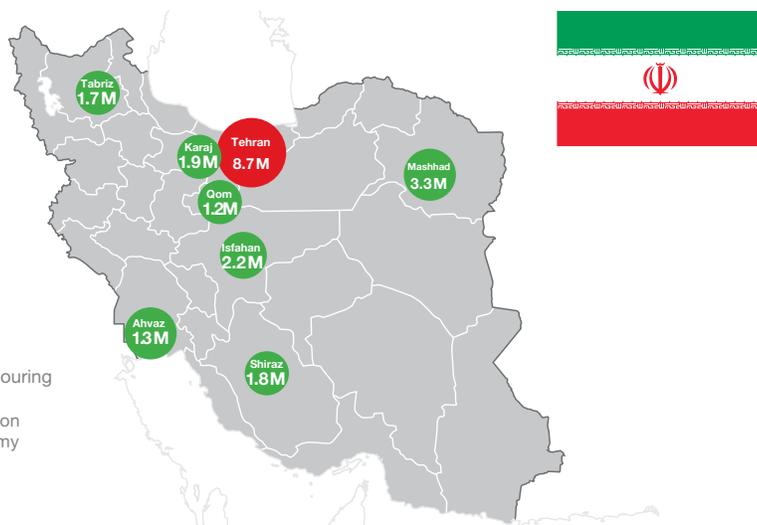




Islamic Republic of Iran: Country Overview

Since the 2nd Century BC, Iran has been at the heart of the Silk Road, facilitating trade and acting as a hub for the exchange of ideas and knowledge between the East and the West. The economics that governed trade for 2 millennia are still in place; at the crossroad of the East and the West and straddling the Persian Gulf and the Caspian Sea, Iran is a natural hub for the production of goods and services to serve a vast regional market.



Neighbours:
15 Countries
 Population of Neighbouring Countries **>600M**
 8% of Global Population
 12% of Global Economy



31st

Foreign Market Size Index

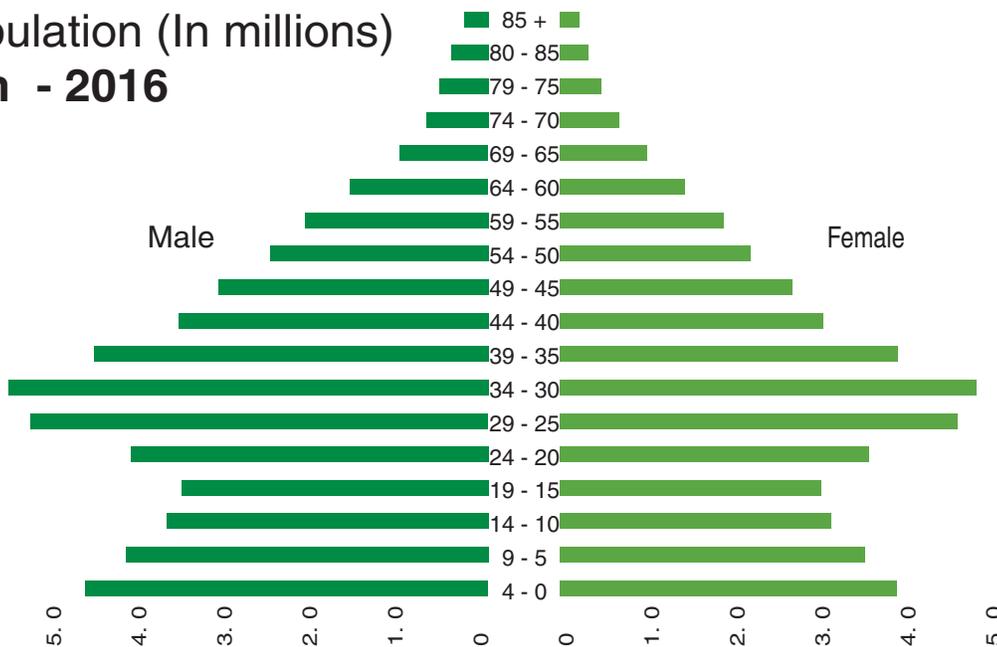
Total Area (17th)

1,648,195 km²

Mexico 1,964,375 km² / Alaska 1,723,337 km²

Demography

Population (In millions)
Iran - 2016



Population Jan 2019

82 M



1st in the Middle East

18th in the World

Census 2016



Number of Households

24.2 M

Median Age

30 Years



Population Growth Rate

1.24%



Urban

74 %



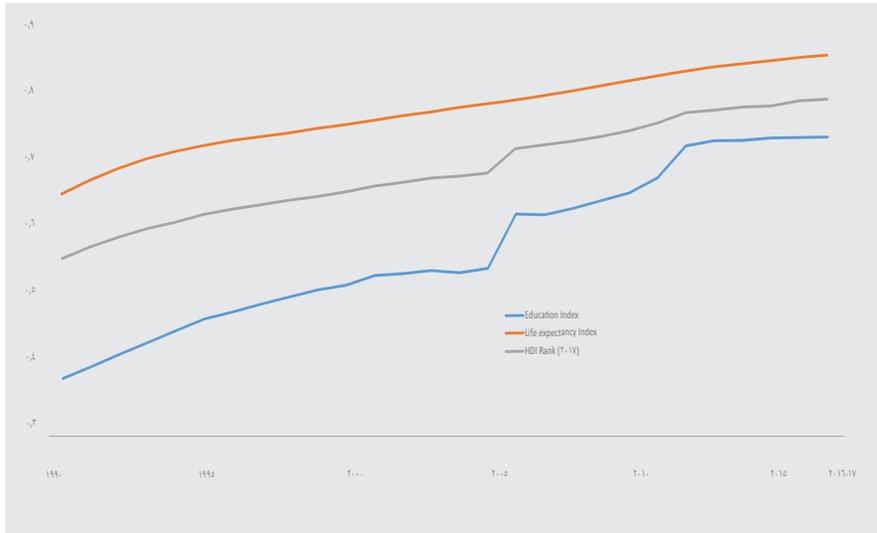
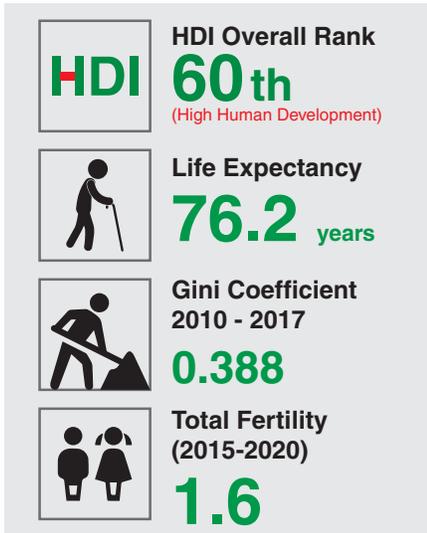
Rural

26 %

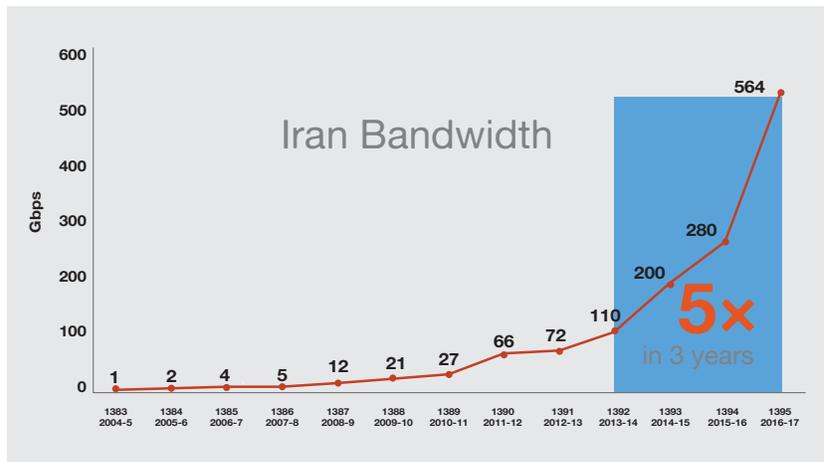
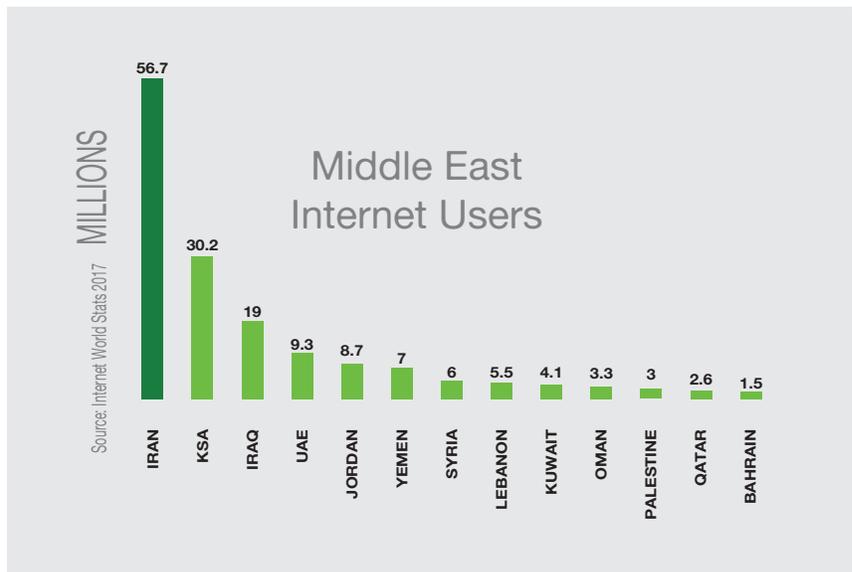


Human Development Index (2017)

The Human Development Index (HDI) illustrates key dimensions of human development. People and their capabilities are the most important enabling factors to ensure economic growth and country development.



Infrastructure



Islamic Republic of Iran: An Overview of The Economy

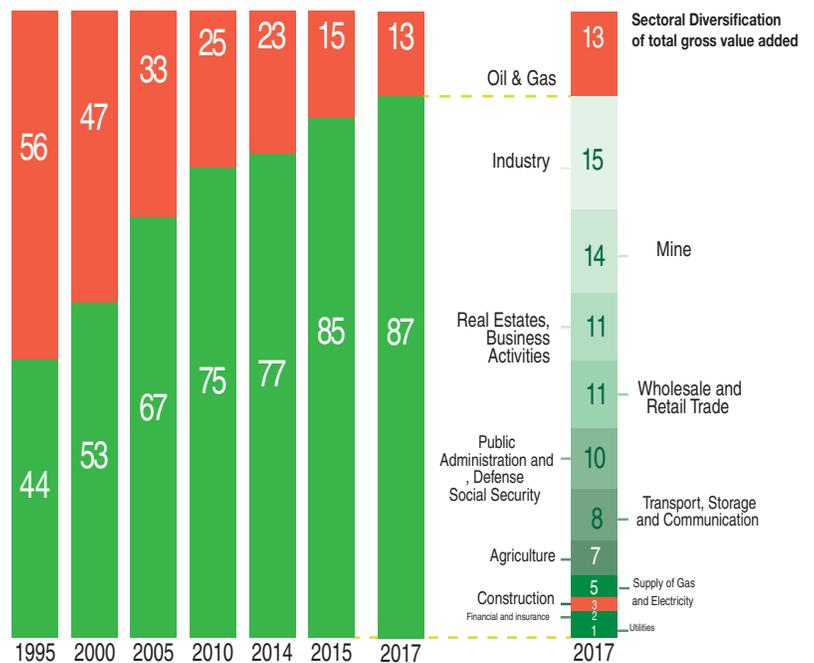
National Accounts

Iran is the world's eighteenth largest Economy by Purchasing Power Parity. The country is a member of Next Eleven, because of its high potential for development. It is a diversified economy. Over 40 industries are directly present in the Tehran Stock Exchange.

