

Based on preliminary estimates, in 1385, about Rls. 270 trillion agricultural goods, Rls. 669.6 trillion domestically manufactured products and Rls. 499 trillion imported goods and services entered the domestic market, bringing the value-added of the domestic sector to Rls. 218.5 trillion at current prices. The ratio of the value-added in the domestic sector to GDP at basic price (including oil) remained virtually unchanged at 10.7 percent when compared with the value-added of the previous year (10.8 percent). The value-added of the trade sector indicated 7.4 percent growth at constant 1376 prices, compared with last year. Value-added of retail and wholesale activities increased by 7.1 and 7.5 percent, respectively, at constant 1376 prices and their shares in the value-added of domestic sector were 35.8 and 64.2 percent, respectively.

Government Initiatives to Regulate Domestic Market and Procure Essential Needs of the Public

The Ministry of Commerce took the following steps in 1385 to regulate the domestic market and provide the essential

needs of the public: distributing 50 thousand tons of rice among guilds and chain stores; storing 30 thousand tons of frozen chicken; purchasing and storing fruits and citrus during the ending days of the year and setting appropriate policies to distribute them in provinces; distributing 100 thousand tons of sugar supplied from the stock of the Government Trading Corporation of Iran (GTC) at cost price; increasing the storage ceiling of sugar from 81 thousand tons to 160 thousand tons by the GTC; delivering crude vegetable oil supplied from the stock of the GTC to factories at Rls. 6,800 and obliging factory managers to observe administered prices; and holding exhibitions for the direct supply of commodities.

Import and Stock of Major Foodstuffs

In the review year, the government continued imports of raw sugar to provide the required foodstuff, regulate the market and contain inflation. Based on the data released by the Government Trading Corporation of Iran (GTC), imports of raw sugar faced a remarkable growth of 117.9 percent, raising GTC's stock of sugar and cube sugar by almost

	IMPORT AND STOCK OF MAJOR FOODSTUFFS (thousand tons)					
	Imports		Percentage change	Year-end stock		Percentage change
	1384▲	1385		1384▲	1385	
Wheat ⁽¹⁾	0	978.0	0	2,426.0	3,887.0	60.2
Sugar and cube sugar ⁽²⁾	441.0	961.0	117.9	258.0	515.0	99.6
Red meat ⁽²⁾	2.0	0	-100.0	0.6	13.4	▣

Source: Government Trading Corporation of Iran (GTC) and State Livestock Affairs Logistics (SLAL)

(1) Includes wheat imported by the public sector.

(2) Excludes imports by the private sector.

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100 percent. Although State Livestock Affairs Logistics (SLAL) did not import any red meat, the stock of this foodstuff grew by 12.8 thousand tons to 13.4 thousand tons in the review year. Meanwhile, the GTC imported 978 thousand tons of wheat, aiming at increasing the strategic reserves of the country.

Government Investment

In the review year, approved credits for the acquisition of non-financial-national assets in domestic trade remained relatively

unchanged at Rls. 485.8 billion, compared with the approved figure for 1385. Moreover, the amount of credits paid for the same assets, with 22.4 percent reduction, amounted to Rls. 362.4 billion. This indicates a realization of 74.6 percent, less than that of the previous year (97.1 percent). As indicated in the following table, the lion's share of the credits paid to this sector was related to "domestic market regulating program" by 90.1 percent, while "e-commerce program" had a mere 9.9 percent share.

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

	Approved figures		Performance		Percentage of realization		Share (percent)	
	1384	1385	1384	1385	1384	1385	1384	1385
Domestic trade	481.0	485.8	467.0	362.4	97.1	74.6	100.0	100.0
Domestic market regulating program ⁽²⁾	481.0	405.8	467.0	326.4	97.1	80.4	100.0	90.1
E-commerce program	..	80.0	..	36.0	0	0	..	9.9
Total ⁽³⁾	138,409.0	176,120.2	117,638.7	145,571.0	85.0	82.7	100.0	100.0

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 foreign trade.

(2) Includes "policy-making, management, and supervision" and "technical and credit assistance to the private and cooperative sectors" programs.

(3) In 1384, it refers to approved amended figure (budget supplements) and excludes the figure for transparency in the price of energy bearers.

