

# 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

WORLD ECONOMIC FORUM

Foreign Market Size Index 2019

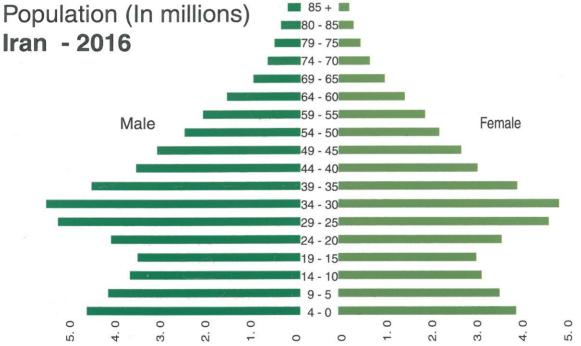
**Total Area** (17th)

**(U)** 

1,648,195

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





### **Population Feb 2021**

### Census 2016

84.2 M



1st in the Middle East

18th in the World



Number of Households

24.2 M

Median Age 30 Years



Urban 74 %



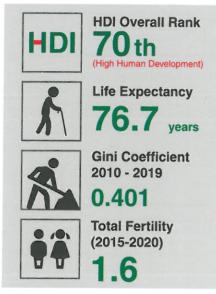
Rural

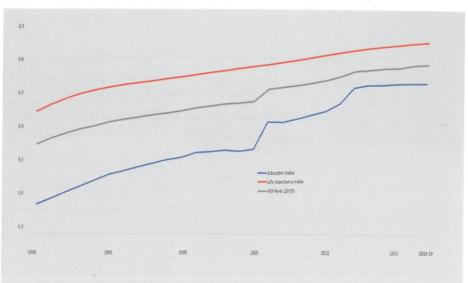




# **Human Development Index (2019)**

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.