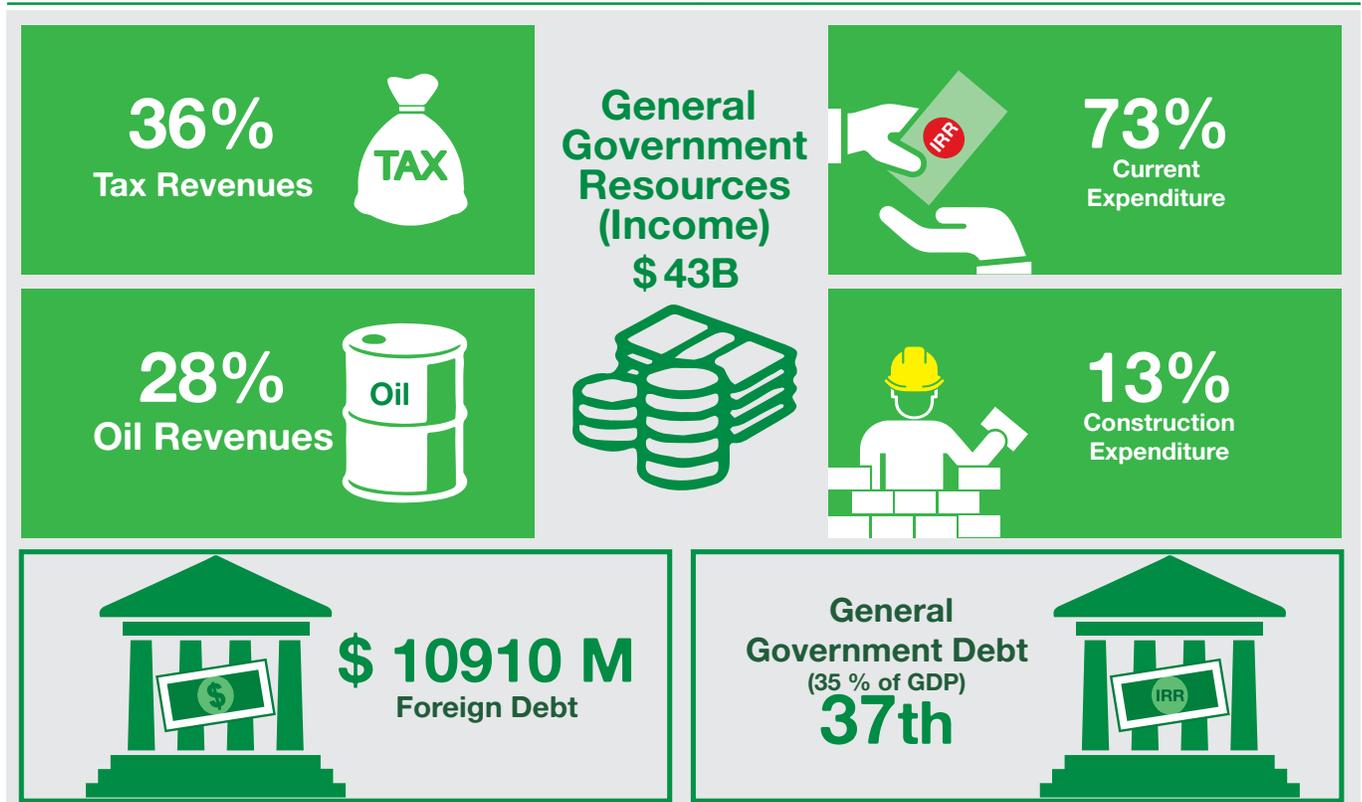
GDP

	4.3% Growth Rate (2017)	
(2017) World Bank	PPP	Nominal
GDP Value	\$1700 B	\$439 B
Rank	18th	26th
GDP Value Per Capita	\$19,082	\$ 5,415

Sectoral contribution to Iran's total gross value added

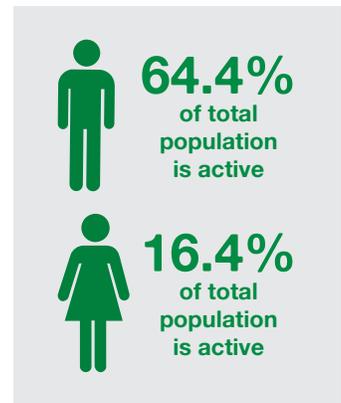
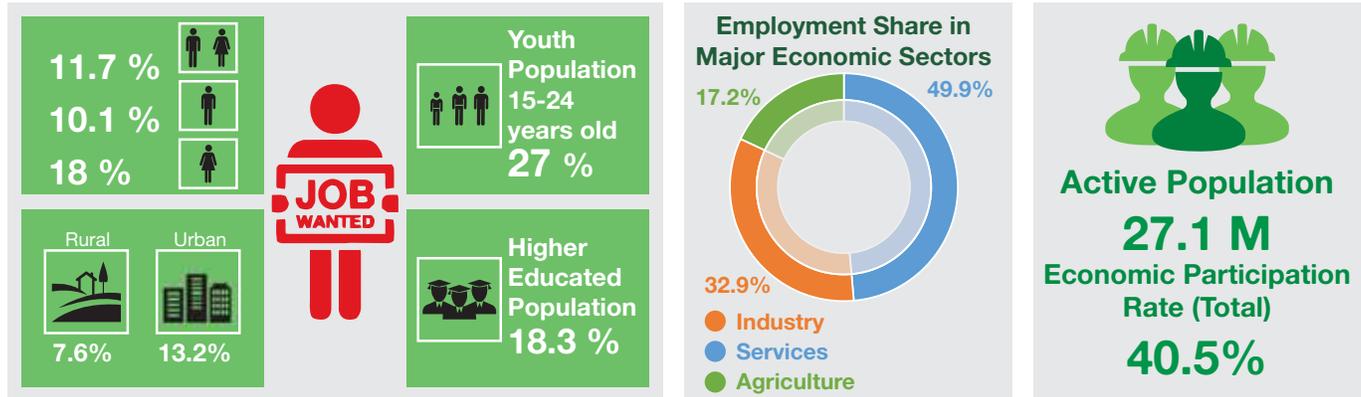


Government Finances (2017)



Labour Market (Autumn 2018)

Unemployment Rates



Rates



Official Exchange Rate



International Rankings

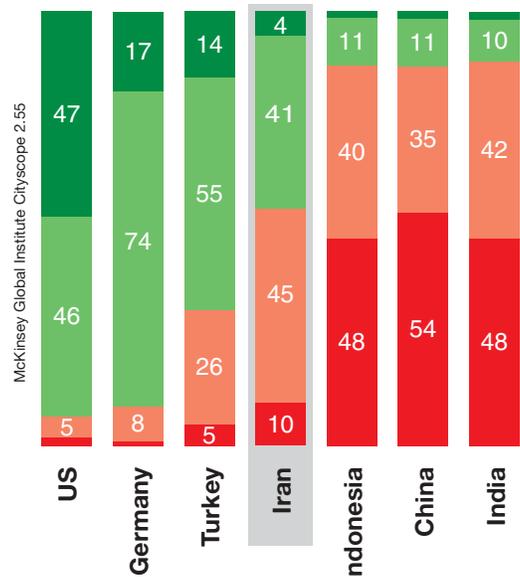


Consumer Spending

Some 45% of Iranian households already have an annual income exceeding \$20,000. A level which is referred to as "consuming households". The current proportion of consuming households in Iran is already four times that of China and India.

■ >\$70000 ■ \$20000-70000
■ \$7500-20000 ■ <\$7500

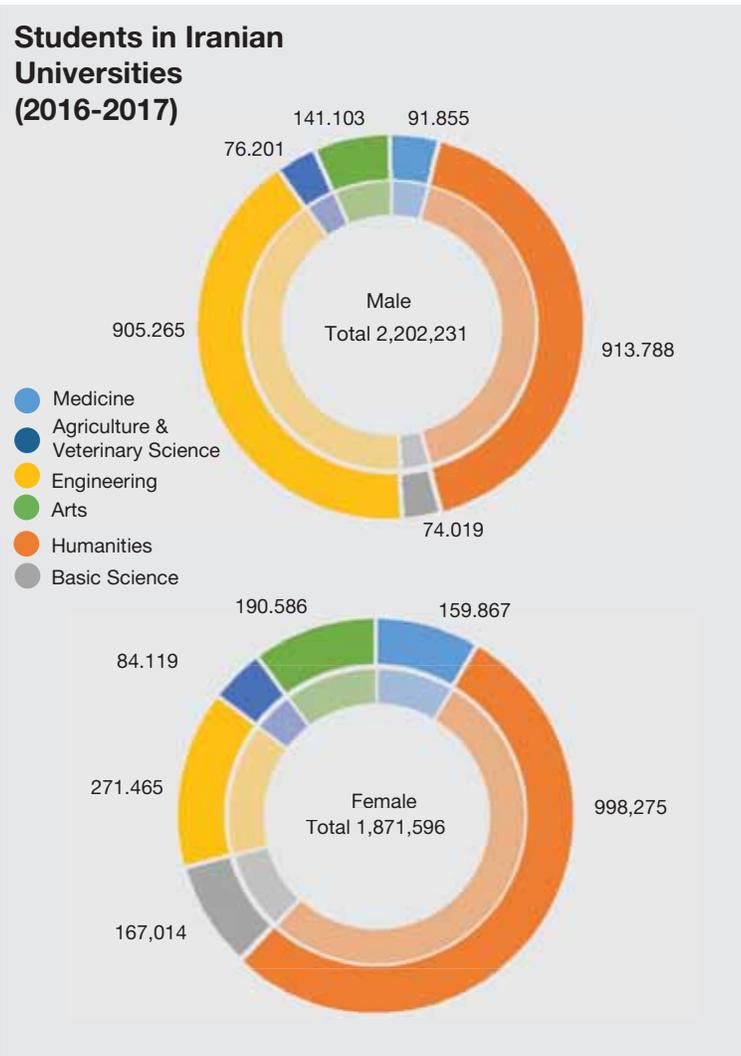
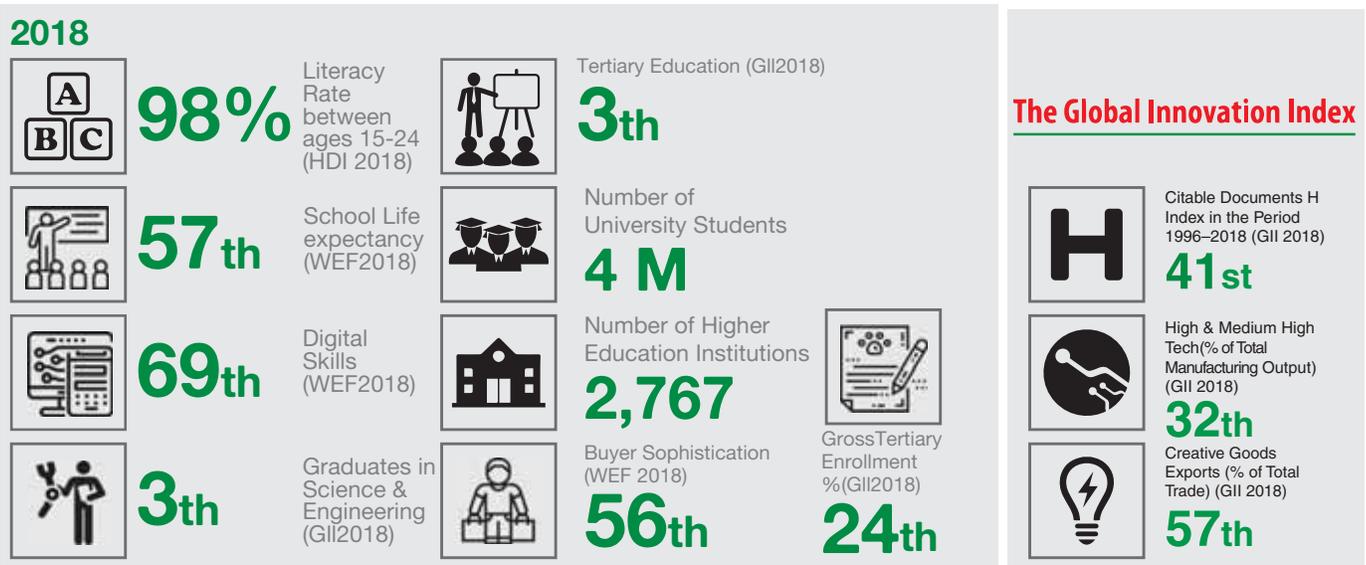
Household Income Distribution, 2012 (2005 PPP, %)



