



***Investment
Opportunities***
in

IRAN

2018

MESSAGE FROM OIETAAI:



Iran is a country of dynamic economy in the Middle East and Central Asian region. It has much potential not yet being utilized. Huge market, highly educated manpower, solid industrial base, sophisticated private sector, entrepreneurial expertise, diversified range of energy, telecommunication, transportation, as well as public utilities, are the factors that make our economy vibrant and attractive.

There are many foreign companies seizing the opportunity ahead of their competitors. Compared to most oil-rich countries in the Middle East, Iran has a diversified economy. While the oil and gas sector gets the most attention, Iran's diversified economy is attracting companies across mine and industries. In addition, consumer-oriented sectors are counting on Iran's large (nearly 80 million), young (more than 60% under 30 years old), and urbanized (more than 70%) population to be loyal customers in the future.

With Iran's rise as a regional and international economic power with lots of comparative and competitive advantages and the new historic role in envisaged for contribution of private sector in the national economy, the country is mostly focused on transfer of high technology, modern managerial skills, higher local completion and new export markets in the context of its foreign investment promotion program to assist in forming an efficient and sound coalition between the local private sector and foreign investors.

Foreign economic and trade negotiations with our partners are advancing in the right directions. Iran has been the high destination of many trade and financial delegations in the past few years, all seeking to define and secure a share for their respective economies.

Organization for Investment, Economic and Technical Assistance of Iran (OIETAI), is the official authority for the promotion of foreign Investments, and for all issues pertaining to Foreign Investment in Iran. The Organization is legally empowered to represent the central investment promotion authority of the Government of the Islamic Republic of Iran by providing legal protection and full security to foreign investments by way of facilitating the flow of capital into the country under the Foreign Investment Promotion and Protection Act (FIPPA) ratified in May 2002.

Generally speaking, the FIPPA provides full security against the risks which are generally referred to as «non-commercial risks». The risks related to transfer issues and expropriation remains as the core stone of the risks attributed to an investment in a recipient country. FIPPA honors all the rights and entitlements of investors by way of facilitating and making the necessary foreign exchange available for transfer purposes, being issues related to transfer of profit as well as issues related to capital repatriation. In fact, the FIPPA recognizes the transfer right as the most fundamental right of foreign investors. There is no limitation to the amount of the profit to be transferred as well as to capital and gains on capital to be repatriated.

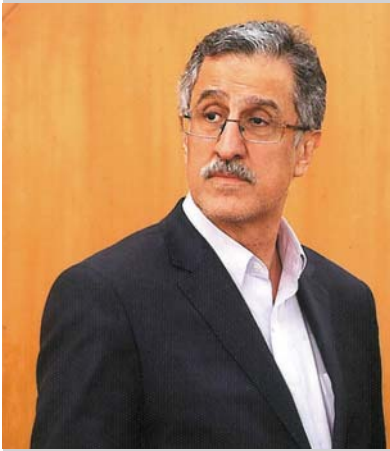
Iran's doors are open to international financial activities. Economic players in Iran are waiving with open arms for international investors. Iranian government mobilized all its energy and resources to do better management of Iran's economy.

Furthermore, presenting the capabilities and advantages of business and investment is one of the most effective factors in order to attract local and foreign investors. In order to cooperate with the Iranian private sector, OIETAI offers great opportunities in many business sectors aimed at attracting foreign investment.

The O.I.E.T.A.I would be pleased to welcome you in Iran in case you wished to visit our premises.

*H.E. Mohammad Khazaei
Former P.R. and Ambassador of Iran to the United Nations
The President of Organization for Investment, Economic and
Technical Assistance of Iran*

MESSAGE FROM THE PRESIDENT OF TCCIMA:



Since the 2nd century BC Iran has been at the heart of the Silk Road, facilitating trade and commerce as well as acting as a hub for exchange of ideas and knowledge between East and West. The wider frameworks that governed the region's economic exchange for two millennia remain intact to this day. Being the 18th largest economy worldwide, Iran is the final major market to be untouched by the global economy and has yet to reach its fullest potential in the international market.

It is our goal in Tehran Chamber of Commerce to ensure that Iran's natural as well as human resources are utilized fully to boost high economic growth, offering profitable opportunities to investors and creating jobs for the country's youthful population. Traditionally, the main focus of our trading partners has been the country's natural resources, particularly those of oil, gas, and petrochemicals. While these resources are undoubtedly crucial to our economy and capable of creating a mutually beneficial scenario for our partners by offering greater diversification and security of supply, it is also imperative that more attention is paid to fostering the growth and development of the Iranian private sector, especially SMEs involved not only with the production of goods and services, but also with innovation and the development of new industries.

To this end, TCCIMA has formed a **Center of Investment & Consultancy Services** comprising prominent members of the TCCIMA board with first-hand experience to facilitate contact between its members and their counterparts in the global ecosystem. The objective is to provide a vibrant platform for the exchange of ideas, sharing experiences and development of new professional services apt to help foster new relations and partnerships which is imperative for the creation and successful realization of joint ventures, with the outlook of serving the interests of Iran as well as of the wider region.

As the President of TCCIMA, I invite you to visit Iran and perceive the opportunities our country has to offer as a basis for mutually beneficial co-operation.

*H.E. Masoud Khansari
President of Tehran Chamber of Commerce,
Industries, Mines and Agriculture*

HEAD OF CENTER'S MESSAGE:



TCCIMA Introduction:

Established in 1976, Tehran Chamber of Commerce, Industries, Mines and Agriculture is the largest economic organization in the private sector of Iran with more than 17,000 active members.

