

Selected Economic Indicators

Analysis on External Sector Developments

➤ Balance of Payments (BOP)

According to preliminary estimates, the current account registered a surplus of \$16.1 billion in the nine months of 1403 (April-December 2024), up by 157.3 percent compared with the same period in the previous year. An increase of 18.4 percent in the value of oil exports over the mentioned period, attributable to the rise in the weight and price of Iran's oil exports, as well as an increase of 13.6 percent in the value of non-oil exports, affected by the rise in the value of exports through Customs, ultimately led to a rise of 16.4 percent in the value goods' exports over the mentioned period. This, coupled with a growth rate of 2.9 percent in the value of the imports of goods, in turn, due to the increase in the value of imports through Customs, raised the surplus of the goods account by 69.2 percent. Meanwhile, the deficit of the services account increased by 1.5 percent, mainly due to the increase in trade transactions as well as cross-border passenger and freight transport as the most influential factors on the exports and imports of services. Moreover, the income account deficit increased by 35.7 percent compared with April-December 2023 period. The debit to the capital account (net) amounted to \$14.1 billion in the period April-December 2024, down by 25.4 percent compared with the corresponding period in the year before. This was mainly attributable to the decrease in trade credits. Overall, the fall in the debtor condition of the capital account (negative net capital account) was the result of the increase in net financial claims by resident entities and institutions on the outside world.

➤ Foreign Trade

According to preliminary data released by Iran's Customs Administration, the value of exports through Customs (excluding natural gas condensate) amounted to \$43.1 billion in the nine months of 1403 (April-December 2024), indicating a rise of 18.8 percent compared with April-December 2023. Similarly, the value of imports through Customs increased by 5.2 percent to \$50.9 billion. Meanwhile, the weight of exports through Customs (excluding natural gas condensate) increased by 14.5 percent to 116.3 million tons, while that of imports decreased by 2.8 percent to 27.9 million tons during April-December 2024 period compared with the same period in the year before. Accordingly, the price of each ton of exported goods rose by 3.8 percent and that of each ton of imported goods increased by 8.2 percent.

➤ External Debt (Actual Obligations)

The balance of the external debt of the country amounted to \$4.4 billion in December 2024, down by 12.5 percent compared with end-Esfand 1402 (March 2024). Out of the total amount of debt, \$2.7 billion (61.1 percent) was in the form of short-term debt and \$1.7 billion (38.9 percent) was related to medium- and long-term debt. On this basis, the share of the short-term debt out of the total external debt increased by 14.2 percentage points in December 2024 compared with March 2024.

➤ Exchange Rate

In Azar 1403 (December 2024), each US dollar was exchanged in the unofficial market at an average rate of 721.2 thousand Iranian rials, indicating an increase of 5.9 percent compared with Aban 1403 (November 2024). Meanwhile, both the telegraphic transfer (TT) selling rate of each US dollar exchanged in Iran Center for Exchange of Currency and Gold¹ and the rate of each US dollar against the Iranian rial exchanged via Iran Center for Exchange of Currency and Gold rose by 9.8 percent compared with November 2024, amounting to 544.9 thousand rials and 560.2 thousand rials in December 2024. Continuation of military conflicts in the region along with political tensions impacted the inflation expectations of economic actors, in turn raising the exchange rate for the US dollar against the Iranian rial in the unofficial market in December 2024. In addition, the CBI implemented measures to launch the trade foreign exchange system in this month, aiming to maximize the return of foreign exchange receipts from exports into the economy, increase the foreign exchange supply in the official market, reduce the deviations of the foreign exchange from the main cycle, enhance transparency in the foreign exchange market, and narrow the gap between the exchange rate offered at the official market with that offered at the unofficial foreign exchange market.

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¹ www.ice.ir