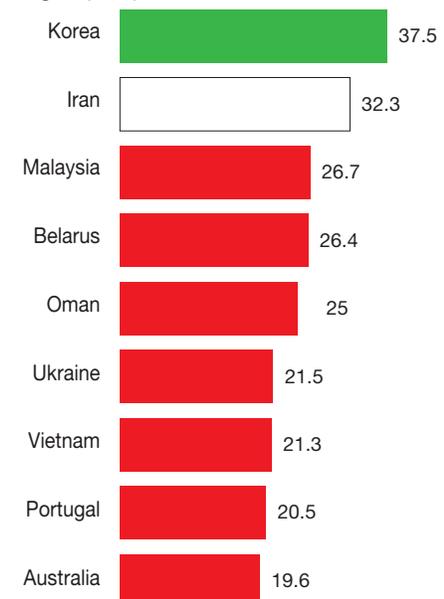
Islamic Republic of Iran: Human Capital

Iran's technically literate workforce can rapidly generate wealth and employment if its talents are properly employed in high quality jobs. Here are some facts and figures.

Education

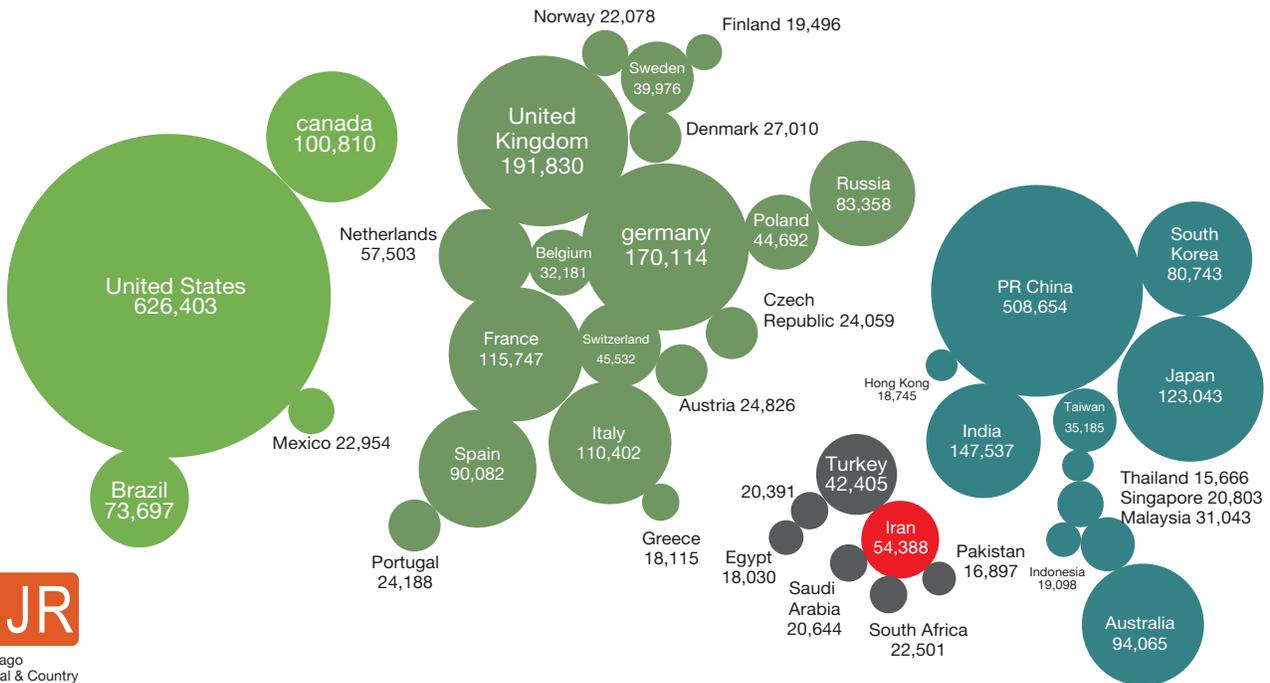


Percentage of Graduates from Engineering - Rated Degree (2015)



UNESCO Institute for Statistics; Government Statistics for India and China

Scientific Achievements (2017)



SCImago
Journal & Country
Rank

Scientific Paper Trail

The Top 40 Countries by Number of Scientific Document Published This Year

Global Entrepreneurship Monitor (2017 - 2018)

High Status to Entrepreneurs (7 / 52)

Internal Market Dynamics (34 / 54)

7th **34th**

2018

Number of & Science Technology Parks

43

Quality of Research Institutions

16th

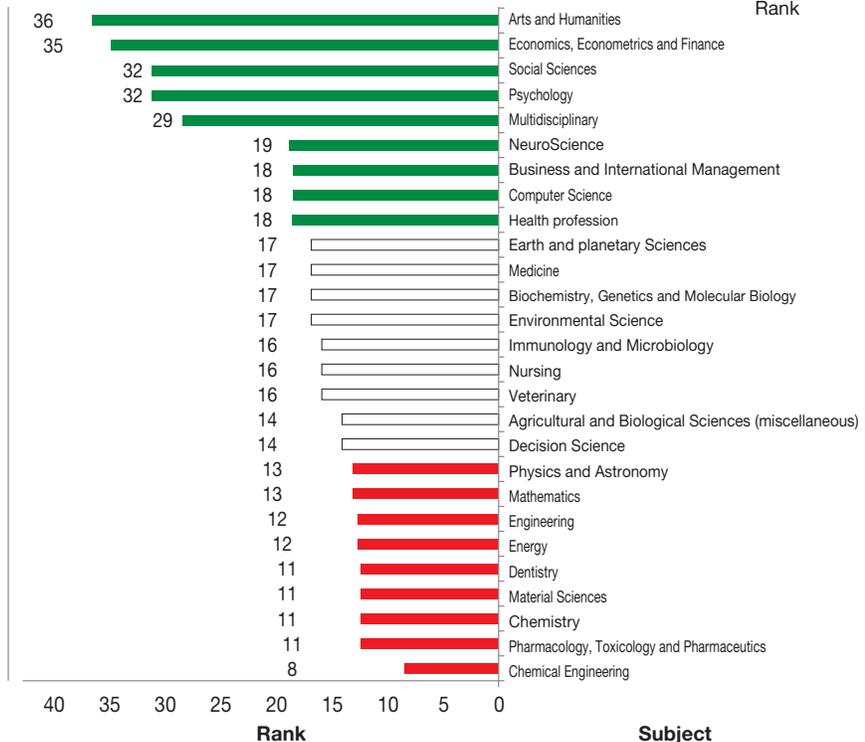
Number of Technology Incubators

186

Number of Knowledge-Based Companies

3,568

Iran's Rank in Scientific Publications (2017)



SCImago
Journal & Country
Rank

Islamic Republic of Iran: Energy

Iran's Proven natural gas reserves are estimated to stand at 1173 trillion cubic feet, placing her in 2nd spot amongst competitor nations, with the potential capacity to energize Europe for 90 years. Furthermore, with proven reserves of at least 158 billion barrels, Iran has the fourth largest crude oil reserves.

Gas



2nd World's largest gas reserves
Over 1170 trillion cubic feet

Gas  **1/6** Proven Global Gas Reserves

Proven Reserves of Natural Gas 2017 (Trillion Cubic Feet)



36,000 km
Natural Gas Transportation Pipeline

273,000 km
Natural Gas Distribution Pipeline

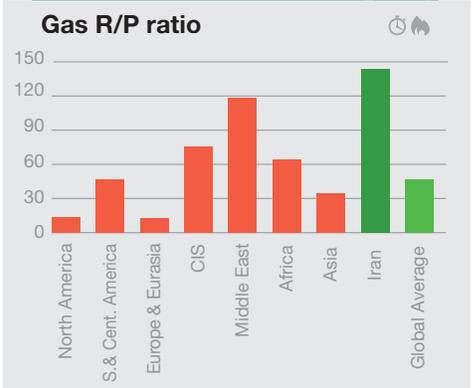
96% Cities Supplied with Piped Gas

68% Villages Supplied with Piped Gas

67%

Proportion of Natural Gas in Primary Energy Consumption

Reserves-to-Production Ratio (years)



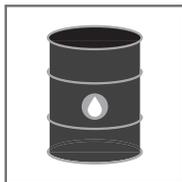
Gas Production 2017
(Billion Cubic Meter)

223

Gas Consumption 2017
(Billion Cubic Meter)

214

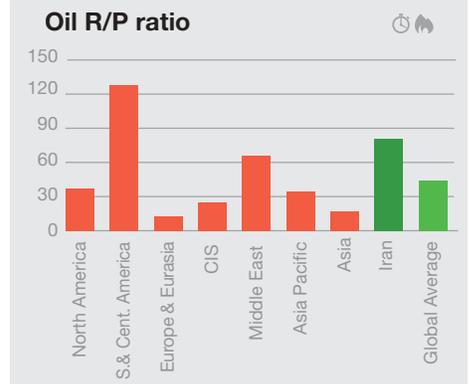
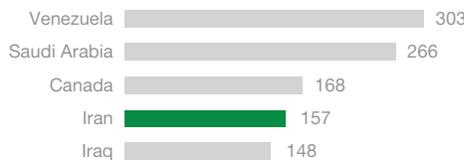
Oil



4th World's 4th largest oil reserves
157 billion barrels



Crude Oil Proven Reserves 2017 (Billion Barrels)



Oil Production 2017
(Thousand Barrels Per Day)

4,982

Oil Consumption 2017
(Thousand Barrels Per Day)

1,816

Iran's combined oil and gas production places her at the world's No.4 Spot. The nature of the reserves makes extraction less onerous; and drives down production costs to some of the lowest globally (e.g. less than half of those of Russia's).

Electricity

Reliable and growing energy supply is practically available to all firms and households in Iran (World Development Indicator, 2017).

The World Bank "Doing Business Report" ranks access to electricity per capita production in Iran higher than other Emerging Markets such as China and India.

In accordance with reports by institutions such as Renaissance Capital, the current generation capacity is sufficient to meet demand for doubling of GDP.

