

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: MARCH 2024

IRAN'S STEEL EXPORT REVENUES SURGE TO \$7.6 BILLION, MARKING A RECORD YEAR FOR INDUSTRY GROWTH

In the fiscal year culminating on March 19, Iran witnessed a significant boost in its steel sector, with exports of steel products hitting a \$7.6 billion mark, as reported by the Iranian Steel Producers Association (ISPA). This performance, marking an 18% increase in the steel supply chain's total export value, was hailed by the ISPA as the sector's most notable success.

Delving into specifics, Iran exported approximately 30 million metric tons of steel concentrate and pellets, showcasing a substantial 66% growth compared to the previous year. Additionally, the export figures for medium-carbon steel and steel slabs saw respective upticks of 4.3% and 23%.

A standout statistic from this period was the 621% escalation in the volume of concentrate iron ore exports, which is more than a sevenfold increase. The ISPA's report further highlighted a 5.8% rise in steel production within Iran for the last Iranian calendar year, relative to its predecessor.

The latest ISPA data revealed that the nation's steel production for the said year amounted to 29.334 million tons. This production was divided into 18,452,000 tons of billet and bloom, alongside 10,882,000 tons of slabs, with the production of billet and bloom and slabs rising by 9.2% and 0.7% respectively.

Moreover, the production of sponge iron recorded an 8.5% increase from the year

prior. These developments have elevated Iran's position on the global stage, making it the ninth-largest steel producer by January 2024, as per the World Steel Association (WSA).

In the opening month of 2024 alone, Iranian steel mills churned out 2.6 million tons of steel, marking a substantial 39.3% growth from January 2023. This was set against a backdrop where the collective steel production of the world's 71 steel-producing nations saw a 1.6% decline, totaling 148.1 million tons in January 2024.

IRAN RECORDS 8.8% INCREASE IN SPONGE IRON PRODUCTION OVER 11 MONTHS

During the initial 11 months of the current Iranian calendar year, spanning from March 21, 2023, to February 19, 2024, Iran experienced an 8.8% increase in sponge iron production compared to the corresponding timeframe the previous year. This data, provided by the Iranian Steel Producers Association (ISPA), highlights that the country produced 31.466 million tons of sponge iron in this period.

The ISPA's earlier reports indicate that in the first half of the Iranian calendar year, from March 21 to September 22, 2023, Iran's sponge iron production reached 18.86 million tons. Sponge iron, or direct reduced iron (DRI), is made by reducing iron ore into metallic iron without melting, using reducing gases or elemental carbon derived from natural gas or coal. This method is suitable for a variety of iron ores.

Despite facing stringent U.S. sanctions that have impacted various sectors of its economy,

Iran's mining sector has demonstrated significant resilience and progress. Among the diverse outputs of this sector, sponge iron stands out for its increasing production levels.

The Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO), the country's foremost metals and mining conglomerate, attributes the surge in sponge iron production to the establishment of new production plants. This growth strategy, emphasizing collaboration with the private sector, has enabled IMIDRO to inaugurate several sponge iron production projects in recent years, showcasing the sector's capability to overcome economic challenges.

IRAN-CHINA TRADE FLOURISHES, SURPASSING \$2.8 BILLION IN EARLY 2024 AMID EXPANDING STRATEGIC PARTNERSHIPS

The From January to February 2024, trade between Iran and China soared, reaching a total of \$2.879 billion, as reported by China Customs. This figure represents a 37% increase from the same period in the previous year, highlighting a significant growth in economic exchanges between the two nations.

In the initial two months of 2024, China's exports to Iran amounted to \$2.5 billion, while imports from Iran stood at \$829 million. These figures indicate year-over-year increases of 45% and 20%, respectively. It's suggested that the actual volume of China's imports from Iran could be higher than reported, especially considering that purchases of Iranian oil by

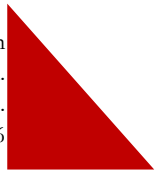
Chinese refiners might not be fully reflected in these statistics.

Throughout 2023, the trade volume between Iran and China reached over \$14.6 billion, despite experiencing a slight decrease of 6.2% compared to 2022. The trade value for that year was documented at \$15.5 billion. Notably, Iran's exports to China in December 2023 witnessed a 30% increase from the previous year, indicating a resilient trading relationship.

China's exports to Iran throughout 2023 grew by 8.6%, totaling \$10.70 billion, up from \$9.270 billion in 2022. However, imports from Iran saw a decline, falling by 27% from \$6.230 billion in 2022 to \$4.580 billion in 2023, resulting in a trade surplus of about \$5.5 billion in China's favor.

Trade activities between the two countries in December 2023 alone amounted to \$1.251 billion, marking a 4% increase from the year before. China remains one of Iran's primary trading partners, maintaining robust economic ties despite stringent U.S. sanctions on Iran.

Iran's Finance and Economic Affairs Minister, Ehsan Khandouzi, highlighted the advancement of the 25-year strategic partnership plan between Iran and China, with new agreements reached during Iran's delegation visit to the 6th China International Import Expo (CIIE). These agreements encompass specific projects across various sectors, promising a significant boost in bilateral economic cooperation and investment.



Challenges faced by private sector companies from both nations were addressed and resolved, paving the way for a flourishing partnership. With these initiatives in motion, the economic ties between Iran and China are set to enter a new era of growth and collaboration, underpinned by the comprehensive cooperation agreement signed in March 2021 and further reinforced by subsequent agreements and memoranda of understanding.



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

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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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