Acknowledging the need to sustain joint collaboration between Iran and other countries in order to develop Iran's economic development, TCCIMA has been a key player in the private sector of Iran and has played a central role in attracting foreign investment and sustaining economic development over the past few years.

Iran's current economic environment is at a time of transition, and we are eagerly looking forward to strengthen our mutual collaborations with the international communities to materialize economic growth. I am delighted to announce that TCCIMA prominent members, all of whom hold a solid grasp of both Iran as well as the international business environment, have come together to form a **Center of Investment & Consultancy Services** to help with facilitating of Iran's economic growth and accelerate relations with foreign investors. This Center seeks to accomplish the following targets:

- Become Iran's "Voice of Business";
- Promote economic growth;
- Enable Iran's private sector to participate effectively in international economy;
- Play an effective role in maintaining infrastructure, economic growth and development, and improving social welfare;
- Develop domestic association and cut back on government's interventions in economy;
- Disseminate useful information, provisions and necessary coordination;
- Conduct research and investigations to find business opportunities in Iran;
- Unify domestic organizations and foreign agencies to attract more foreign investors;
- Provide necessary consultancies and legal trainings;
- Establish business protocols with other countries' chambers of commerce.

It is our firm belief that through sustainable investment, economic development of our country is not out of reach. Holding more business meetings can help highlight Iran as a new market of global significance and provide insight into the best practices in extending its cooperation with international communities.

It is our aim to provide foreign investors who wish to explore Iran market and its opportunities by providing tailor-made advices and services through our professional experts on the one hand, and on the other hand, offer a platform to Iranian companies that have aptitude to grow globally to flourish and reach their real potentials and positions.

Center's Missions:

- To provide an efficient organization for streamlining and expediting the affairs that are related in any way to foreign investment in Iran;
- To identify economic sectors with the greatest competitive advantages and promote and facilitate partnership between Iranian companies and their international counterparts;
- To provide a platform for networking, cooperation, sharing and dissemination of ideas and information between our constituents and investors through seminars, B2B meetings and trade missions;
- To act as a consultant to potential investors on issues ranging from company and business law, foreign investment regulations, tax regulations, social security, etc.;
- To outline Iran's current landscape for investment attraction, with regards to its sectorial, regional and functional aspects, and presenting it with the subject countries in appropriate formats;
- To identify gaps, desired outcomes and mechanisms for information service provision and provide speculations and prediction on investment decisions and foreign investors' activities;
- To help investors and local partners with necessary consultancy services to reach a joint agreement;
- To work with different organizations such as international law and consultancy firms to develop a strategy for investment promotion in Iran.

Providing Investment Security and Transparency:

Two factors are essential for shaping a favorable environment to attract foreign direct investment: first; the government and the private sector cooperate effectively and, second; pursue delivery of comprehensive strategic plans and systematic cooperation of both sides. To this end, TCCIMA and "*Organization for Investment Economic and Technical Assistance of Iran*" has signed an MOU with the following missions and goals:

- Collecting information and evaluation of Brownfield and Greenfield projects;
- Prioritizing industries and economic sectors by regional potential area;
- Creating a comprehensive information system to evaluate companies;
- Implementing Single Window platform.

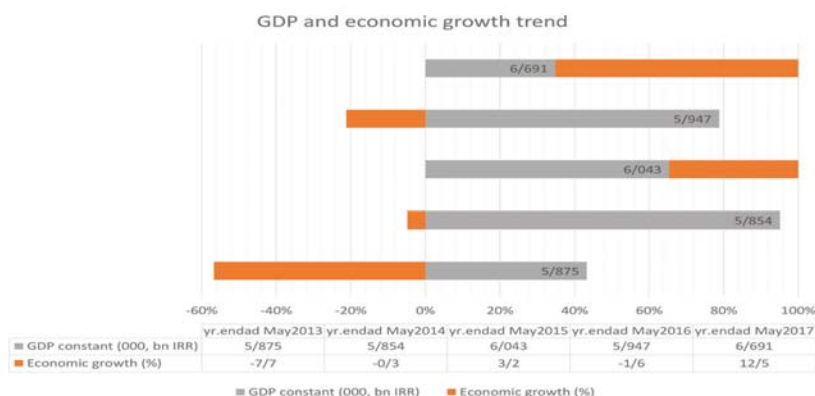
Ferial Mostofi
President Center of Investment & Consultancy
Services





IRAN AT A GLANCE:

Iran is the second largest economy in the Middle East and North Africa (MENA) region after Saudi Arabia, with a Gross Domestic Product (GDP) of 405 billion USD in the year ended March 2017. Iran is also the second most populated country in the region, after Egypt, with 80 million inhabitants.



Inflation:

In the year ended March 2017, the inflation rate became one-digit, although it witnessed a small surge from 9% to 10.3% by the end of July 2017.

Employment-Unemployment:

In the year ended March 2017, Iran active population amounted to approximately 25.8 mn with unemployment rate of only 12.4%. Economic contribution of employed individuals in the same year was 50.1% for services, 31.9% for industries, 18% for agriculture sector.

Inflation Rate Trend (%)

	yr. ended March 2012	yr. ended March 2013	yr. ended March 2014	yr. ended March 2015	yr. ended March 2016	yr. ended March 2017	July-2017
Inflation Rate	21.5	30.5	34.7	15.6	11.9	9.0	8.4

Source: CBI

Foreign Trade:

Iran's non-oil export in the year ended March 2017 amounted to roughly 43.940 bn USD, which exhibited a 3.54% increase in comparison to the year that ended March 2016. Also Iran's import in the year ended March 2017 reached 43.648 bn USD, which showed a 5.16% increase compared to the previous year.

