State Livestock Affairs Logistics Company (SLAL),

red meat stock reached approximately 3.0 thousand tons in March 2018, up by 8.9 percent compared with March 2017. In 2017/18, imports of red meat increased by 123.6 percent to 6.3 thousand tons.

Government Investment

According to the Treasury General, the government credits approved for the acquisition of non-financial assets of the domestic trade sector, including those under program headings of "domestic market regulation" and "other" amounted to Rls. 1,715.2 billion in 2017/18, up by 59.3 percent compared with the approved figure in 2016/17.

The actual amount paid for the acquisition of non-financial assets for "domestic market regulation" program increased by 14.4 percent compared with the year before to Rls. 581.0 billion in 2017/18. Moreover, the amount allocated to the domestic market regulation program achieved a share of 39.6 percent from the total approved figure.

Banking Facilities

Net outstanding facilities extended by banks and credit institutions to the domestic trade sector rose 14.5 percent to Rls. 730.0 trillion in March 2018. Net outstanding facilities extended to the non-public domestic trade sector went up by 16.0 percent to Rls. 719.3 trillion and the amount extended to the public domestic trade sector decreased by 38.8 percent to Rls. 10.6 trillion. The share of domestic trade sector in net outstanding banking facilities extended to "trade, services, and miscellaneous" sector was 17.1 percent and in net outstanding facilities extended to all economic sectors was 6.7 percent. In 2017/18, as in previous years, the non-public domestic trade sector enjoyed the highest share (98.5 percent) of net outstanding facilities extended by the banking sector.

Trade Transactions

Total number of transactions registered in notary offices increased by 6.2 percent to almost 13.8 million in 2017/18.

Table 7.1. Credits for Acquisition of Non-financial Assets in Domestic Trade Sector

	(billion rials)							
	Approved figures		Performance		Percentage of realization		Share (percent)	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Domestic market regulation program ¹	776.9	1,466.4	507.7	581.0	65.3	39.6	62.9	83.7
Other ²	300.0	248.8	300.0	113.5	100.0	45.6	37.1	16.3
Total	1,076.9	1,715.2	807.7	694.4	75.0	40.5	100.0	100.0

Source: Ministry of Economic Affairs and Finance, Treasury General.

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

² It relates to improvement, production, and marketing of tea in 2016/17; in 2017/18, it relates to research and investigation on anti-competitive practices and complaint settlements.

Table 7.2. Net Outstanding Facilities Extended by Banks and Credit Institutions to Domestic Trade Sector¹

(trillion rials)

	2015/16	2016/17	2017/18	Percentage change		Share (percent)	
				2016/17	2017/18	2016/17	2017/18
Public and non-public sectors	536.8	637.5	730.0	18.7	14.5	100.0	100.0
Non-public sector	526.9	620.1	719.3	17.7	16.0	97.3	98.5
Public sector	9.9	17.4	10.6	75.6	-38.8	2.7	1.5

¹ Net outstanding facilities are calculated after deduction of outstanding debts of customers and extended facilities related to the exchange rate differential, profit receivables, profit and commission receivables, receipts from Mudarabah, civil partnership (bank's share), outstanding profit, and outstanding commission. Moreover, net outstanding facilities include legal partnership and direct investment contracts.

Cooperatives

Of 84.8 thousand active cooperatives¹ across the country by March 2018, a total of 7.5 thousand were active in the fields of procurement of goods and services among producers, consumers, and services sector associations², showing 0.9 percent increase compared with March 2017. Total registered capital of these cooperatives amounted to Rls. 17.4 trillion, indicating 0.3 percent growth compared with 2016/17. The number of

employment opportunities created by cooperatives active in the domestic trade sector increased by 0.6 percent to 272 thousand. By March 2018, the members of the active cooperatives were 6.3 million persons, up by 0.1 percent compared with March 2017. Furthermore, the highest number of active cooperatives was related to those active in the procurement of consumers' needs, holding a share of 69.4 percent of total in 2017/18.

Table 7.3. Cooperatives Active in Domestic Trade

	2016/17▲	2017/18	Percentage change	
			2016/17	2017/18
Number	7,386	7,456	1.0	0.9
Procurement of producers' needs	1,753	1,809	2.4	3.2
Procurement of services sector associations' needs	470	471	0.9	0.2
Procurement of consumers' needs	5,163	5,176	0.5	0.3
Capital (billion rials)	17,372	17,423	0.3	0.3
Procurement of producers' needs	3,147	3,182	0.8	1.1
Procurement of services sector associations' needs	3,706	3,706	*	*
Procurement of consumers' needs	10,519	10,535	0.3	0.1
Employment opportunities (thousand persons)	270	272	0.8	0.6
Procurement of producers' needs	33	34	4.2	4.2
Procurement of services sector associations' needs	61	61	0.1	0.1
Procurement of consumers' needs	176	176	0.4	0.1
Members (thousand persons)	6,278	6,286	0.2	0.1
Procurement of producers' needs	235	237	0.5	0.8
Procurement of services sector associations' needs	105	105	0.1	0.0
Procurement of consumers' needs	5,937	5,944	0.2	0.1

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

¹ Out of 211.7 thousand cooperatives registered by March 2018, a total of 84.8 thousand were active, 33.0 thousand were under construction, and 50.2 thousand were inoperative.

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

Business Establishments

Based on the data released by Iran Trade and Traders Association, total entities holding a business permit increased by 1.3 percent to 2,534.6 thousand units in March 2018. It is to be noted that 49.1 percent of these business establishments were distribution units, 31.5

percent were services units, and 19.4 percent were manufacturing units. Among these entities, the number of distribution and services units holding a business permit rose by 1.9 and 1.6 percent while the number of manufacturing units fell by 0.6 percent.

Table 7.4. Number of Entities Holding a Business Permit (thousand units)

	Year-end			Percentage change		Share (percent)	
	2015/16	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Total business establishments	2,424.9	2,501.5	2,534.6	3.2	1.3	100.0	100.0
Manufacturing	489.3	495.4	492.3	1.2	-0.6	19.8	19.4
Distribution	1,172.1	1,221.2	1,244.7	4.2	1.9	48.8	49.1
Services	763.4	784.9	797.6	2.8	1.6	31.4	31.5

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