

CHAPTER EIGHT

DOMESTIC TRADE

In 1381, a total of Rls. 136,554.3 billion of agricultural goods and Rls. 263,001.4 billion of domestically manufactured products entered the domestic market. In the meantime, the value of imported goods entered the domestic market amounted to Rls. 172.9 trillion. Out of this amount, Rls. 405 and 131.5 trillion (net) were consumed by private and public sectors, respectively, and Rls. 36.4 trillion non-oil goods were exported. As a result of these activities, domestic trade enjoyed Rls. 106.8 trillion value-added at current prices, and with 11.6 percent share in GDP (at basic price, including oil) grew by 22.5 percent. The value-added of this sector at constant 1376 prices grew by 9.7 percent compared with the previous year. The growth of the value-added in retail and wholesale activities at constant 1376 prices was 4.4 and 13.5 percent, respectively. The shares of these activities out of total value-added of this sector were 33.3 and 66.7 percent, respectively.

Policies and Regulations

According to the 3rd Plan Law, it was determined that regulating of the domestic market would not restrict export of goods, and the Ministry of Commerce was authorized to import goods in order to regulate the market and compensate for probable shortages at its own discretion.

In the Budget Law for 1381, to support domestic producers, purchase of durable consumer goods with foreign origin by executive organizations was prohibited. Moreover, the government was required to combat smuggling of goods through enhancing transparency in regulations, eliminating monopolies, providing facilities, rationalizing commercial profit rates, extension of Customs clearance deadline for goods to one year, eliminating governmental exemptions and controlling borders and entrance origins.

OUTSTANDING FACILITIES EXTENDED BY BANKS AND CREDIT INSTITUTIONS TO DOMESTIC TRADE SECTOR(1)

	1380	1381	Percentage change	Share (percent)	
				1380	1381
Public and non-public sectors	12,660.4	16,695.7	31.9	100.0	100.0
Non-public sector	10,015.3	14,008.2	39.9	79.1	83.9
Public banks	9,927.6	13,645.7	37.4	78.4	81.7
Commercial banks	9,843.6	13,442.0	36.6	77.7	80.5
Specialized banks	84.0	203.7	142.5	0.7	1.2
Private banks and credit institutions	87.7	362.5	313.3	0.7	2.2
Public sector	2,645.1	2,687.5	1.6	20.9	16.1
Public banks	2,645.1	2,687.5	1.6	20.9	16.1
Commercial banks	2,645.1	2,687.5	1.6	20.9	16.1
Specialized banks	0	0	0	0	0
Private banks and credit institutions	0	0	0	0	0

Source: CBI

(1) The 1380 figures exclude data related to Bank Melli Iran, Bank Parsian and Eghtesad-e-Novin, and the 1381 figures exclude data related to Bank Melli Iran.

Banking Facilities

In 1381, facilities extended by banks and credit institutions to trade sector edged up, so that the outstanding facilities extended to non-public and public domestic trade sectors with 39.9 and 1.6 percent rise compared to the previous year reached Rls. 14 and 2.7 trillion, respectively.

In the review year, the inventory value of domestically manufactured products grew by 1.4 percent to Rls. 11.1 trillion. Most industries under survey faced reduction in their inventory value. The highest reduction was related to “tobacco” industries and “leather and leather products”, and “furniture and wearing apparel”. On the contrary, industries such as “wood and wood products”, “power generators”, “radio, television and telecommunications”, “non-metallic mineral products”, and “food and beverages” enjoyed the highest growth in their inventory values, respectively.

	INDUSTRIES INVENTORY (1)		(billion rials)
	Inventory		Percentage change
	1380	1381	
Food and beverages	1,068.7	1,587.0	48.5
Tobacco	261.6	0	-100.0
Textiles	1,090.7	760.2	-30.3
Wearing apparel	26.5	17.9	-32.5
Leather and leather products	59.7	27.2	-54.4
Wood and wood products	17.6	235.7	▣
Paper and paper products	184.4	183.8	-0.3
Oil products (2)	815.3	643.4	-21.1
Chemical products	739.8	574.7	-22.3
Rubber and plastic products	434.9	326.7	-24.9
Non-metallic mineral products	639.6	980.9	53.4
Basic metals	1,182.7	1,271.9	7.5
Fabricated metal products	611.9	477.4	-22.0
Machinery unclassified elsewhere	1,032.3	1,114.8	8.0
Power generators and transmission machinery	454.1	858.2	89.0
Radio, television and telecommunication instruments	190.6	344.8	80.9
Medical tools	77.2	104.2	35.0
Motor vehicles	2,051.6	1,595.7	-22.2
Furniture and other artificial goods	23.5	14.7	-37.4
Total	10,962.7	11,119.2	1.4

Source: CBI

(1) Includes manufacturing establishments with more than 100 employees.

(2) Excludes refineries' production.