China is Iran's largest trading partner accounting for 41.5% of total imports and 30% of Iran's exports in the year ended March 2017. The UAE is Iran's second trading partner, and roughly 25% of Iran's total trade was made with this country. Iraq is Iran's third export market, accounting for nearly 22% of total export.

IRAN ECONOMIC ADVANTAGES

Strategic Location:

Iran's central geopolitical situation in the Gulf region means that the transport of oil, gas and other resources can only take place through land and water routes that go through Iran. Therefore, Iran's privileged geographical location provides the best routes for transporting oil and gas from the exporting countries to the receiving end of the supply chain. Hormoz Strait is the vital energy bottleneck through which affluent neighboring Gulf countries such as Iraq, Kuwait, and Saudi Arabia are able to transport their fossil resources. Having two separate coastlines at its north with Caspian Sea and its south with Persian Gulf and Oman Sea; gives Iran a coastline of 5,800 km length which provides the shortest possible route for distribution of energy to the Caspian region. Ultimately, Iran enjoys a privileged position in transit, due to accessing the Eurasian countries from the north and from the east to the Central Asian countries and from the west with Turkey; thus Iran is also an important constituent of the Silk Road.

Exchange rate average (USD/Rials)

	yr. ended Mar 2013	yr. ended Mar 2014	yr. ended Mar 2015	yr. ended Mar 2016	yr. ended Mar 2017
Official CBI rate	12,260	21,253	26,509	29,580	31,389
Market rate	26,059	31,839	32,801	34,501	36,440

Source: CBI

Abundant Natural Resources:

Iran is exceedingly rich in mineral resources, including 68 types of various mining resources with about 37 bn tons of proven reserves, and more than 57 bn tons of potential reserves which worth about 700 billion USD and makes Iran to be ranked the 15th in terms of its mining reserves in the world.

Iran has the 4th world largest oil reserves by 158 billion barrels and has the largest proven natural gas reserves in the world with over 1,201 trillion cubic feet.

Energy Security:

With 158.4 bn (source: BP) barrels Iran holds about 9.3% of the world's proven crude reserves. Given the current level of Iran's production, the country will be able to remain as one of the world's leading oil exporters for another 94 years. With regards to its gas resources, Iran holds 33.5 TCM, i.e. 18% of the world's proven natural gas reserves, which will provide natural gas output for the next 165.5 years by maintaining current production.

Young Educated Labor Force:

Young population is one of the hallmarks of Iran. The average age of the population in Iran was announced 31.1 years in the year ended

March 2017. More than 25.1% of Iran's population is between the ages of 15 to 29, providing the country with a "demographic advantage".

Iran is one of the forerunners of having the highest number of secondary school graduates attending universities in the world. On average more than 4 million students enroll in the universities of Iran each year and the total number of university students has doubled over the past 10 years.

Low Skilled Labor Force Cost:

With the youngest and highest educated workforce in the region, Iran also has the lowest monthly wage in the Middle East. Foreign investors can enjoy the benefits of highly trained workforce with the minimum monthly wage of 244 USD.

Vast Domestic Market with a Population of 80 Million:

With a population of 79.9 million, Iran is ranked the 17th in the world and the second country in the region following Egypt in terms of population. Not surprisingly and in light of Iran's booming economy there is now a large middle class with increased income that are changing the consumption patterns and their annual family net expenditures are rising rapidly.

Neighboring a regional market with approximate population of 350 to 400 million inhabitants (Regional Markets' Hub):

Iran is surrounded by a number of countries, which lack the sufficient infrastructures for the industrial development. Iran is the frontrunner in terms of industrialization among its neighboring countries including Azerbaijan, Turkmenistan and Armenia which means that Iran can win over the markets (of around 300 mn) of these countries and also becomes an import/export hub in the region.

Security and Political Stability:

Over the past few years and despite the rise of radical Islamic movements and terrorist attacks on a global scale on the one hand, and ongoing civil wars and internal conflicts in the Middle East region on the other hand; Iran has managed to powerfully safeguard its mainland and borders hand; remain immune to these regional and global threats and be named as the safest country in the Middle East and West Asia.



TEHRAN CHAMBER OF COMMERCE,
INDUSTRIES, MINES AND AGRICULTURE

Sectors

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Investment Opportunities in Iran



Oil & Gas





Oil and Gas:

Being ranked the second country in the world with highest amount of gas reserves and gas exports, it is not surprising that its Petroleum industry makes Iran's main source of income and therefore a paradise for investors. Most of Iran's oil reserves (about 80%) were discovered before 1965, 70% of which are located onshore. The offshore reserves are located in the Persian Gulf mainly. According to "National Iranian Gas Company"; Iran's proved gas reserves are 33.8 TCM in 2014. The oil and gas industry has been the engine of economic growth in Iran, directly affecting public development projects, the government's annual budget, and most foreign exchange resources. According to OPEC 2016 report; Iran's Petroleum industry produces about 3.7% (in 2016) of the world's total crude oil (3.8 million barrels per day). The last figures that were released by Iran's Central Bank indicated that this sector constituted about 37.8% of total government revenues.

Having been ranked as the 7th country among the members of Organization of Petroleum Exporting Countries (OPEC) in 2015, Iran exports 1.08 million barrels of crude oil in 2015 and 1.9 million barrels of crude oil in 2016 a day. Some of the features of Iran's Oil and Gas sector are as follows:

- Owning 9.3% of the world's proven oil reserves.
- Iran ranks the 4th on a global scale in terms of its 158 bn barrels of oil reserves.
- Iran is endowed with 62 onshore oil fields, 16 offshore oil fields, 20 onshore gas fields, and 2 offshore gas fields that are currently operational in the country.
- Following the uplifting of the sanctions in the year 2015, Iran's production of oil increased to 3,651 from 3,152 barrels per day and its export of oil witnessed a surge from 1,081 to 1,922.
- Having the shortest route to the large gas market (Caspian region, South East Asia, etc.)
- High production potential (about 1 TCM/Day in the next 4 years, via South Pars and other reserves development).
- Broad infrastructure for taking gas to various consumption areas inside and outside Iran.
- Possibility of export, transit and swap via pipelines to Turkey, Armenia, Iraq, Azerbaijan, Pakistan, Europe, the Persian Gulf region and also via LNG to Asian and European countries.