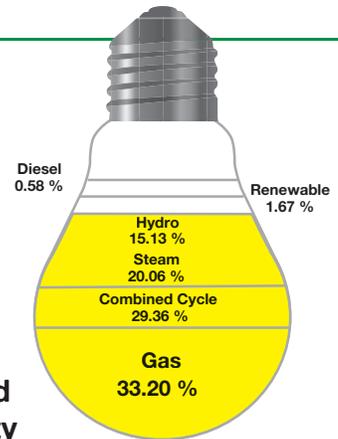
Now
78,484 MW

Installed Capacity By 2020

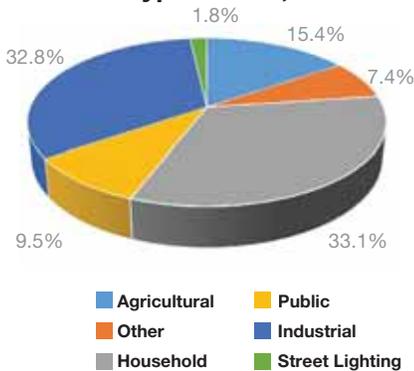
110,000 MW

Iran exports electric power to Pakistan, Nakhjavan, Iraq, Afghanistan and Azerbaijan. Iran also exchanges power with Armenia.

Installed Capacity 78,4 GW



Domestic Sale of Electricity by Type of Use, 2017



2017

Gross Electricity Generation

312,479 (GWh)



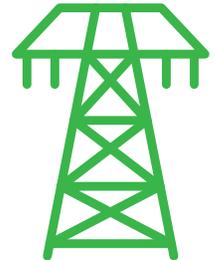
Electricity Network

Transmission Network

124,005 Km

Distribution Network

787,118 Km



Renewable Energy

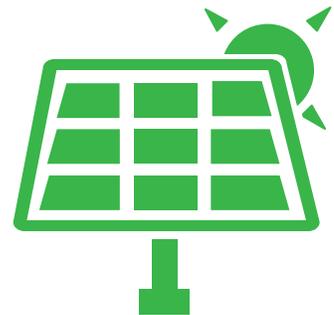
Iran has an average irradiation of 4.5 to 5.5 kilowatt hours per square meter per day



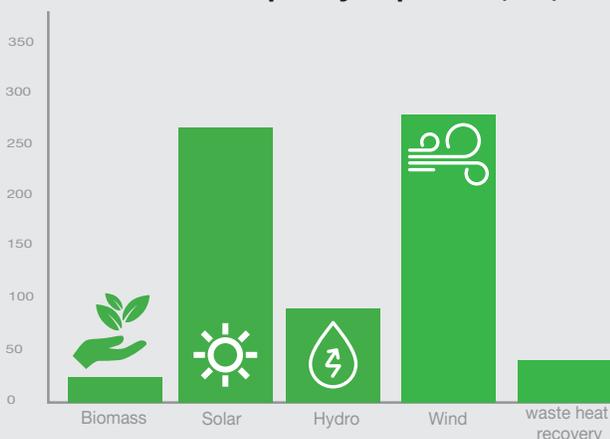
Iran has 300 sunny days in a year in more than two-thirds of the country



Iran has more than 2800 hours of sunshine on average per year. A number which reaches 3200 hours in arid regions such as Yazd

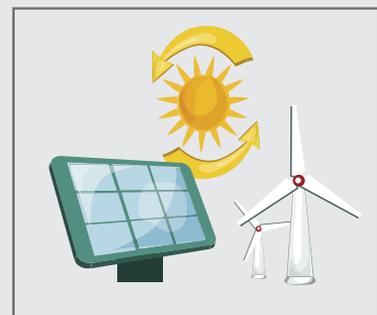


Installed Capacity sep.2018 (MW)



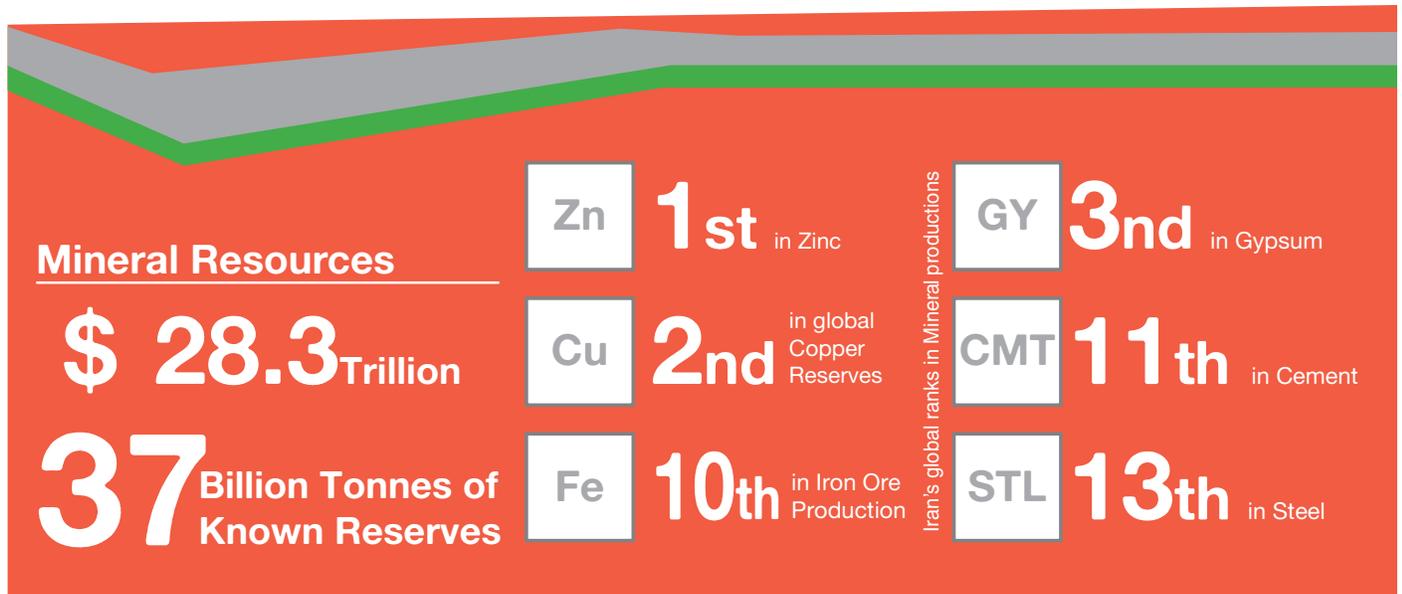
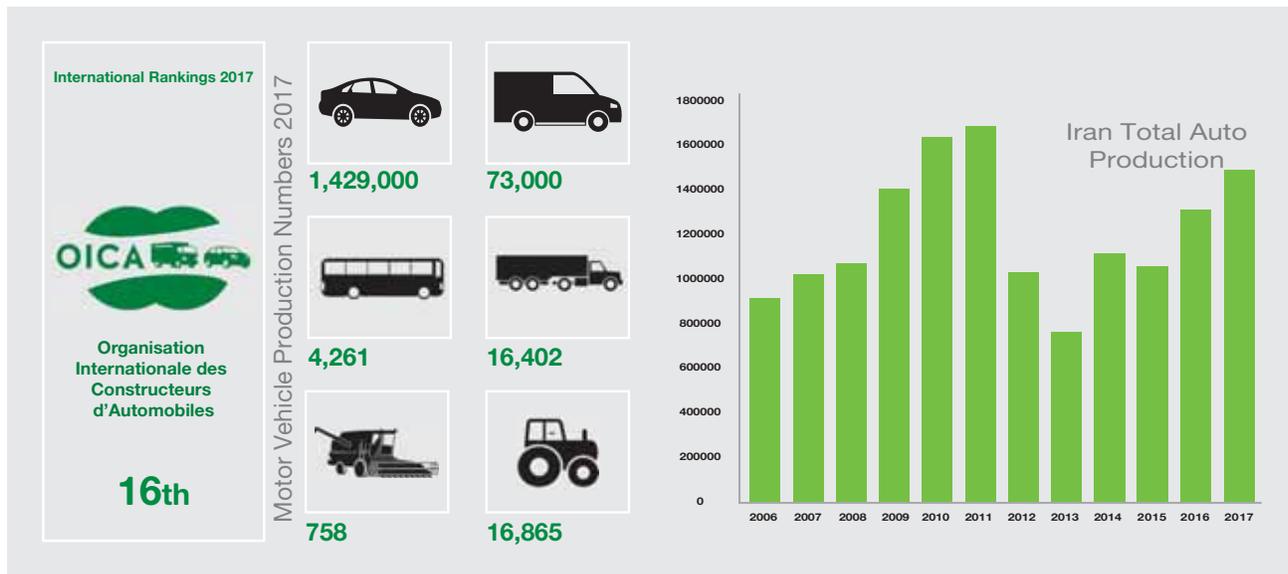
Electricity Production 2018 (GWh)

2,572 GWh

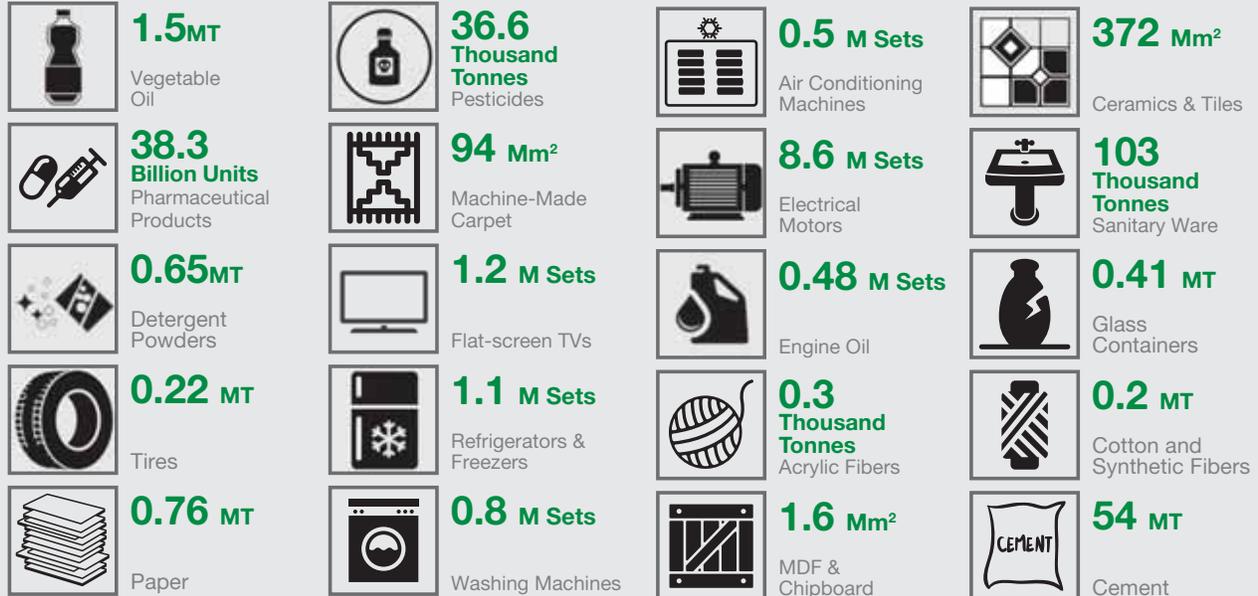


Islamic Republic of Iran: Industries & Mineral Resources

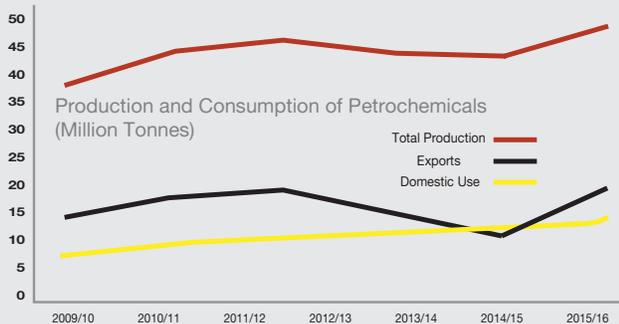
Automotive Industry



Selected Industrial Products 2017



Petrochemical Industries 2016



Production Capacity
61 Million Tonnes
Total Production
53.5 Million Tonnes

Total Exports
21.3 Million Tonnes

Total Imports
0.8 Million Tonnes

Key Products

Product	Production Capacity M Tons per year	% of World Capacity
Ethylene	6.4	4
Polyethylene	4.2	4
Methanol	5	5
Ammonia	4.2	1.5
Urea	5.5	1.6

Mineral Fuels Ranking

3	Natural Gas
5	Petroleum
18	Coking Coal
44	Steam Coal
Iron and Ferroalloy Metals	
7	Molybdenum
9	Chromium
10	Iron
16	Manganese

Industrial Minerals

3	Gypsum
6	Feldspar
5	Perlite
4	Baryte
7	Bentonite
10	Boron
12	Sulfur
11	Fluorspar
10	Kaolin

Non-Ferrous Metals

6	Arsenic
9	Mercury
12	Antimony
16	Copper
14	Lead
13	Zinc
20	Bauxite
24	Aluminum

Although Iran is far better known as a hydrocarbon producer, it has the potential to generate higher revenues from mining than it does from fossil fuels, provided that the government places more emphasis on developing and reforming the mining and metal sectors. Metals such as copper and lead, and higher-priced rare earth elements, could be worth more than the nation's oil industry revenues of about \$30 billion, assuming a median price of \$40 per barrel and 2 million barrels a day of export. Iran has more than 3,000 active mines, mostly privately owned, according to the U.S. Geological Survey.

