

**B**ased on preliminary estimates, about Rls. 222.9 trillion agricultural goods, Rls. 538.2 trillion domestically manufactured products and Rls. 369.8 trillion imported goods entered the domestic market in 1384. This brought the value-added of Rls. 181.9 trillion in the domestic sector at current prices, which, with 0.4 percentage point reduction compared with the previous year, had a 10.8 percent share in GDP (including oil) at basic price. The value-added of the trade sector increased by 6.8 percent at constant prices, compared with the year before. Value-added of retail and wholesale activities grew by 7.3 and 6.6 percent, respectively, at constant prices and their shares in the value-added of this sector were 33.8 and 66.2 percent, respectively.

### **Policies and Regulations**

Tariffs on several agricultural and livestock commodities declined in 1384. Raw and refined sugar faced respectively 1 and 16 percent decrease in their tariff. Decline in the tariff rate of sugar imports led to a gargantuan rise of 273 percent in the imports of this commodity. Meanwhile, the tariff on beef and the frozen lamb plummeted from 46 to 11 percent and that of live animals followed a downward trend from 16 and 11 percent at different tariff rates to zero percent. By declining the tariff rate of imports, the Commission aimed at removing domestic insufficiencies, curbing inflation, and supporting domestic consumers.

One of the most important decisions taken by the government was the formulation of the Comprehensive Plan of e-Commerce Development which aimed at renovating the county's trade network, expanding trade markets and rendering electronic services. Therefore, ministries, organizations, public corporations, banks and insurance companies are required to pave the way for the implementation of the said plan aimed at teaching the theoretical and practical aspects of e-commerce and explaining its advantages to both beginners and advanced users.

In 1384, the Articles of Association of Grain and Trade Services Corporation, covering all the provinces, were approved. The main activities of this corporation include imports, purchase, procurement, preservation, storage, preparation, packaging, distribution, sale and exports of essential goods. Meanwhile, purchase, establishment, management, renting and maintenance of equipment for the storage of essential goods, such as warehouses and silos, are included in the list of this corporation's main duties.

### **Government Investment**

In the review year, approved credits for the acquisition of non-financial-national assets in domestic trade increased by 31.3 percent compared with the approved figure of the previous year and reached Rls. 481 billion. Moreover, the amount of credits (actual) paid for the same assets rose to Rls. 467.1 billion, which shows a rise of 61.6 percent and a realization of

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97.1 percent as compared with the previous year. Technical and credit assistance to the private and cooperative sectors program enjoyed the highest share of credits paid to this sector by 59.1 percent. The share of domestic market regulating program in the paid credits was 34.2 percent.

### CREDITS FOR ACQUISITION OF GOVERNMENT NON-FINANCIAL ASSETS (1) (billion rials)

	Approved figures		Performance		Percentage of realization	
	1383 ▲	1384	1383 ▲	1384	1383	1384
<b>Domestic trade</b>	<b>366.2</b>	<b>481.0</b>	<b>289.0</b>	<b>467.1</b>	<b>78.9</b>	<b>97.1</b>
Domestic market regulating program	343.6	292.8	139.5	159.9	40.6	54.6
Supervision on trade affairs program	0	0	137.3	0	0	0
Policy-making, management, and supervision program (2)	22.6	37.8	12.2	31.0	54.0	82.0
Technical and credit assistance to the private and cooperative sectors program	...	150.4	0	276.2	0	183.6
<b>Total (3)</b>	<b>107,466.0</b>	<b>138,409.0</b>	<b>72,306.3</b>	<b>117,638.7</b>	<b>67.3</b>	<b>85.0</b>

Source: Budget laws and Treasury General of the Ministry of Economic Affairs and Finance

(1) Includes national expenditures in domestic trade sector and excludes provincial expenditures and the cooperative sector.

(2) This program appeared under the title of "procurement of the equipment and machinery and basic repairs" in 1383.

(3) Approved amended figure (budget supplements)

### Banking Facilities

Outstanding facilities extended by banks and credit institutions to domestic trade sector amounted to Rls. 91.8 trillion, up by 54 percent compared with the previous year. Outstanding facilities extended to non-public and public domestic trade sectors were Rls. 70 and 21.7 trillion, respectively, showing 72.2 and 14.9 percent growth compared with the previous year, the higher share (76.3 percent) belonging to non-public sector. Of total outstanding facilities, 80.1 percent was extended by commercial banks and the shares of private banks and credit institutions and specialized banks were 19.7 and 0.2 percent, respectively.