Vision:

- In the 6th Five-Year Development Plan, the daily productions of oil, gas and gas condensate are projected to reach 4.5 million barrels, 1.3 billion cubic meters and 950,000 barrels respectively. (source: NIOC)
- The country plans to reach the second rank in oil and gas production capacity. (Vision 1404)
- Annual growth rate in employment, investment, efficiency in oil sector is estimated respectively about 2.1, 39.5 and 1.8 in the 6th Five-Year Development Plan.
- Export growth rate in the first year of the 6th Five-Year Development Plan should be about 1 billion and 110 trillion Rials equal to 49%

growth rate in comparison to the previous year.

- Inshore oil reserves in the country are about 712 billion barrels.
- Natural gas reserves is estimated 16.6% of total world reserves, 49% of MENA region reserves and 38% of total oil exporting countries.
- There are currently 184 fields comprising 390 reservoirs in the country, 171 of which are developed or under-developed and 209 have not been developed.
- With 22,000 km of national gas pipeline, Iran is considered to have one of the biggest networks in the world.



Mining





Mining:

According to the global statistics, Iran is one of the top 10 countries in the world and the first country in the Middle East with rich mineral resources. With 7% of world's mineral reserves being located in Iran, the country has got variety of opportunities to offer. There are wide variety of mineral resources such as zinc, iron, copper, lead, coal, uranium, chromate, manganese, etc. that are scattered over different parts of the country. Based on the investigations; around 6,000 mines have been identified with more than 68 types of minerals and there are 15,000 of mineral areas with proven reserves of 40 bn tons worth more than 770 bn USD. Some of the features of the Mining sector and its advantages in Iran are as follows:

- By having 12 large mines, Iran holds 8% of zinc reserves, 3% of world's lead, and is the 4th largest producer of decorative stones in the world.
- "Sar Cheshmeh" Mines in Kerman province contain the world's 2nd largest lode of copper ore.
- Endowed with 12% of the Persian Gulf region's aluminum reserves; Iran will boost the production rate to 1.5 million tons by 2025, and turns into one of the top 10 producers of aluminum in the world.
- There are currently 91,000 people employed in the Mining sector in Iran and around 19,000 more who are indirectly involved in this sector. (source: Statistical Center of Iran)
- With an annual output of over 35 million tons, Iran is one of the top 10 global producers of the iron ore.
- More than 70% of about 6,000 mines in the country are currently active.
- Iran's mining products represent about 4% of the country's non-oil exports. (2016)

Vision:

- As the investment rate, and private sector involvement increase, the mineral production rate is categorically expected to boost in the coming years.
- As Iran aims to diversify its economic strengths, its precious stones have become a token of admiration for the investors, as well as a profitable industry for the country.
- Total foreign investment in mining sector according to the 6th Five-Year Development Plan is to attract more than 15 billion USD.

Industry





Industry:

Iran has the largest and the most extended industries among the countries in MENA region and enjoys sufficient infrastructures in upstream, downstream and knowledge-based industries.

Iran's petrochemical industries provide most of the world market necessities by the annual production capacity equal to 60 mn tons. Petrochemical, steel, cement and automotive industry are among the country's most prominent and successful industries. Some of the features of these four industries are as follows:

- Iran's petrochemical industry has more than half a century of experience and its production capacity reaches over 61.9 mn tons by operating numerous development projects now.
- Iran's total petrochemical production was 50.7 mn tons in the year ended March 2017 and in comparison to the nominal capacity, the average percentage of production was 79.2% during this period.
- Presently, Iran is known as the greatest steel producer in the Middle East.
- With 17.9 mn tons of crude steel production, Iran is ranked 14th on a global scale in the year 2016.

Million tonnes Crude Steel Production		
Rank	Country	Tonnage
1	China	808.4
2	Japan	104.8
3	India	95.6
4	United States	78.5
5	Russia	70.8
6	South Korea	68.6
7	Germany	42.1
8	Turkey	33.2
9	Brazil	31.3
10	Ukraine	24.2
11	Italy	23.4
12	Taiwan	21.8
13	Mexico	19
14	Iran	18.8

Source: World Steel Association 2017

- Producing 77 mn tons of cement per year, Iran is ranked 13th in the world in this industry.
- Iran exports cement to some two dozen countries including Iraq, Azerbaijan, Turkmenistan, Afghanistan, Russia, Kazakhstan, Kuwait, Pakistan, Qatar, Turkey, the UAE, Georgia, Oman, India, and China.
- Iran's automotive industry is deemed as the second most important branch of the national economy, after the oil and gas industry with a turnover of 26 bn USD.
- In 2016, Iran became the world's 18th large automotive manufacturer with an annual production capacity of 2 mn vehicles and over 8,000 people working in this industry.