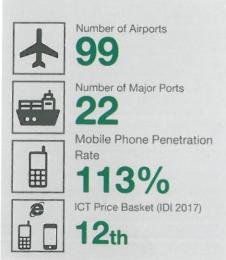


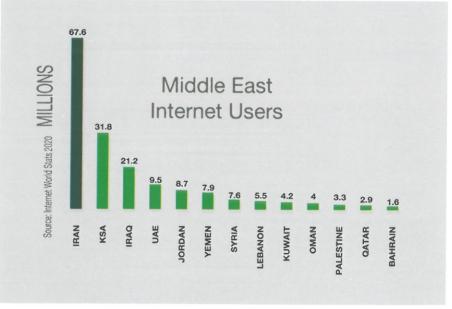


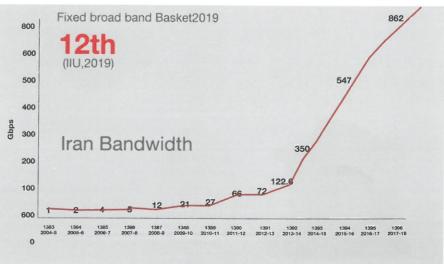
### Infrastructure









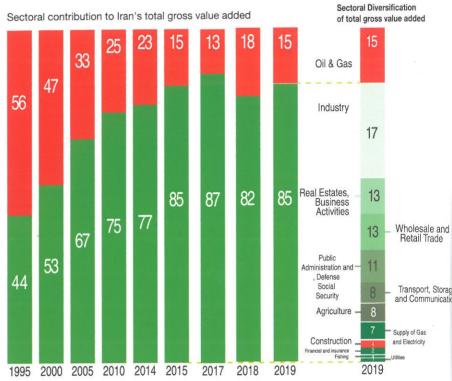


# Islamic Republic of Iran: An Overview of The Economy

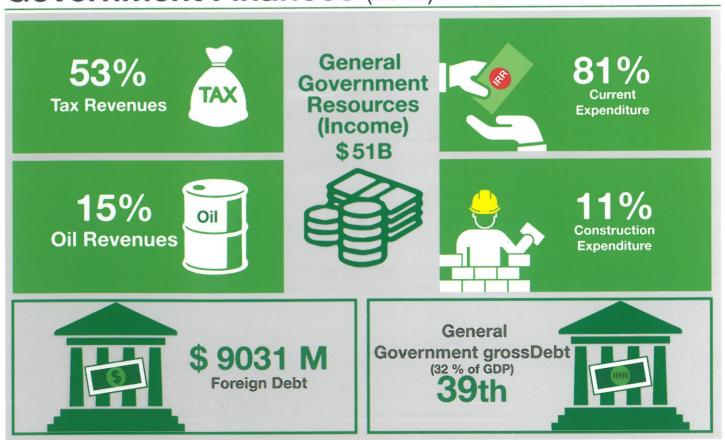
### **National Accounts**

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.



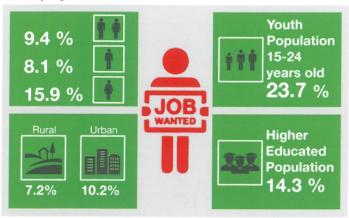


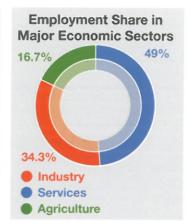
# Government Finances (2019)



### Labour Market (Autumn 2020)

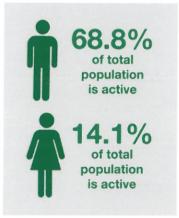
#### **Unemployment Rates**











# Rates



Inflation Rate (Jan.2021) 10-15%

Deposit Rate (2020)

18.95%

Interbanking Loan Rate (2019)

# Official Exchange Rate



**42,000 IRR** (1\$) (Jan 2021)

### International Rankings

WORLD ECONOMIC FORUM

World Economic Forum Global Competitiveness 2019 99/141

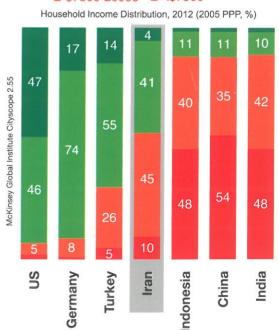
99

# **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.

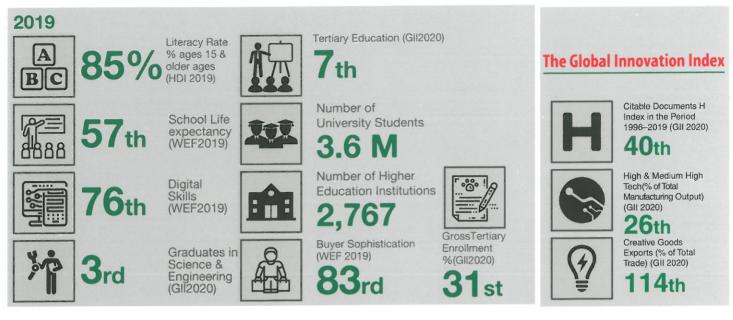


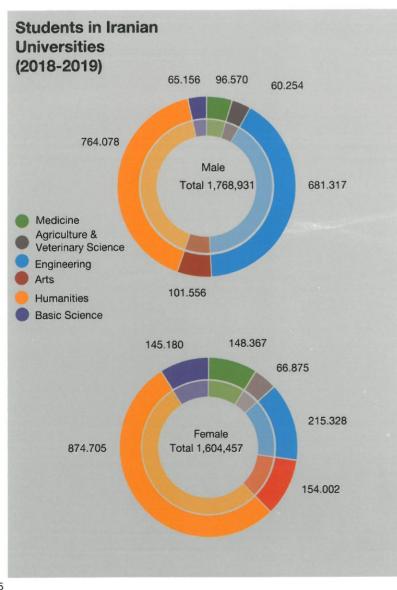


# Islamic Republic of Iran: Human Capital

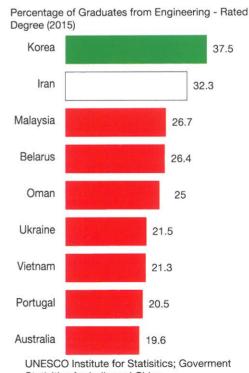
Iran's technically literate workforce can rapidly generate wealth and employment if its talents are properly employed in high quality jobs. Here are some facts and figures.

