

According to preliminary estimates derived from national accounts data, the domestic trade sector indicated -7.1 percent growth in 2018/19 at constant 2011/12 prices. The value-added figure of this sector increased by 31.7 percent to Rls. 2,502 trillion at current prices, constituting a share of 13.4 percent in GDP. This indicated 0.6 percentage point increase compared with 2017/18.

Domestic Market Regulation and Essential Goods Procurement

Improvement of distribution networks, procurement and supply of basic and essential goods, and the oversight of the prices of covered goods were among the government's major accomplishments in 2018/19 in terms of the better regulation of the domestic market. In addition, the Ministry of Industry, Mine, and Trade kept constant supervision over the market, procurement procedures, imports, and inventories of essential goods, as well as shortages in the market aimed at ensuring the accessibility of goods for the final consumers. With the aim of transferring the profit acquired from distribution activities to final consumers, important steps were taken towards price control and market regulation by expanding chain stores and establishing fairs for the direct supply and sales of goods in high demand. The widespread implementation of comprehensive anti-smuggling measures, especially the smuggling of basic

and essential goods in border provinces, and expediting and easing of customs clearance procedures were among the other policies taken by the Ministry of Industry, Mine, and Trade for regulating the domestic market in 2018/19.

Performance of the Consumers and Producers Protection Organization

The measures adopted by the Consumers and Producers Protection Organization for 2018/19 were as follows:

- Adoption of targeted support policies for domestic producers;
- Adoption of support policies for producers subject to statutory prices and ceilings and control of their adherence to consumer protection policies;
- Addressing the impediments confronting industries and manufacturing units;
- Oversight of prices and quality of goods and services;
- Detection and seizure of smuggled goods;
- Ensuring the sound implementation of regulations governing the pricing policies and distribution of goods and services;

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- Planning and implementing market oversight plans (for Ramadan, reopening of schools, Nowruz, and similar events); and

- 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 data released by the State Livestock Affairs Logistics Company (SLAL), red meat stock reached approximately 5.2 thousand tons in March 2019, up by 72.4 percent compared with March 2018. In 2018/19, the imports of red meat increased by 101.2 percent to 12.7 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 "domestic market regulation" and "other" projects amounted to Rls. 1,617.8 billion in 2018/19, down by 5.7 percent compared with the approved figure in 2017/18.

The amount of credit allocated to "domestic market regulation" project increased by 33.9 percent compared with the year before to reach Rls. 777.7 billion in 2018/19. This constituted a share of 49.3 percent of the approved figure (Rls. 1,576.9 billion).

Banking Facilities

Net outstanding facilities extended by banks and credit institutions to the domestic trade sector increased by 35.8 percent compared with March 2018 to reach Rls. 991.2 trillion in March 2019. Net outstanding facilities extended to the non-public domestic trade sector went up by 33.9 percent to reach Rls. 963.0 trillion and the sum extended to the public domestic trade sector increased by 164.9 percent and amounted to Rls. 28.1 trillion. The share of the domestic trade sector in the net outstanding banking facilities extended to "trade, services, and miscellaneous" group was 19.0 percent and in net outstanding facilities extended to all economic sectors, 7.7 percent. In 2018/19, the non-public domestic trade sector enjoyed the highest share of the net outstanding banking facilities by 97.2 percent.

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

(billion rials)

Projects	Approved figures		Performance		Realization (percent)		Share (percent)	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Domestic market regulation ¹	1,466.4	1,576.9	581.0	777.7	39.6	49.3	83.7	96.0
Other ²	248.8	40.9	113.5	32.6	45.6	79.6	16.3	4.0
Total	1,715.2	1,617.8	694.4	810.3	40.5	50.1	100.0	100.0

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

¹Includes equipment, restoration, and maintenance of wheat storage silos; repair and maintenance of machinery 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"Other" 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)							
	2016/17	2017/18	2018/19	Percentage change		Share (percent)		
				2017/18	2018/19	2017/18	2018/19	
Public and non-public sectors	637.5	730.0	991.2	14.5	35.8	100.0	100.0	
Non-public sector	620.1	719.3	963.0	16.0	33.9	98.5	97.2	
Public sector	17.4	10.6	28.1	-38.8	164.9	1.5	2.8	

¹ The net outstanding is calculated upon the deduction of the exchange rate differential, future profit and commission, receipts from Mudarabah, the banks' contributions to legal partnership accounts, and overdue profit and commission headings from the outstanding debts of customers and extended facilities. Net outstanding facilities include legal partnership and direct investment contracts.

Trade Transactions

The total number of transactions registered in notary public offices rose by 17.7 percent to almost 16.2 million in 2018/19.

Cooperatives

Of 85.6 thousand active cooperatives¹ across the country by March 2019, a total of 7.5 thousand were active in the fields of procurement of goods and services among producers, consumers, and services sector

associations², up by 1.1 percent compared with March 2018. The total registered capital of the active cooperatives reached Rls. 17.5 trillion, up by 0.3 percent. The number of created employment opportunities rose 0.5 percent to 273 thousand. Members of active cooperatives were 6.3 million persons, up by 0.1 percent. The cooperatives active in the procurement of consumers' needs held the highest share of the number of cooperatives by 68.8 percent.

Table 7.3. Cooperatives Active in Domestic Trade

	2017/18	2018/19	Percentage change	
			2017/18	2018/19
Number	7,456	7,538	0.9	1.1
Procurement of producers' needs	1,809	1,878	3.2	3.8
Procurement of services sector associations' needs	471	473	0.2	0.4
Procurement of consumers' needs	5,176	5,187	0.3	0.2
Capital (billion rials)	17,423	17,477	0.3	0.3
Procurement of producers' needs	3,182	3,221	1.1	1.2
Procurement of services sector associations' needs	3,706	3,706	*	*
Procurement of consumers' needs	10,535	10,550	0.1	0.1
Employment opportunities (thousand persons)	272	273	0.6	0.5
Procurement of producers' needs	34	35	4.2	3.3
Procurement of services sector associations' needs	61	61	0.1	0.0
Procurement of consumers' needs	176	176	0.1	0.1
Members (thousand persons)	6,286	6,293	0.1	0.1
Procurement of producers' needs	237	239	0.8	0.8
Procurement of services sector associations' needs	105	105	0.0	0.0
Procurement of consumers' needs	5,944	5,949	0.1	0.1

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

¹Out of 215.7 thousand cooperatives registered by March 2019, a total of 85.6 thousand were active, 36.1 thousand were under construction, and 50.2 thousand were inoperative.

²Other 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 data released by Iran Trade and Traders Association, total entities holding a business permit increased by 4.6 percent to 2,652.3 thousand units in March 2019. It is to be noted that 48.8 percent of these business establishments were distribution units, 31.8

percent were services units, and 19.4 percent were manufacturing units. The number of services, manufacturing, and distribution units holding a business permit rose by 5.8, 4.4 and 4.0 percent, respectively, compared with March 2018.

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

	Year-end			Percentage change		Share (percent)	
	2016/17	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Total business establishments	2,501.5	2,534.6	2,652.3	1.3	4.6	100.0	100.0
Manufacturing	495.4	492.3	514.2	-0.6	4.4	19.4	19.4
Distribution	1,221.2	1,244.7	1,294.5	1.9	4.0	49.1	48.8
Services	784.9	797.6	843.7	1.6	5.8	31.5	31.8

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