Iran's rank in cement production in 2016		
Rank	Country	Production capacity (million tons)
1	China	2,410
2	India	290
3	United States (includes Puerto Rico)	85,9
4	Turkey	77
5	Vietnam	70
6	Indonesia	63
7	Saudi Arabia	61
8	Brazil	60
9	Japan	56
10	Russia	56
11	Egypt	55
12	Korea	55
13	Iran	53

Source: USGS 2017

New car sales will grow from 2016 onward with a CAGR of 16% p.a. until 2020 in an optimistic scenario



Source: IHS Global Insight; Frost & Sullivan; Roland Berger

Vision:

- Iran intends to increase its petrochemical production capacity to 100 mn tons per year as has been predicted by the country's officials.
- According to the 6th Five-Year Development Plan, Iran plans to surge its steel production capacity from the current 23 million tons to 40.3 million tons by 2025.
- In 20 Year Vision Plan (2005-2025), Iran seeks to increase its steel production capacity to 55 mn tons of crude steel and 20-25 mn tons of export per annum and become the world's 6th largest steelmaker.
- Iran seeks to diversify and expand its auto industry and has so far signed contracts with major car companies including a 436 million USD joint-venture with France's PSA Group (Peugeot-Citroen) and similar contracts with other worldwide famous companies such as



Infrastructure





Infrastructure:

Iran enjoys a strong and widespread infrastructure in most of its sectors. Iran has a wide range of communication networks including over 214,000 km of road and almost 11,000 km of railways. Other features of modern Iran are, enjoying over 600 operational dams and power plants that generate 76,000 MW of electricity production. Iran transport portion in total GDP is about 9% (2014).

According to 2016 statistics; Iran's railroads transport about 23 million passengers per year via 2,000 operating passenger wagons.

- A booming consumption and production together with new ways of electricity generation, lead Iran to have a promising perspective in electric power industry. Iran's electricity domestic consumption and production rates have steadily grown together since 1984.

Consumption has constantly risen, and it is expected to rise at about 6 percent per year, over the following decade. Iran ranked 14th largest producer, and 17th largest consumer of electricity in 2015 in the world. With numerous projects underway, Iran has offered more incentives to encourage Iranian and foreign investors to invest in electricity generation sector.

- Iran is among the top ten manufacturers of gas turbines in the world. Further it has sustained technical expertise to set up hydroelectric, gas, and combined cycle power plants. Not only is Iran self-sufficient in terms of power plant construction, but also has concluded a number of important contracts on implementing projects in the neighboring states.

- Demographic trends and intensified industrialization have caused the electric power demand to grow by 8 percent per year. Iran is also experimenting electricity generation from organic wastes, and plans to build power plants using sewage and organic waste of domestic and industrial origin, as fuel. With nearly 300 clear sunny days a year, and an average rate of 2,200 kilowatt-hour solar radiation per square meter, Iran has a great potential to try out the solar energy as well.

Quality of Overall Infrastructure	
Index Component	Rank (Out of 137)
Quality of Overall Infrastructure	75
Quality of Roads	71
Quality of Railroad Infrastructure	42
Quality of Port Infrastructure	71
Quality of Air Transport Infrastructure	105
Available Airline Seat Kilometers million/week	53
Quality of Electricity Supply	67
Mobile-Cellular telephone Subscriptions/100 pop	99
Fixed telephone Lines/100 pop	22

Source: The Global Competitiveness Report 2017-2018

Vision:

- The first train from China on the Silk Road Economic Belt arrived in Tehran on February 15, 2016 pulling 32 containers and arriving 30 days faster than the average route by sea.
- A Qazvin-Rasht-Astara railway could link St. Petersburg and the Iranian port of Bandar Abbas on the Persian Gulf, a 4,500-Km trip through Azerbaijan in which Iran is the missing link.
- It is Iran's Ministry of Roads and Urban Development's agenda as part of the objectives outlined in the 6th Five-Year Development Plan (2011-16), to create an airport city comprising of 1,500 hectare free trade zone and a 2,500-hectare special economic zone in a 13,700-hectare area surrounding Imam Khomeini International Airport.
- Iran has planned to expand Imam Khomeini International Airport by building a new terminal with the capacity to handle 20 million passengers a year compared to about 6 million in 2015 worth 2.8 billion.
- The port of Bandar Abbas which handles about 75 percent of cargo passing through Iran's Persian Gulf ports, is doubling its capacity from three million 20-Foot equivalent containers (TEUs) per year to six million.
- Based on the 20 Year National Vision Plan (2005-2025), Iran plans to increase the number of passengers using rail transport to 65 million per year.
- The country plans to boost its electricity generation capacity to more than 100,000 MW within the framework of the 6th Five-Year Development Plan (2016-2021).
- Iran's officials have stated that 17 billion USD is needed for electricity generation and over 7.5 billion USD is required in transmission, distribution and ultra-distribution sectors.
- It has also been estimated that, Iran has the potential to produce at least 6,150 MWh of electricity by wave power, generated by its coastline on Persian Gulf.



the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.4 billion.

As the world's population grows, the demand for food and other resources will increase. This will put pressure on the environment and on the world's food supply.

One way to meet this demand is to increase the amount of food that is produced. This can be done by using more land for agriculture, by using more water, or by using more fertilizers.

Another way to meet this demand is to increase the efficiency of food production. This can be done by using better farming techniques, by using better seeds, or by using better fertilizers.

There are many ways to meet the world's growing demand for food and other resources. It is up to us to decide which way is best.

One of the most important things we can do is to make sure that we are using resources wisely. This means that we should not waste food, water, or other resources.

Another important thing we can do is to make sure that we are using resources in a way that is sustainable. This means that we should not use resources in a way that will deplete them for future generations.

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Health





Health:

In recent decades, Islamic Republic of Iran has witnessed significant improvement in the health status owing to applied reforms in the primary health care, social determinants of health, and health equity. Despite fewer physicians and hospital beds per capita compared to countries with similar income and health expenses, healthcare related indices have got improved a lot during recent decades. It should be noted that improved life expectancy and reduced mother and infant mortality, despite limited resources is commendable, and it is an indication of relative efficacy.