### OUTSTANDING FACILITIES EXTENDED BY BANKS AND CREDIT INSTITUTIONS TO DOMESTIC TRADE SECTOR (billion rials)

	1383	1384	Percentage change	Share (percent)	
				1383	1384
<b>Public and non-public sectors</b>	<b>59,573.9</b>	<b>91,769.3</b>	<b>54.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Non-public sector</b>	<b>40,673.0</b>	<b>70,044.0</b>	<b>72.2</b>	<b>68.3</b>	<b>76.3</b>
Commercial banks	34,515.0	51,782.5	50.0	57.9	56.4
Specialized banks	100.0	186.0	86.0	0.2	0.2
Private banks and credit institutions	6,058.0	18,075.5	198.4	10.2	19.7
<b>Public sector</b>	<b>18,900.9</b>	<b>21,725.3</b>	<b>14.9</b>	<b>31.7</b>	<b>23.7</b>
Commercial banks	18,900.9	21,725.3	14.9	31.7	23.7
Specialized banks	0	0	0	0	0
Private banks and credit institutions	0	0	0	0	0

### Trade Transactions

The number of transactions registered in notary offices reached 2.8 million, showing 18.6 percent growth compared with the previous year. Of total transactions, 35.8 percent were processed in Tehran Province, up by 21.4 percent.

## Cooperatives

In 1384, both the number and members of cooperatives showed a decreasing trend; the number of cooperatives fell by 10.9 percent to 304 and their members reached 41.8 thousand persons, indicating a 46.3 percent reduction. Of these cooperatives, which deal with the needs of producers, consumers and services unions, the largest segment belonged to services unions, with 34.9 thousand persons. The initial capital of aforementioned cooperatives totaled Rls. 28,338 million, indicating 0.4 percent decline. Also, the jobs created by cooperatives were 2,989, down by 13.5 percent. The capital of business cooperatives amounted to Rls. 9.5 million per person, up by 15.9 percent, compared with the previous year.

According to the Trade Union Act, Article 4, unions are categorized into manufacturing, technical services, distribution, and services groups. In 1384, total unions holding business permits increased by 13.8 percent to 1,671.6 thousand. The shares of distribution, technical services, manufacturing and services unions out of total unions were 48.2, 21.8, 16.1 and 13.9 percent, respectively.

### COOPERATIVES

	1383▲	1384	Percentage change
<b>Number</b>	<b>341</b>	<b>304</b>	<b>-10.9</b>
Procurement of producers' needs	148	135	-8.8
Procurement of consumers' needs	160	143	-10.6
Procurement of services unions' needs	33	26	-21.2
<b>Capital (million rials)</b>	<b>28,448</b>	<b>28,338</b>	<b>-0.4</b>
Procurement of producers' needs	8,876	5,035	-43.3
Procurement of consumers' needs	18,285	16,643	-9.0
Procurement of services unions' needs	1,288	6,661	417.3
<b>Employment (person)</b>	<b>3,456</b>	<b>2,989</b>	<b>-13.5</b>
Procurement of producers' needs	2,542	2,061	-18.9
Procurement of consumers' needs	707	801	13.3
Procurement of services unions' needs	207	127	-38.6

Source: Ministry of Cooperative

### NUMBER OF UNIONS HOLDING BUSINESS PERMIT (1)

(thousand units)

	1382	1383	1384	Percentage change	Share (percent)	
					1383	1384
<b>Total unions</b>	<b>1,114.2</b>	<b>1,469.3</b>	<b>1,671.6</b>	<b>13.8</b>	<b>100.0</b>	<b>100.0</b>
Manufacturing	198.3	254.4	269.6	6.0	17.3	16.1
Distribution	554.4	698.4	806.2	15.4	47.5	48.2
Services	131.4	218.0	231.2	6.1	14.8	13.9
Technical services	230.1	298.5	364.6	22.1	20.2	21.8

Source: Ministry of Commerce

(1) Data refer to cities with union organizations.