68 Types of Minerals and Metals

Islamic Republic of Iran: International Trade (Main Trading Partners 2017)

Merchandise exports annual growth, 2017(percentage)

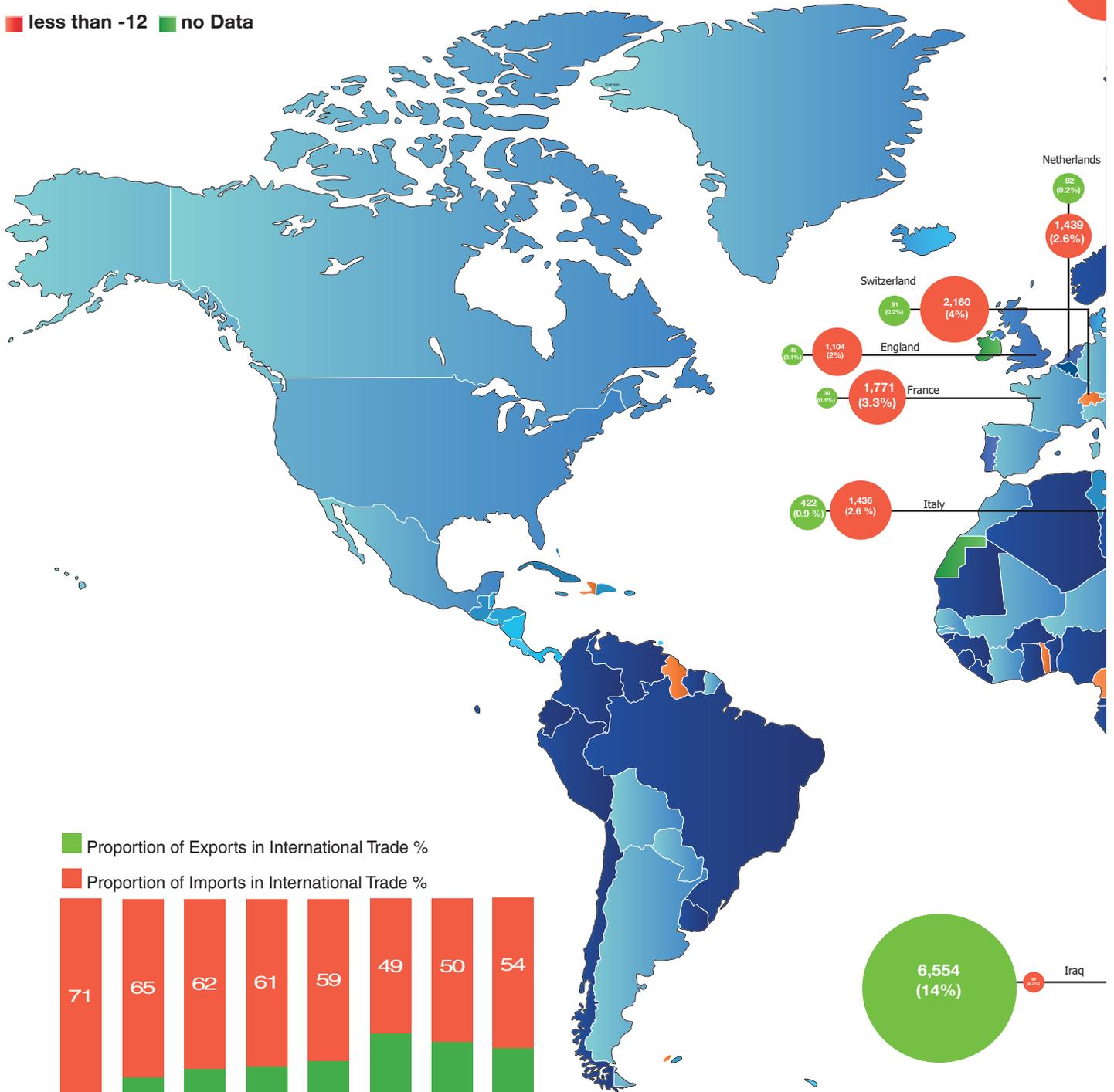
World Exports: us \$ 17.7 trillion

Annual Growth Rate:%10.4

(UNCTAD STAT)

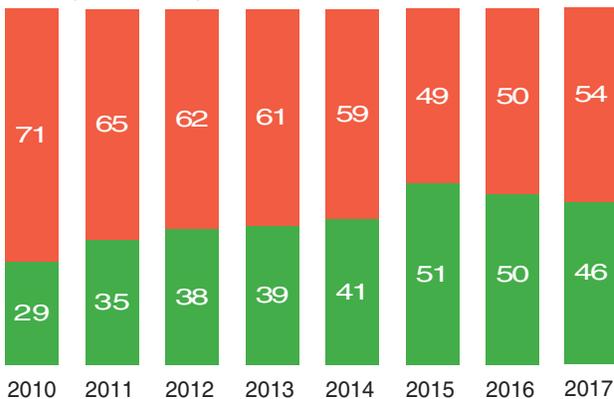
■ 12 and more ■ 0 to12 ■ -12 to 0

■ less than -12 ■ no Data

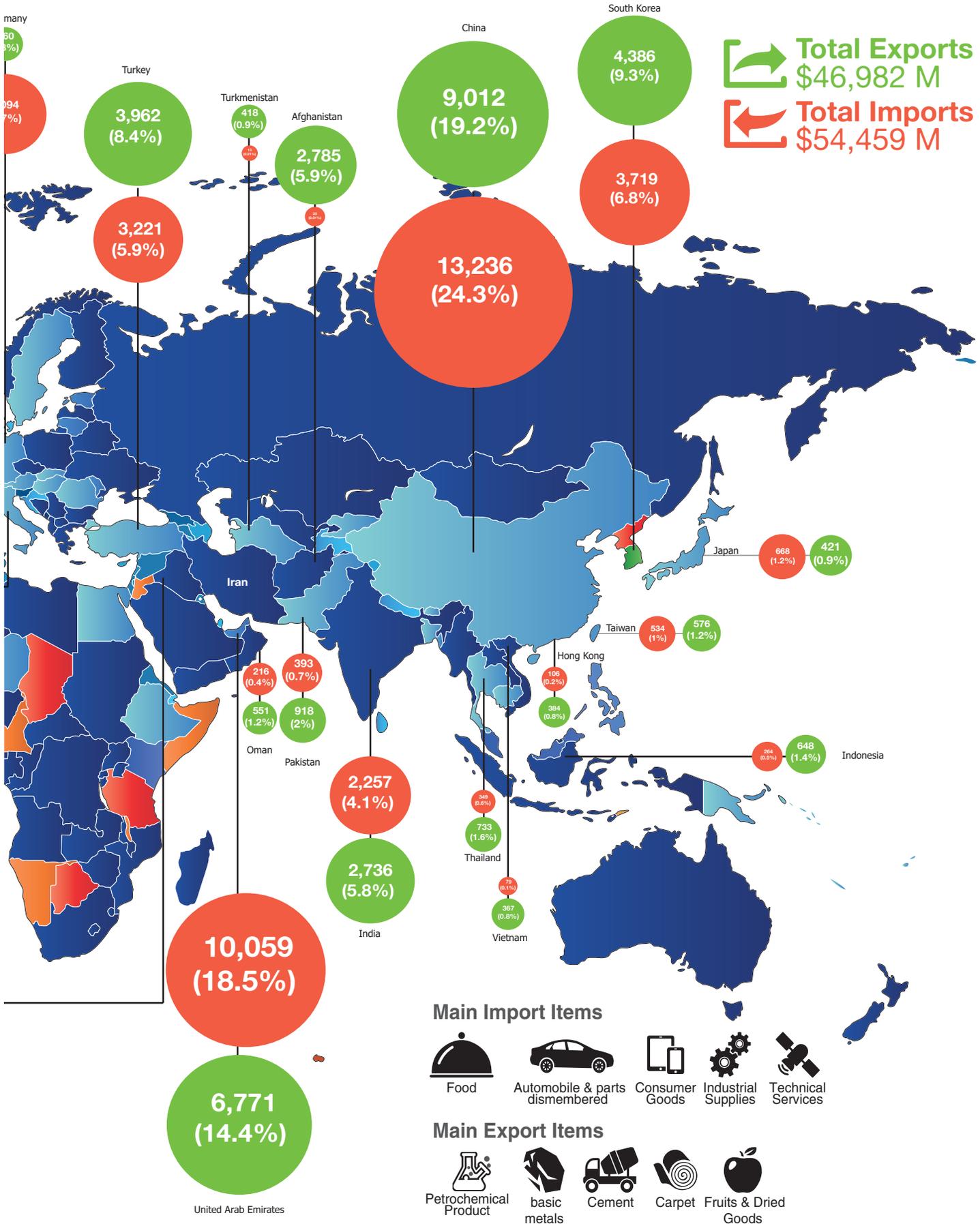


■ Proportion of Exports in International Trade %

■ Proportion of Imports in International Trade %

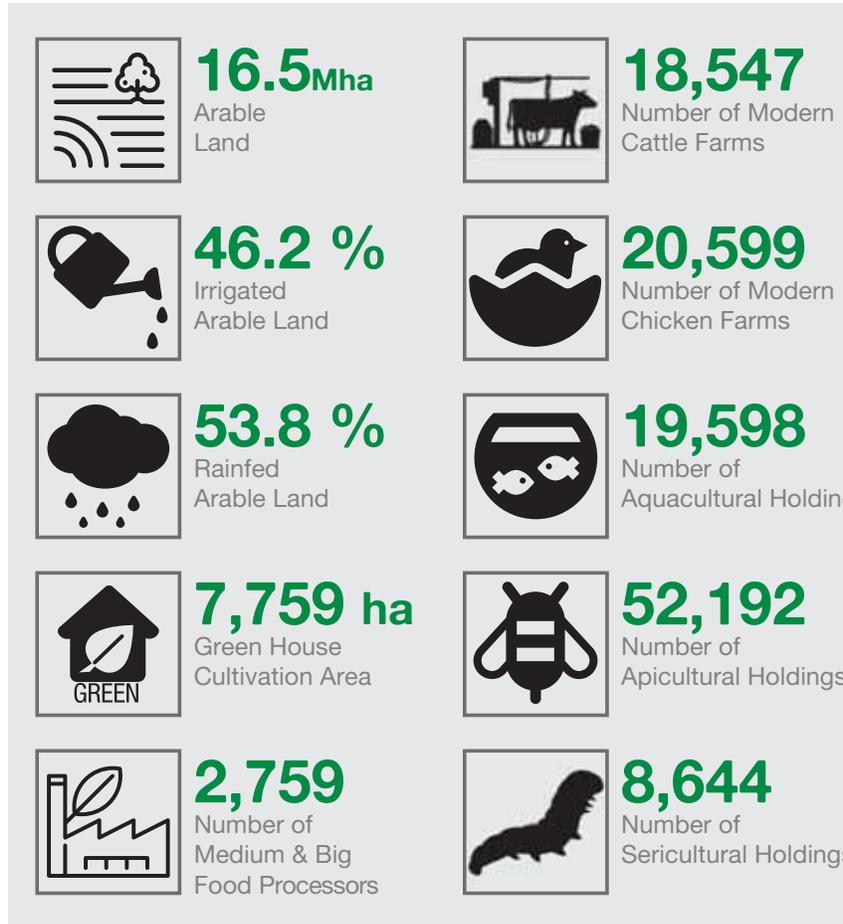


(Excluding Oil - \$ Million)