Iran offers a wide range of state-of-the-art treatment, through an extensive network of highly-equipped hospitals, around 924 hospitals, and rehabilitation centers at reasonable costs.

An analysis of the costs of the various procedures shows that treatment costs in Iran are much lower as compared to the developed countries. Iran is also very cost competitive as compared to its regional competitors, including Jordan, Turkey, UAE, Saudi Arabia, and Bahrain as well as Southeast Asian countries such as Thailand, Singapore, Malaysia, the Philippines, and India.

Iran has a unique combination of healthy and pleasant climate, wonderful scenery, magnificent historical and cultural monuments as well as cutting-edge technology and sophisticated medical equipment.

Before the advent of medical tourism, as we know it today, Iran was known as a destination for treatment of Muslims, attracting thousands of visitors from Persian Gulf countries. In 2004, the government, realizing the potential of medical tourism, passed a law in the parliament as article 87 within the 4th Social, Economic, and Cultural Development Plan.

Today, medical tourism in Iran is an emerging cluster aiming to provide world-class medical facilities by public-private partnership. In the year ended 2015, the number of operating hospitals has reached 924 by which 567 belongs to Iran Ministry of Health, 156 to private sector and the rest of 201 are the other hospitals.

With 70 years of experience in producing medicine, Iran's pharmaceutical industry is working as one of the world and region's medicinal poles acquiring a wide and diverse range of raw materials and products. While focusing on the production of high-tech medicines that can be exported to the emerging markets, Iranian pharmaceutical companies are working hard to meet the demands, and to maintain the growth rate in the sector.

Some of the outstanding features of this sector are as follows:

- Islamic Republic of Iran has a well-developed and active private health sector; primarily concentrated in urban areas and playing a

major role in the provision of secondary and tertiary care.

- Iran is the largest manufacturer of generic chemical drugs across the Middle East & North Africa.
- Setting an outstanding record, Iran as one of the largest pharmaceutical producers was able to generate revenues of over 700 billion USD in 2014 and secure itself a good place in Tehran Stock Market.
- The numbers of ICU, neonatal ICU, and pediatric ICU beds have increased by 34%, 27 %, and 44% respectively in the same period.

Vision:

- Under Iran's 6th Five-Year Development Plan; to achieve close to the global average of 2.6 beds per 1,000 people, an additional 115,000 new beds are required within five years, costing around 15 billion USD (as outlined in the 2016 IRHS Iran Health Summit report).
- The Iranian pharmaceutical market valued by BMI Research at 1.9 billion USD in 2015 is predicted to grow at a compound annual growth rate of 6%.



the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion.

As the world's population grows, the demand for food and other resources will increase. This will put pressure on the environment and on the world's food supply.

One way to meet this demand is to increase the amount of food that is produced. This can be done by using more land for agriculture, or by using more resources on the land that is already being used.

Another way to meet this demand is to reduce the amount of food that is wasted. This can be done by improving the way that food is stored and distributed, or by changing the way that people eat.

There are many ways to meet the world's growing demand for food and other resources. It is up to us to decide which way is the best.

One of the most important things we can do is to make sure that we are using resources in a sustainable way. This means that we are using resources in a way that will not harm the environment or the future generations.

There are many things we can do to make sure that we are using resources in a sustainable way. We can reduce the amount of waste that we produce, we can use less energy, and we can use more recycled materials.

By making these changes, we can help to make sure that the world's food and other resources will be available for everyone in the future.

It is our responsibility to make sure that we are using resources in a sustainable way. We must all do our part to make sure that the world is a better place for everyone.

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Tourism





Tourism:

At the heart of the Middle East stands a vast and fascinating country with a 5,000-year-old history that bears home to 22 World Heritage sites. Iran's name for long has thrilled and brought excitement shivers to the hearts of history enthusiasts as well as culture vultures. What needs to be emphasized though is that on top of its diverse array of historical, architectural and cultural attractions including various architectural masterpieces, traditional bazaars, Iran also enjoys a favorable and four-season climate, as a result of which it has become home to mesmerizing sceneries and landscapes of distinct types. From deserts to ski slopes; from sea to the mountain; from jungle to vast meadows and so on. On top of that, the hospitality shown towards foreign tourists from locals and host community is also something that has been appealing to those visiting the country from outside. With its ancient history; historical monuments and architectural remnants some of which date back somewhere between an average of 2000 years; and rich cultural treasures, Iran has been listed among the top 20 countries with the highest number of tourist attractions. Some of the facts and figures about this booming industry are as follows:

- Based on data from the World Travel and Tourism Council, the direct share of domestic and foreign tourism in Iran's gross domestic product equaled 7.5% in 2017.
- With the 6.6% growth in tourism sector's contribution to GDP Iran stands well above the average growth rate of 5.3 in the Middle East.
- The 10% growth in the number of Iran's inbound tourists since the lifting of western sanctions, which is more than twice the global average, indicates the country's flourishing tourism market.
- With the latest addition of city of Yazd, known to be world's largest inhabited adobe city, Iran is now home to 22 world heritage sites, which puts Iran as the highest ranked country in the Middle East regarding the number of its inscribed world heritage sites and the eleventh worldwide.
- Iran's annual revenue from health tourism is between 400 million USD and 500 million USD, which is expected to reach 2.5 billion USD in the foreseeable future.

