

Selected Economic Indicators

Analysis on External Sector Developments

➤ Exchange Rate

In Khordad 1402 (June 2023), each US dollar was exchanged in the unofficial market at an average rate of 501.7 thousand Iranian rials, indicating a decrease of 5.0 percent compared with Ordibehesht 1402 (May 2023). Meanwhile, the rate of each US dollar against the Iranian rial exchanged in Iran Center for Exchange decreased by 0.7 percent compared with May 2023 to reach 419.5 thousand rials. This was mainly due to relative stabilization in the external sector of the economy, promising political news, emergence of positive expectations regarding the foreign currency supply by the CBI, and favorable conditions in terms of meeting people's precautionary demand for foreign currency in Iran Center for Exchange as a result of the implementation of foreign exchange stabilization policies by the CBI in June 2023.

➤ External Debt (Actual Obligations)

The balance of the external debt of the country reached \$6.0 billion in June 2023, down by 4.9 percent compared with Esfand 1401 (March 2023). Out of the total amount of debt, \$2.1 billion (34.4 percent) was in the form of short-term debt, and \$3.9 billion (65.6 percent) was related to long-term debt. On this basis, the share of the short-term debt out of the total external debt increased by 5.9 percentage points in June 2023 as compared with March 2023.

➤ Foreign Trade

According to Iran's Customs Administration, the value of exports through Customs amounted to \$12.5 billion over the first three months of 1402 (covering the period April-June 2023), indicating a fall of 8.8 percent compared with the respective period in the year before. On the contrary, the value of imports increased by 5.8 percent to \$14.0 billion over the mentioned period. The price of each ton of exported goods fell by 26.7 percent, while that of each ton of imported goods rose by 4.7 percent. Meanwhile, the weight of exports through Customs increased by 24.4 percent to reach 35.5 million tons and that of imports rose by 1.0 percent to reach 8.6 million tons.

➤ Balance of Payments (BOP)

According to preliminary estimates, the current account registered a surplus of \$4.4 billion in the first three months of 1402 (April-June 2023), down by 44.0 percent compared with the year before. This was mainly attributable to the decrease in the surplus of the goods account and the increase in the deficit of the services account. The main reasons behind the decrease in the exports of goods were the fall in the global prices of oil and the decline in the export value of a number of non-oil goods, affected by the decrease in

their global prices. The decrease in the exports of goods, coupled with an increase of 5.4 percent in the imports of goods, led to a fall of 32.1 percent in the surplus of the goods account in the period April-June 2023. A look at the performance of the exports and imports of services indicates that the deficit of the services account increased by 29.7 percent in the said period compared with the respective period in the year before. During the period April-June 2023, the debit to the capital account amounted to \$9.4 billion, down by 6.8 percent compared with the corresponding period of the year before. This was mainly attributable to the increase in net claims by resident entities and institutions on the outside world.

Prepared by the Economic Research and Policy Department, CBI