Banking Facilities

Net outstanding facilities extended by banks and credit institutions to domestic trade sector increased by 44.1 percent to Rls. 132.3 trillion, compared with the previous year. Outstanding facilities extended to non-public and public domestic trade sectors were Rls. 114.2 and 18 trillion, showing respectively 63.1 percent increase and 17 per-

cent decrease compared with the previous year. As in the previous year, the higher share (86.4 percent) belonged to non-public sector. Of total outstanding facilities, 70.1 percent was extended by commercial and specialized banks and the share of private banks and credit institutions was 29.8 percent, up from 19.7 percent in 1384.

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

	1384	1385	Percentage change	Share (percent)	
				1384	1385
Public and non-public sectors	91,769.3	132,284.2	44.1	100.0	100.0
Non-public sector	70,044.0	114,248.3	63.1	76.3	86.4
Commercial banks	51,782.5	74,701.3	44.3	56.4	56.5
Specialized banks	186.0	64.4	-65.4	0.2	*
Private banks and credit institutions	18,075.5	39,482.6	118.4	19.7	29.8
Public sector	21,725.3	18,035.9	-17.0	23.7	13.6
Commercial banks	21,725.3	18,035.9	-17.0	23.7	13.6
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 grew by 17.8 percent to 3.3 million in the review year. Of total transactions, 38.8 percent were processed in Tehran Province, indicating 26 percent increase compared with the previous year.

Cooperatives

In 1385, the number of cooperatives active in provision and distribution of goods and services to producers, consumers, and services unions reached 604, indicating an exponential growth of 95.5 percent when compared with the previous year. The initial capital of these cooperatives totaled Rls. 29,629 million, up by 3.5 percent compared with the previous year. Meanwhile, employment opportunities created by these cooperatives surged by 128.3 percent to 6,861. For each employed person, Rls. 4.3 million was invested, indicating a remarka-

ble decline compared with last year's figure (Rls. 9.5 million).

The members of these cooperatives reached 41.7 thousand persons, indicating 1.3 percent decline compared with the previous year. The greatest number of members was related to cooperatives active in provision of goods and services to consumers by 34.4 thousand persons, 1.9 percent less than the previous year.

Unions

According to the Trade Union Act, unions are categorized into manufacturing, technical services, distribution, and services groups. In 1385, total unions holding business permits increased by 13.3 percent to 1,893.6 thousand. The shares of distribution, technical services, manufacturing, and services unions of total unions were 46.7, 21.8, 18.2 and 13.4 percent, respectively.

COOPERATIVES

	1384	1385	Percentage change
Members	42,298	41,745	-1.3
Procurement of producers' needs	6,378	6,318	-0.9
Procurement of consumers' needs	35,036	34,353	-1.9
Procurement of services unions' needs	884	1,074	21.5
Number	309	604	95.5
Procurement of producers' needs	139	352	153.2
Procurement of consumers' needs	144	175	21.5
Procurement of services unions' needs	26	77	196.2
Capital (million rials)	28,631	29,629	3.5
Procurement of producers' needs	5,199	8,803	69.3
Procurement of consumers' needs	16,771	17,119	2.1
Procurement of services unions' needs	6,661	3,707	-44.3
Employment (person)	3,005	6,861	128.3
Procurement of producers' needs	2,086	3,993	91.4
Procurement of consumers' needs	800	2,368	196.0
Procurement of services unions' needs	119	500	320.2

Source: Deputy of Planning and Programming, Ministry of Cooperative

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NUMBER OF UNIONS HOLDING BUSINESS PERMIT ⁽¹⁾

(thousand units)

	1383	1384	1385	Percentage change	Share (percent)	
					1384	1385
Total unions	1,469.3	1,671.6	1,893.6	13.3	100.0	100.0
Manufacturing	254.4	269.6	344.0	27.6	16.1	18.2
Distribution	698.4	806.2	883.6	9.6	48.2	46.7
Services	218.0	231.2	253.0	9.4	13.8	13.4
Technical services	298.5	364.6	413.0	13.3	21.8	21.8

Source: Ministry of Commerce – Iran Trade and Traders Center

(1) Data refer to cities with union organizations.