Vision:

- As part of its 20 Year Vision Plan, Iran is hoping to attract 20 million tourists per year by 2025.
- ICHHTO has made plans to build 300 four and five-star hotels within five years in cooperation with the private sector that has initiated the construction of more than 170 hotels so far.
- Based on the 6th Five-Year Development Plan (2017-2022), Iran is aiming to attract between 500,000 and 600,000 medical tourists every year.

Agriculture





Agriculture:

Drawing on its diverse climate, natural resources and ecological foundations, Iran produces a long array of agricultural products, of which some, such as saffron, pistachios and caviar, hold worldwide reputation. Nonetheless, Iran's agricultural industry accounts for a mere 12-13% of the country's economy, with 4 mn people employed in this sector.

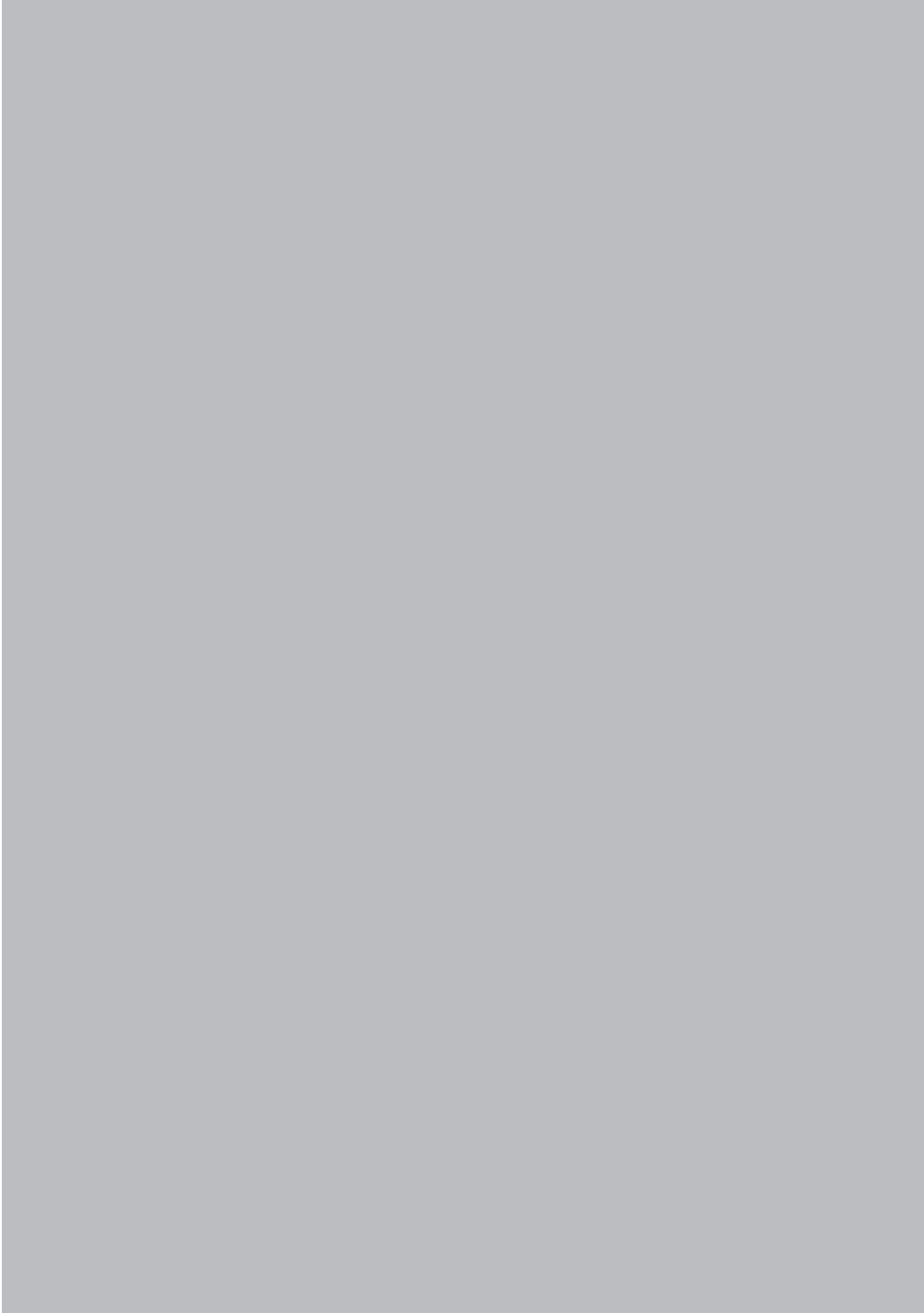
One-third of Iran's total surface area is suited for farmland, but because of poor soil and lack of adequate water distribution in many areas, most of it is not under cultivation. Only 12% of the total land area is under cultivation (arable land, orchards and vineyards). Some of the features of Iran's Agricultural sector are as follows:

- 16,500 food companies are working under license of "Ministry of Agriculture" and "Ministry of Industry, Mine and Trade" with about 100 mn tons nominal capacity, which their actual capacity is about 50 mn tons.
- Food and beverage contribution amounted 22.9% of Iranian household's expenditure. Iran owns the 4th rank in food export among West Asian Countries.
- Market share of Food industries is 18.3% of total industries volume in Iran. Moreover, 16.5% of employment, 13.2% of investment and 10.8% of value-added belong to this industry.
- Iran's self-sufficiency in food production has improved by 24% since 2013, mainly thanks to higher production of wheat and sugar.
- In 2016 Iran's wheat production had reached 13.5 million tons in a year and the country celebrated the first time it had become self-sufficient in production of the crucial agricultural product in 40 years.
- 1.575 million tons of sugar was produced in the last Iranian year, registering a record high and meeting more than 74% of the domestic demand for the product.
- Currently, Iran is largely self-sufficient when it comes to vegetables and nuts, and Iran has the world's largest production of pistachio, nuts, saffron and barberries.