Islamic Republic of Iran: Agriculture & Food Production

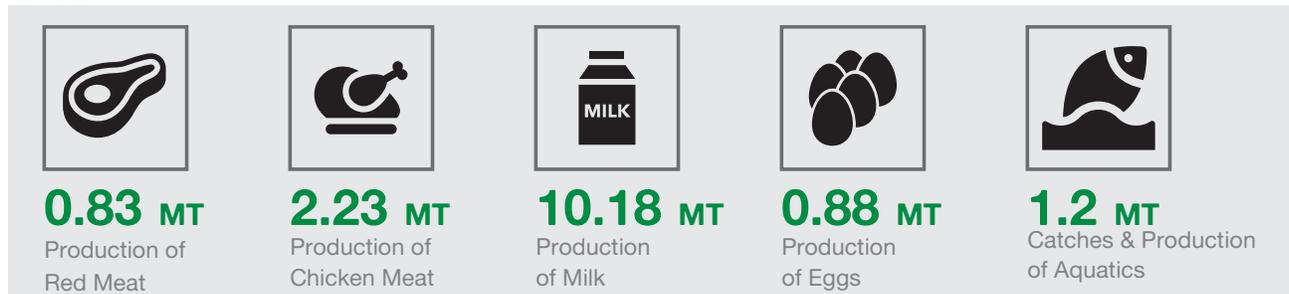
2015-Census



2017



2017



Top Five Products (Order by Quantity) 2016



Imports



Maize



Wheat



Cake, Soybeans



Soybeans



Barley

Exports



Watermelons



vegetables



Dates



Pistachios



Wheat flour

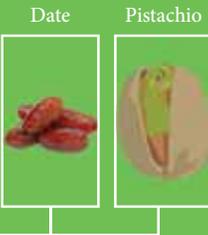


Iran's World Ranking (2016)

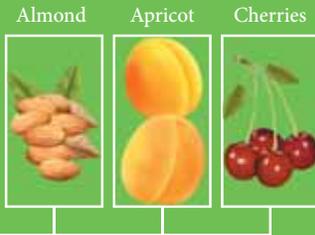
1st



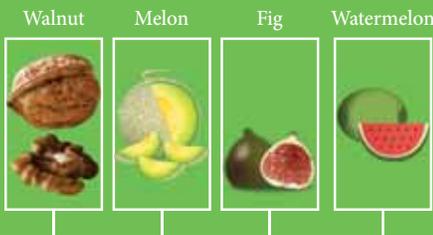
2nd



3rd



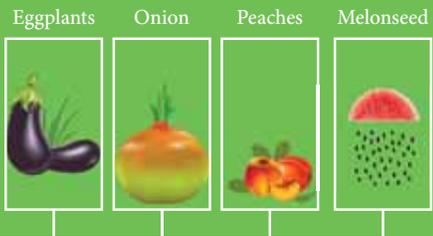
4th



5th



6th



7th



8th



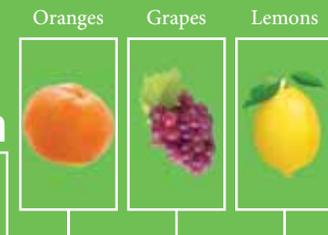
9th



10th



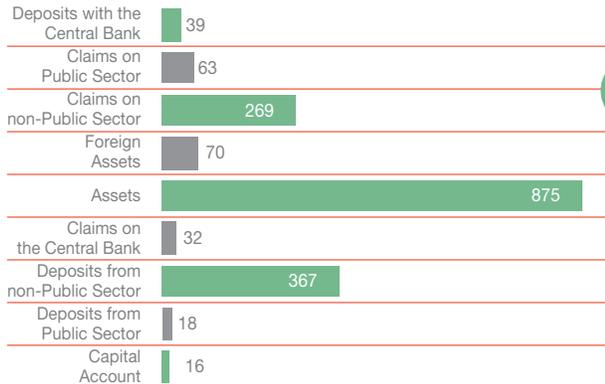
10th



Islamic Republic of Iran: Banking System & Stock Market

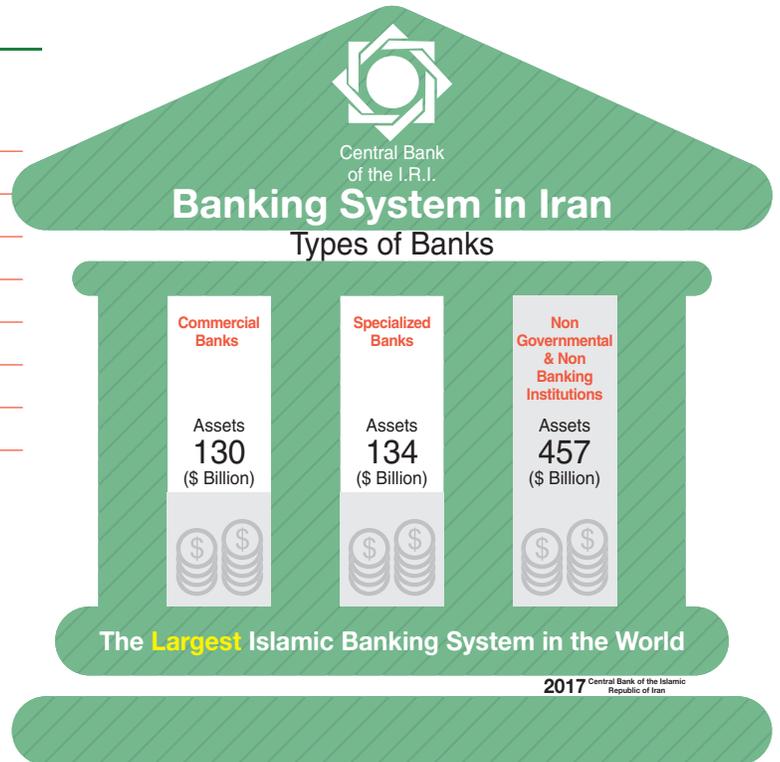
Iranian Banking System

Key Financial Indicators, 2016 (\$ Billion)

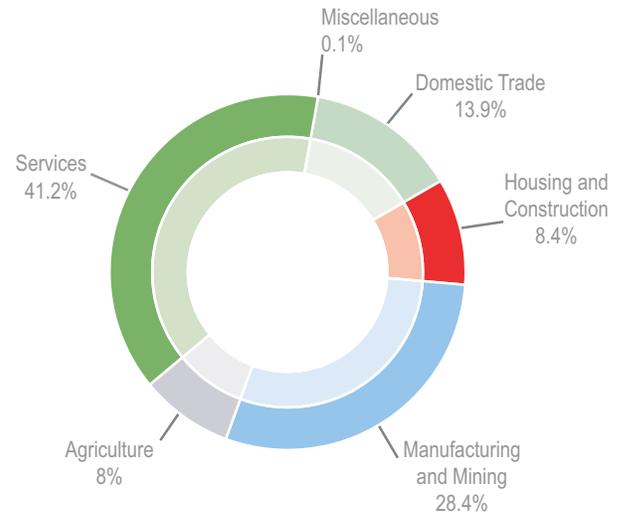


Bank Brand Value Regards Islamic Banking

No	Islamic Banking	BV 2017(\$M)
1	DUBAI ISLAMIC BANK	580
2	Emirates NBD	502
3	Abu Dhabi Islamic Bank	435
4	Bank Melli Iran	252
5	Abu Dhabi Commercial	195
6	NBK	185
7	Qatar Islamic Bank	161
8	Sharjah Islamic	57
9	Union National Bank	45
10	Mashreq	31



Share of Major Economic Sectors in the Facilities Extended by Banking System 2017



Developed Infrastructure and Institutions

29.5 % MENA Average



World Bank
Ease of Doing
Business Ranking 2018
4/20 in MENA
Getting Credit

4th

Account of a Formal Financial Institution (% age 15 +)

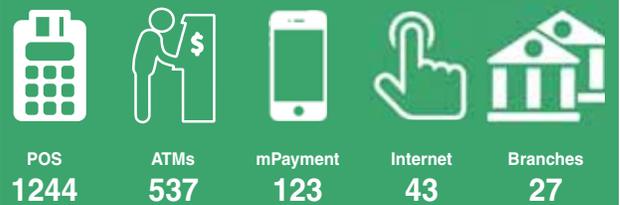
419 M Debit Cards

51903 ATMs

Bank Branches 24966

2017

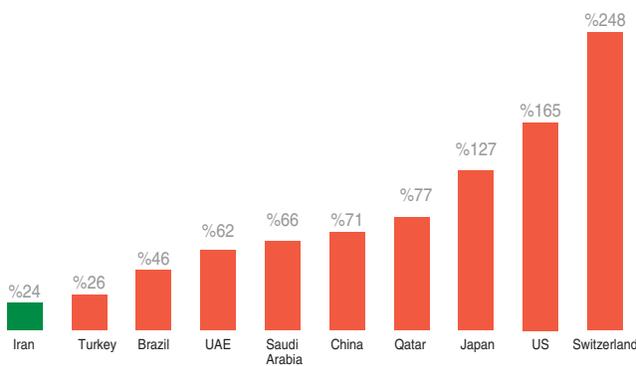
Number of Banking Transactions per Month in 2018 (Million)



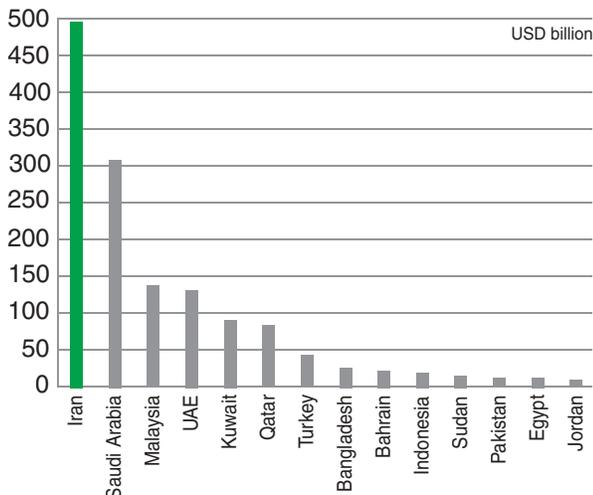
Comparison Market Capitalization

no	Country	Market Capitalization (\$bn)
1	United States	32,120,702
2	China	8,711,267
3	Japan	6,222,825
4	Switzerland	1,686,497
5	Brazil	954,715
6	Saudi Arabia	451,378
7	United Arab Emirates	239,387
8	Turkey	227,511
9	Qatar	130,610
10	Iran, Islamic Rep.	108,634

