

ELITE PARS

Law Firm



Introduction

Established in 2019, Elite Pars is a boutique law firm with professional lawyers and legal minds as its core team. Lawyers at Elite Pars render legal advice on a wide range of matters in parallel to dealing with various local, regional and international arbitration and litigation cases.

Elite Pars draws strength from its diversity. We recruit from a wide variety of backgrounds, seeking out the best and those with the highest potential and we invest in their development. Our profound knowledge of assorted legal areas, enables us to efficiently guide our clients through the most complex matters they are facing. Furthermore, our practical experience provides us with insights that help us assist our clients in achieving their legal goals.

In case you have any queries regarding this document or would like to inquire as to how we could serve you best, please feel free to contact our partners Dr. Navid Sato and/or Dr. Nima Nasrollahi via n.sato@elitepars.com and/or n.nasrollahi@elitepars.com.

LEGAL UPDATE: FEBRUARY 2024

IRAN HAS ENGAGED IN \$55 BILLION WORTH OF TRADE WITH ITS NEIGHBORS BY FEBRUARY

From the beginning of this year until the end of February, Iran engaged in trade with 15 neighboring countries, amounting to a total value of \$55 billion. Out of the total trade exchanges between Iran and its neighboring countries, \$25.844 billion were attributed to exports, while \$29.431 billion were allocated to imports.

Comparing the 11-month period of this year to the same period last year, Iran's exports to neighboring countries such as Iraq, Turkey, Republic of Azerbaijan, Turkmenistan, Armenia, Kuwait, Qatar, and Saudi Arabia decreased by 3% in terms of weight and 9% in terms of value.

Conversely, Iran experienced an increase in exports to the United Arab Emirates, Pakistan, Afghanistan, Oman, the Russian Federation, Kazakhstan, and Bahrain. For instance, in 2023, Iran's exports to the UAE witnessed a notable surge, driven by various commodities such as petrochemicals, metals, and agricultural products.

Overall, exports in Iran averaged \$17,479.72 Million from 1974 until 2023, reaching an all-time high of \$38,751.00 Million in the second quarter of 2011 and a record low of \$3,112.00 Million in the first quarter of 1999

On the other hand, Imports from these neighboring countries increased by 11% in weight and 15% in value. Moreover, the most significant percentage increase in imports, in

terms of value, was observed from the following neighboring countries: Armenia, Iraq, Turkmenistan, Qatar, and Russian Federation. Specifically, these countries are mainly suppliers of natural gas, electricity, and food products to Iran.

Imports in Iran averaged \$13194.21 Million from 1974 until 2023, reaching an all-time high of \$26131.00 Million in the first quarter of 2011 and a record low of \$2917.00 USD Million in the second quarter of 1999.

In parallel, Iran main imports are: non-electrical machinery, iron and steel chemicals and related products, transport vehicles, and electrical machinery, tools and appliances. Conversely, oil and natural gas constitutes Iran's most important exports, accounting for 82 percent of the country's export revenues. Additionally, other exports include chemicals, plastics, fruits, ceramic products and metals.

PARVIZ KHAN CUSTOMS SURGES IN TRANSIT TRAFFICS, DEMONSTRATING 35% GROWTH IN THE FOREIGN TRANSIT, REACHING 16,122,000 MILLION TONS

Customs data indicates a 35% increase in foreign transit through Iran compared to the previous year. The highest volume of foreign transit through Iran in the current year occurred at the Shahid Rajaei Special Economic Zone Customs, showing a 9% increase from the previous year. Parviz Khan has emerged as the second-largest transit gate in Iran, following the Shahid Rajaei Port Customs. During the period under review, the Parviz Khan border has emerged as a new transit gateway in Iran, and in the first 11 months of this year, foreign transit from the Parviz Khan Customs has grown by 363

percent to reach 3.492 million tons, ranking as the second major origin customs for foreign transit after the Shahid Rajaei Special Economic Zone Customs. The exports included fruit and vegetable, dairy products, cakes and cookies, metal and plastic products, tiles and ceramics, and construction materials,

several customs, including Bashmaq, Bazargan, Sarakhs, Bileh Savar, and Jolfa, ranked among the top ten customs for foreign transit volume. The total foreign transit through Iran, 14,236,000 tons were transited through these ten customs, accounting for 88.31% of the total transit. Among these customs, transit through Bazargan, Bileh Savar, and Jolfa decreased by 12.40%, 3.68%, and 2%, respectively, compared to the previous year.

Moreover, the new Astara Bridge plays a significant role in boosting north-south foreign transit, as the local economic officials have said that the bridge plays a major role in reducing traffic jams at the shared border for traders and travelers. In the current year, transit through the Astara Customs increased by 28%, and through the Bandar Astara Special Economic Zone by 86% compared to the previous year. In other words, according to the data of Iran Customs Administration, Iran exported about 102 million tons of non-oil products worth \$36.4 billion in 9 months. Exports of non-oil products decreased by 0.68 percent in value terms and by 26.5 percent in weight terms year-on-year.