Quantitative target		6 th Five-Year Development Plan					
Title	Unit	The status in the yr. ended March 2015	yr. ended March 2017	yr. ended March 2018	yr. ended March 2019	yr. ended March 2020	yr. ended March 2021
Poultry	000'tons	2033	2179	2254	2333	2414	2497
Red meat	000'tons	785	819	838	859	880	899
Egg (Commercial and local)	000'tons	925	951	987	1024	1063	1103
Fishery	tons	575512	580038	598336	631934	660732	700000
Aquaculture (Focusing on fish farming cage in open water)	tons	371717	471250	534200	618830	712270	811000
Wheat	000'tons	10576	11800	12600	13400	14000	14500
Barley	000'tons	2955	2890	3100	3254	3412	3588
Maize	000'tons	1659	2100	2200	2300	2400	3000
Forage Corn	000'tons	9803	10298	10512	10772.6	10940	11154
Beetroot	000'tons	4731	5508	5876	6380	6722	10200
Cane	000'tons	6588	6732	6820	7020	7189	7500

Vision:

- According to its 6th Five-Year Development Plan (2017-2022), Iran is going to increase the quantitative production of its agricultural products. A few examples of these expansions are as follows:
 - Production of wheat to increase from 10,576 in 2017 to 14,500 tons by the year 2021; barley from 2,955 to 3,588; maize from 1,659 to 3,000; forage corn from 9,803 to 11,154; beetroot from 4,731 to 10,200; sugar cane from 6,732 to 7,500 and so on.
 - Increasing government investment in Agriculture sector infrastructure and correction of business environment of the sector which can help growth of private investment.
 - Special attention to the important issue of financing (investors) for the purpose of renovation of farms and gardens, including completion of new watering grids, importance of farms and gardens watering systems, modernization of equipment and enhancing technologies of breeding, husbandry and aquatics as well as protection and revival of natural resources.
 - Organization of seeds and saplings production by private sector and supporting foreign companies participation for the purpose of technology transfer to the country.
 - Implementation of health and bio-environmental standards based on latest world scientific developments in production and processing of agro-products, reduction of waste during production stages, cropping, transport and storage and delivery.
 - Facilitation of Foreign Direct Investment or FDI can help promotion of investment in agriculture in four ways: 1) Supply of capital 2) Transfer of technology and upgrade the knowledge of agriculture 3) Connection of domestic producers to international supply chain 4) Reduction of risk in agriculture production through establishment of insurance so that it would absorb part of the risk for expansion of investment.
 - Promotion of mechanization and upgrading cultivation and planting systems, transportation and reduction of production costs.
 - Diversification and expansion of supplementary activities, development of new technologies in production process of food industry products, processing, packaging and keeping as well as enhancing competition in domestic and international markets.



Capital Market



BUY

SELL



Capital Market:

The capital market of Iran has been a pioneer market during its 49 years of activity for financing businesses through local funds. Tehran Stock Exchange has 320 listed companies, 4 ETFs, 15 different debt securities, including cooperation certificates, sukuks and CDs. There are 104 brokerage firms, 157 mutual funds and several other registered entities like investment banks, investment advisories, portfolio management companies, investment companies as well as financial information providers.

The most important advantage that Iran's capital market has in comparison with other regional markets is that there are 37 industries directly involved in it. Industries such as the automotive, telecommunications, agriculture, petrochemical, mining, steel, iron, copper, banking and insurance, financial mediation and other trades, hold shares at the stock market, which makes it unique in the Middle East.

Latest statistics show that 264 foreign investors received trading codes over the past year, which shows a 42% rise compared with the corresponding period of a year before. Some of the features of Iran's capital market are as follows:

- Increasing liquidity in securities market with a review on trading regulations.
- Continuation of privatization plan and IPOs of state-owned companies.
- Establishing Islamic bonds and products such as Sukuk and Islamic Mortgage-Backed Securities (MBS), based on market development act and tax exemption.

Vision:

- The development of the capital market with emphasis on financial and commodity instruments design and engineering, the energy exchange development and the supply of crude oil and petroleum products in the energy exchange, institutional reform of corporate governance for public corporations and financial institutions (according to 6th Five-Year Development Plan).
- The required policies and orientation to enhance the transparency of information in the capital market and establishing the rating agencies to attract foreign investment and international financing (according to 6th Five-Year Development Plan).
- The permission of foreign financial and credit institutions' participation in Iran within the framework of the law of Implementation of General Policies of Article (44) of the Constitution and the law of Investment Promotion and Protection Act (according to the 6th Five-Year Development Plan).
- Facilitating and expanding market access by means of developing brokerage network, electronic trading and direct market access.

Securities market activities indicators

Indicators	Unit	FY ended 19 March 2016	FY ended 20 March 2015	% Change
Main index (TEDPIX)	Unit	80,219	62,532	28
Market capitalization	Million USD*	116,578	95,103	23
Equities and rights				
Trading volume	Million shares	227,798	165,184	38
Normal trading value (retail & block)	Million USD	14,386	12,749	13
State-owned offering value	Million USD	540	325	66
State-owned offering volume	Million shares	6,671	2,420	176
Average P/E ratio		7.4	5.4	37
On-line/total trading volume	Million shares	126,111	84,312	50
Debt securities				
Listed debt securities	No.	15	6	150
Trading value	Million USD	2,916	530	452
Trading volume	Thousands	87,992	15,678	461

Source: Tehran Stock Exchange

* 1 USD= 29580 IRR (Based on the average of official CBI exchange rate during the 2016 fiscal year)