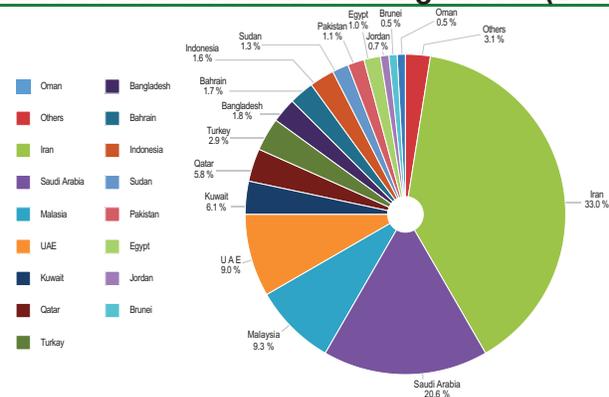
Market Cap/GDP Market Capitalization 2017



Islamic Banking Assets (2016)



Shares of Global Islamic Banking Assets (2016)



Iran Capital Market



An Untapped Market

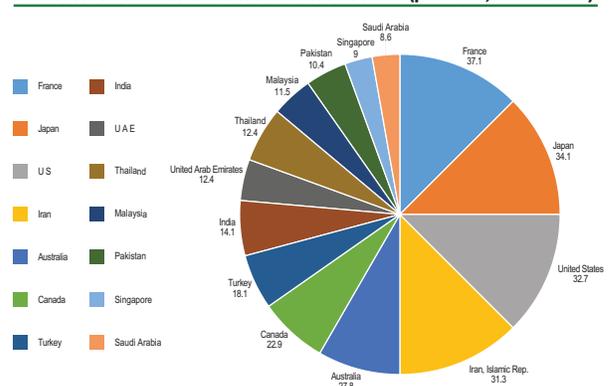
As the oldest capital market in the region, Iran's capital market enjoys more than half a century of experience. Over these years, the capital market of Iran has fulfilled the investors' expectations and as a result it has been the most attractive market in the MENA Region. The Iranian capital market has followed global standards in its function as one of the major contributors to national economic growth. This market is supervised and regulated by the Securities and Exchange Organization of Iran (SEO) and includes four exchanges and a couple of corroborative bodies, such as the Central Securities Depository of Iran (CSDI).



2017



Commercial bank branches (per 100,000 adults)



Islamic Republic of Iran: Travel & Tourism



UNESCO World Heritage (23 Sites)



Shahr-e Sokhta
3200 BC



Lut Desert
3000 BC



Tchoghazanbil
1250 BC



Susa, late 13th to
5th century BC



Pasargadae
6th Century BC



The Persian Garden
6th Century BC



Shushtar Historical
Hydraulic System
5th Century BC



Bisotun
521 BC



Bam and its Cultural
Landscape
6th to 4th Century BC



The Persian Qanat
6th Century BC



Takht-e Soleyman
6th Century



Armenian Monastery
7th Century



Gonbad-e Qabus
1006 AD



Masjed-e Jami of
Isfahan 12th Century



Soltaniyeh
1302-12 AD



Tabriz Historic Bazaar
Complex 13th Century



Sheikh Safi al-din
Khaneqah
16th & 18th Century



Golestan Palace
18th Century



Cultural Landscape of
Maymand



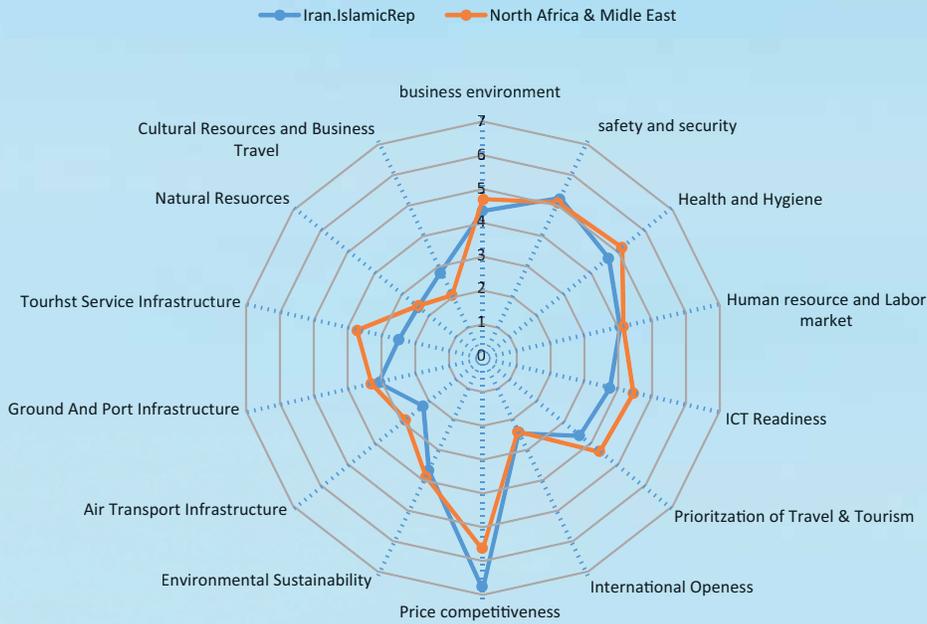
Historic City of Yazd



Sassanid Archaeological
Landscape of Fars Region



World Economic Forum, The Travel & Tourism Competitiveness Index (2017)



International Rankings 2013



United Nations
World Tourism Organisation

Tourist Attraction Ranking

48th



United Nations
World Tourism Organisation

Ecotourism Ranking

7th

2017



United Nations
Educational, Scientific and
Cultural Organization

World Heritage Sites Ranking

11th



Number of Accommodations 2016

3,408



Number of Rooms

93,110



Number of 4-Star & 5-Star Hotels

141



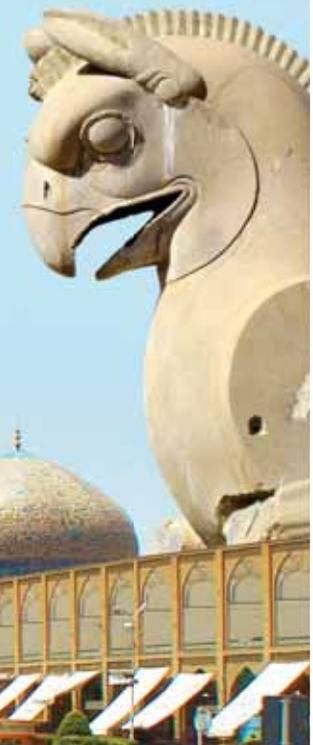
Number of Beds

248,392

Persepolis
6th Century BC



Meidan-e Emam, Isfahan
17th Century



Islamic Republic of Iran: Laws & Regulations

(Related to Foreign Investors)

Foreign Investment Promotion and Protection Act (FIPPA)

Some Features & Advantages of FIPPA

The possibility of **Registering** an Iranian company with 100% foreign Capital



The possibility of **Investment** by foreign natural and juridical persons and Iranians living abroad



Allowing investments in **All areas** which are permitted for the private sector



Issuing a **3-year residence license** for foreign experts



Quick approval of foreign investment applications and granting protection coverage for all foreign investment schemes

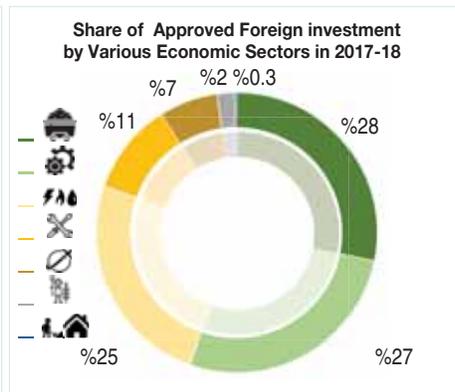
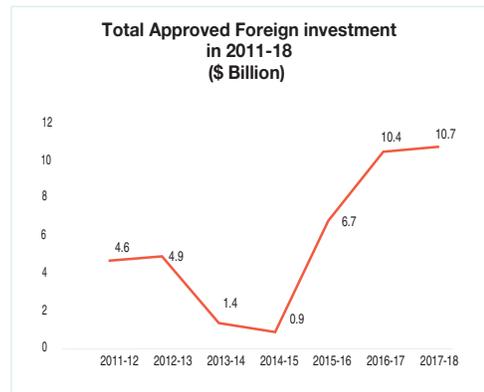
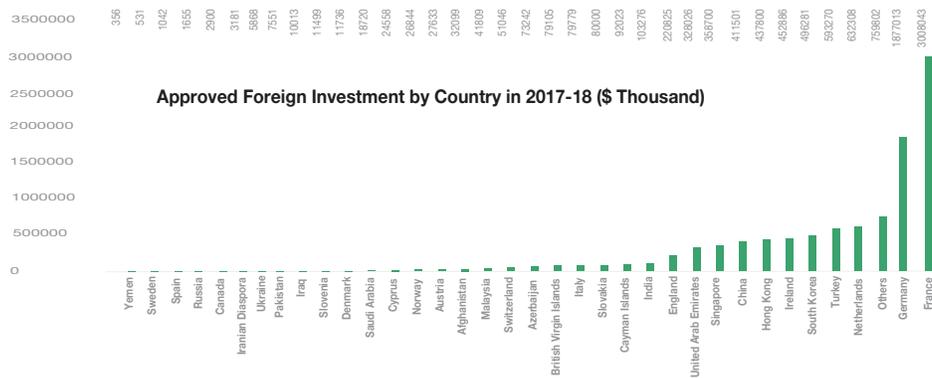
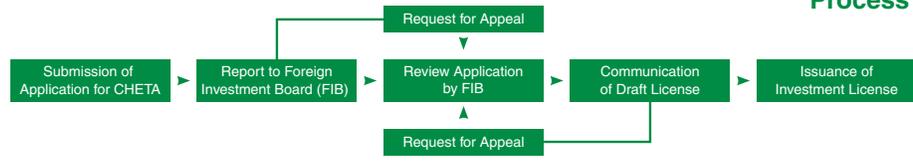
Expropriation and Nationalization

Unlimited Transfer of Capital and dividend



Direct Investment (Equity Participation) in All Areas Open to the Iranian Private Sector without Any Limitations on Percentage of Foreign Shareholdings

Investment Licensing Process



Approved Foreign Investment in Various Economic Sectors in 2017-18 (\$ Thousand)

 Supply of Water, Electricity and Gas	2,647,189	 Agriculture	211,951
1 Renewable Energy	1,520,373	1 Cultivation	1,721
2 Power Plant	144,355	2 Fishery	1,480
3 Other	982,461	3 Financial Services	208,750
 Transportation and communications	711,251	 Industry	2,971,674
1 Post and Telecommunications	126,354	1 Medical Equipment Industries	8,624
2 Maritime Transportation	93,776	2 Electronic and Household Appliances	715,337
3 Land transportation	1,435	3 Cellulose Industries	9,819
4 Rail Road Transportation	60,000	4 Chemical Industry, Petroleum Products	812,136
5 Air transportation	429,686	5 Basic Metal Industries	175,654
 Services	1,142,932	6 Machinery Equipment & Metal Products industry	3,260
1 Financial Services	369,876	7 Mineral Products Industries	55,614
2 Other services (design, engineering,..)	70,010	8 Food and Drink Beverage Industries	395,810
3 Tourism	32,907	9 Clothing and Leather Industries	5,208
4 Public Utility	670,139	10 Automotive Industry	790,212
 Mine	3,009,124	 Building	28,329
1 Crude oil and Natural Gas	2,538,641	1 Building Material	28,329
2 Other mines (exploration and processing)	470,483	Total	10,772,450