IRAN AND HUNGARY STRENGTHEN ECONOMIC TIES THROUGH JOINT COMMITTEE MEETING

The fourth meeting of the Iran-Hungary Joint Economic Committee in Tehran concluded with the signing of a comprehensive cooperation MOU, with senior officials and business leaders from both nations in attendance. Alongside, four additional memorandums of understandings (MOU) were signed to bolster economic collaboration.

In the meeting, the vital need to strengthen banking ties between Iran and Hungary for enhanced bilateral relations was stressed. The Hungarian government was urged to boost support for private sector operators from both countries. Highlighting the significance of cooperation agreements for business ties, the importance of supporting private sector companies was emphasized. Authorities from both nations were urged to address challenges and foster stronger relations between their private sectors. Additionally, the essential role of the private sector in achieving government goals for commercial interactions was noted.

Both nations affirmed their commitment to enhancing bilateral trade cooperation, recognizing the challenges of international sanctions. Despite these obstacles, they emphasized the importance of maximizing collaboration in unaffected areas. Hungary expressed eagerness to expand cooperation with Iran in agriculture and food, intending to issue over 5,000 transportation permits

annually to Iranian firms to streamline trade and foster stronger economic ties.

During the event, Iran's Trade Promotion Organization highlighted its support for foreign trade development, particularly for Iranian and foreign private sector companies. Plans to establish Iran's commercial attaché in Budapest were announced, along with a call for continued meetings between the specialized committees of the Iran-Hungary Joint Economic Committee. The Iran Chamber of Commerce was urged to monitor outcomes and address challenges promptly, with the assurance of swift resolution by the Trade Promotion Organization.

IRAN'S OIL PRODUCTION SURPASSES EXPECTATIONS IN 2023, A GROWTH FROM 3.0 TO 5.4%, IMF REPORTS

In its latest report on Iran's macroeconomic indicators, the International Monetary Fund (IMF) highlighted a notable development concerning Iran's oil production in 2023, indicating that it surpassed initial projections. This unforeseen increase in oil production contributed significantly to the country's economic growth, prompting the IMF to revise its estimate for Iran's economic growth in 2023 to 5.4 percent, a substantial upward adjustment from its previous forecast of 3.0 percent. This positive economic momentum is reflected in Iran's Gross Domestic Product (GDP), which outpaced the economic growth recorded in 2022 by approximately 1.6 percent, as detailed in the IMF's World Economic Outlook quarterly report.

The IMF has revised its forecast for Iran's economic growth in 2024, raising it from 2.5

percent, as projected in October, to 3.8 percent. These upward revisions underscore Iran's resilience and potential for economic expansion amid global economic headwinds.

Iran's economic growth contrasts with a broader global economic slowdown, where developed economies experienced an average growth rate of 1.6 percent in 2023, down from 2.6 percent in 2022. Conversely, developing countries saw a more robust average growth of 4.1 percent, highlighting Iran's relatively strong economic performance compared to its peers.

Regionally, West Asian economies saw modest growth, averaging 2.0 percent, with Saudi Arabia experiencing a -1.1 percent economic contraction. Notable economic growth figures for other countries in 2023 include the USA at 2.5 percent, Germany at -0.3 percent, France at 0.8 percent, the UK at 0.5 percent, China at 5.2 percent, India at 6.7 percent, Russia at 3.0 percent, Brazil at 3.1 percent, Turkey at 4.0 percent, and Pakistan at -0.2 percent.



Dr. Navid Rahbar Sato

Managing Partner

Dr. Navid Rahbar Sato is a founding partner and the managing director of Elite Pars Law Firm. He is a qualified international and domestic lawyer in the Iranian market with a primary focus on cross border transactions and oil and gas law. With several years of experience, he has extensive comprehension of the national, regional and international commercial legal systems. He also handles litigation and arbitration cases where he sets out the legal strategies and heads the team in the process. He particularly advises clients on energy law, foreign direct investment, incorporation, mergers and acquisitions as well as import and export regulations in the region including sanctions' compliance matters.

Navid holds an SJD from Washington College of Law and is a Vanderbilt LL. M. graduate of NYU School of Law and an International Trade Law LLM graduate of the American University of Washington D.C. He is an assistant professor at Shahid Beheshti University of Tehran. Navid speaks fluent Farsi and English, as well as basic French and Japanese.

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Dr. Nima Nasrollahi Shahri

Partner

Dr. Nima Nasrollahi Shahri is a founding partner at Elite Pars Law Firm and heads the energy, investment law and arbitration practices of the firm. He is a seasoned lawyer in the field of oil and gas and renewable energies and has advised major international oil companies with respect to their participation in Iranian oil and gas projects. He holds a PhD in International Investment Law and has completed the LL. M. program of University of Dundee in Petroleum Law and Policy. He has a long list of Persian and English publications and is currently the director of oil and gas law LL. M. program at the

University of Science and Culture in Tehran where he is now supervising several dissertation theses, mostly related to the same field as well as commercial arbitration. Nima regularly does pro bono educational activities. He speaks Farsi, fluent English and intermediate French and Arabic.

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