Legal Framework

Advantages of Foreign Investment Promotion and Protection Act

-  No limits on:
 - Investment Volume
 - Types of Capital Imported
 - Profit Transfer
 - Equity Percentage
 - Capital Repatriation
- 
 - Facilitating the entry and residence of foreign investors
 - Hedging non-trade risks
- 
 - Reducing the process of admission and licensing of foreign investment
 - Admitting investments by foreign public companies
- 
 - Compensating the loss incurred due to expropriation or nationalization
 - Allowing Iranian nationals to invest capitals of foreign origin, as foreign investors
- 
 - Making possible the referral of disputes to international arbitration
 - Providing support for previous investments of foreigners

Free and Special Economic Zones



● Special Economic Zones
● Free Zones

Investment Facilities In Free Zones

- A 20-year-tax exemption
- No visa required for foreigners
- Custom exemption
- Easy registration of companies
- Easy circumstances for re-export and transit of commodities
- Possibility of exporting products to the mainland
- Long-term lease of land to foreigners
- Suitable rates for energy consumption

In Special Economic Zones:

- Reducing customs procedures for import of goods from abroad or free trade zones
- No customs procedures for export of goods

TAX REGIME



- 25%** Flat Rate as **Fixed Corporate Income Tax**
 - 100%** Exemptions of Income Tax for 20 Years in **Less Developed Regions** (All Activities) 
 - 100%** Exemptions of Income Tax for 20 Years in **Free Trade Zones** (All Activities) 
 - 100%** Exemptions of Income Tax Derived from **Exportation** for Unlimited Time 
 - 80%** Exemptions of Income Tax for 4 Years in **Production Activities** 
 - 50%** Exemptions of Income Tax for Unlimited Time Derived from **Tourism Activities** 
 - 100%** Exemptions of Income Tax for Unlimited Time Derived from **Agricultural Activities** 
- Numerous Double Taxation Conventions (e.g. Germany and France)

Taxable Entities

- 1** All entities, whether natural or legal, for their properties inside Iran 
- 2** Any natural person residing in Iran for income earned inside and outside of the country
- 3** Any Iranian natural person residing abroad for all incomes earned in Iran.
- 4** Any Iranian legal entity for the incomes earned inside and outside of the country.
- 5** Any non-Iranian real or legal entities for the income earned in Iran and for the income gained through delegation of authority, dealership, technical and educational assistance or movie contracts in the territory of the Islamic Republic of Iran. 

Knowledge-Based Companies Legal Advantages

- 15 years exemption from  Tax Customs Tariff Export Tariff
- Financing knowledge-based companies
- Insurance coverage to reduce risk
- Facility to participate in tenders
- Priority to attend in  Sci & Tech Parks Special Zones

Iran Tax System



Foreign investors in Iran can have the same supports and privileges that are offered to the Iranian investor. This means that both Iranian and foreign investors pay the same rates of tax. Tax exemptions and discounts are also equally granted to domestic and foreign investors.

Islamic Republic of Iran: Political Structure & History

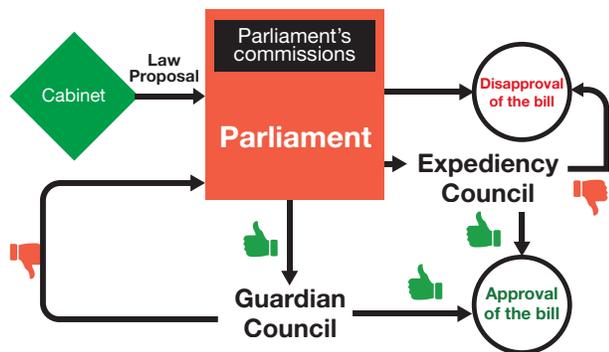
In a region faced with instability, the Islamic Republic of Iran has been a stable and thriving state despite a plethora of domestic problems, international crises and sanctions imposed over the past 37 years, and confrontations designed to bring about regime change and the Iranian nation to its knees, which instead have served to build the region's most resilient economic and political system.

A complex hybrid system of governance, combining both directly and indirectly elected and appointed expert-run institutions, has allowed Iran to steadily achieve its strategic objectives built on consensus of the nation's citizens.

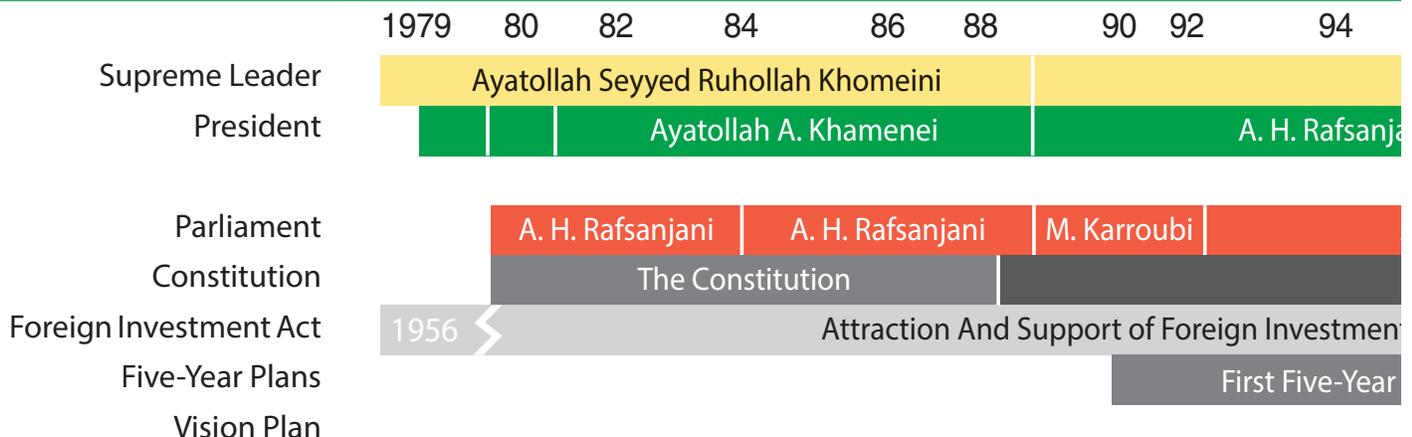
The Iranian Parliament (Majles-e Shoraye Eslami) is a directly-elected body tasked with overseeing the Cabinet and formulating legislation. All legislation must be approved by the Guardian Council (Shoray-e Negahban), an example of an indirectly-elected body. The Council consists of 6 Jurists elected by the Parliament and 6 Theologians appointed by the Supreme Leader, who are elected and supervised by the Assembly of Experts (Majles-e Khobregan), a directly elected chamber of 88 representatives.

The Supreme Leader has the power to appoint the heads of the judiciary and the armed forces to ensure separation of administrative branches. The Supreme Leader also relies on a group of experts, the Expediency Council (Majma-e Tashkhis-e Maslahat-e Nezam), to facilitate decision-making and resolve administrative conflicts between the branches.

The Legislative Process



Political and Legislative Timeline



Supreme Leader

(Magham-e Moazam-e Rahbari)

The Guardian Council (Shoray-e Negahban)

12 members (6 Theologians , 6 Jurists)
Membership made up of 6 theologians selected by the Supreme Leader and 6 jurists elected by the Majles from a list of jurists nominated by the Chief Justice.

- Supervises elections for the Assembly of Experts, the President and Parliament and vets candidates.

- Power to examine the compatibility of legislation with Islam and the constitution and to veto legislation.

- Power to approve/reject political appointments and electoral candidate

Chief Justice

Appointed by Supreme leader (5-year term)

Managing the affairs of the judiciary, Preparing judicial bills, Recruiting, and appointing and dismissing judges.

Assembly of Experts (Majles-e khobregan)

88 Seats, Elected by public vote (8-year term)

Selection and dismissal of, and supervision over, the Supreme Leader

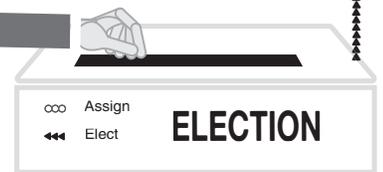
Islamic Parliament of Iran (IPI)

-290 Seats
Elected by public vote (4-year term)

- Supervision over president and the delegation of ministers
- Approval of Foreign contracts
- Ordaining the laws

Expediency Council

Appointed by Supreme Leader (5-year term)
Expediency Council plays a mediating role between the Parliament and the Guardian Council



Determining the country's general policies and supervision over accuracy of executing general policies.
 Commander-in-Chief of the armed forces.
 Resolving issues and overseeing the relationship between the three branches of the government.
 Resolving issues facing the government that cannot be resolved through other means.
 Solving the government's calamities which are not resolvable through ordinary methods.

President

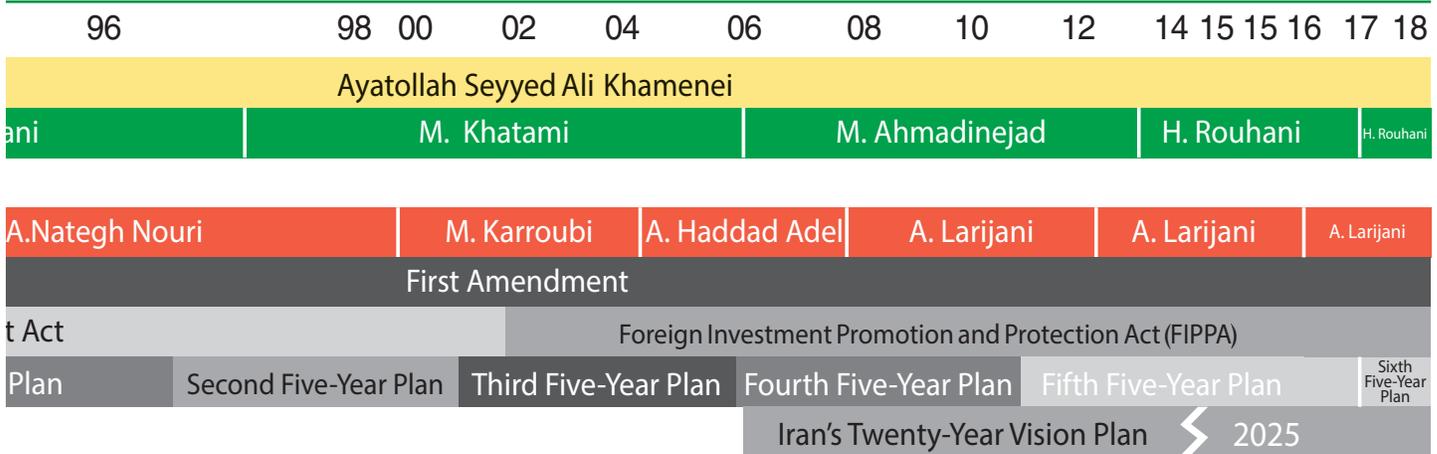
Executive management of the country
 Execution of constitution
 Elected by direct vote (4-year term; may not serve more than two consecutive terms).

National Organizations, including:

- Plan and Budget Organization (PBO)
- Iran Cultural Heritage, Handicrafts and Tourism Organization (ICHTO)
- Central Bank of Iran (CBI)
- The Islamic Republic of Iran Customs Administration (IRICA)
- Securities & Exchange Organization (SEO)
- Organization for Investment, Economic and Technical Assistance of Iran (OIETAI)
- Trade Promotion Organization of Iran (TPO)

Ministries, including:

- Ministry of Economic Affairs and Finance (MEAF)
- Ministry of Industry, Mine and Trade (MIMT)
- Ministry of Petroleum (MOP)
- Ministry of Energy (MOE)
- Ministry of Roads & Urban Development (MRUD)
- Ministry of Information and Communications Technology (MICT)
- Ministry of Agriculture Jihad (MAJ)





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