### **Education**

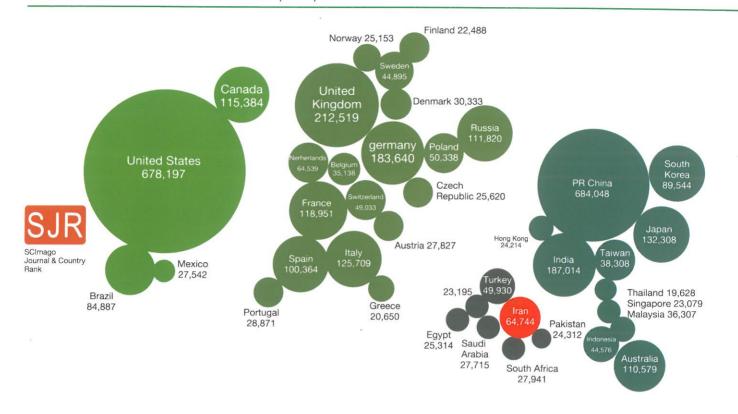






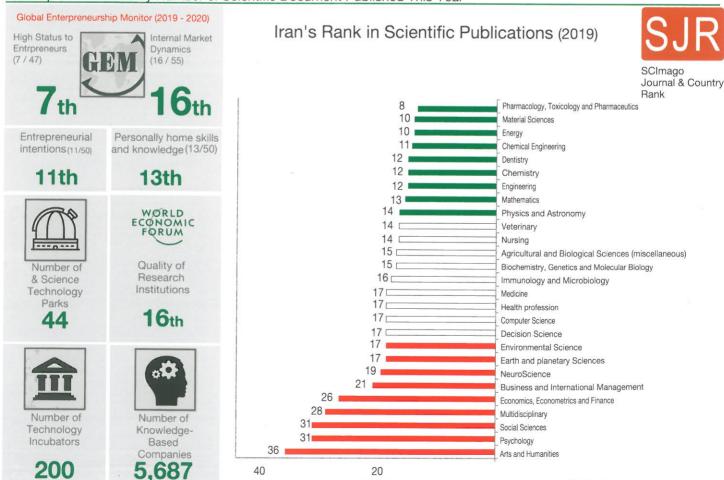


# Scientific Achievements (2019)



#### Scientific Paper Trail

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



Rank

Subject

# Islamic Republic of Iran: Energy

Iran's Proven natural gas reserves are estimated to stand at 1130 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 155 billion barrels, Iran has the fourth largest crude oil reserves.

#### Gas



2<sub>nd</sub>

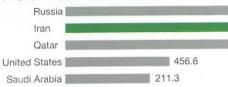
World's largest gas reserves Over 1130 trillion cubic feet Gas



1/6

Proven Global Gas Reserves

Proven Reserves of Natural Gas 2019 (Trillion Cubic Feet)



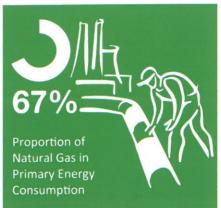
36,000 km

273,000 km

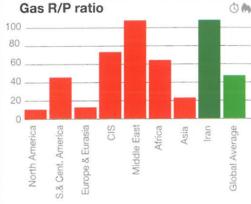
Natural Gas Distribution Pipeline



Villages Supplied with Piped Gas



Reserves-to-Production Ratio (years)



**Gas Production 2019** 

244



Gas Consumption 2019
(Billion Cubic Meters)

223



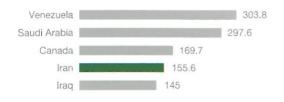
Oil



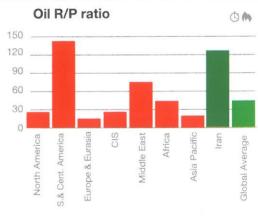
4th

World's 4th largest oil reserves 155 billion barrels

Crude Oil Proven Reserves 2019 (Billion Barrels)



のが大概



Oil Production 2019

(Thousand Barrels Per Day)

3,535



Oil Consumption 2019

(Thousand Barrels Per Day)

2,018



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).

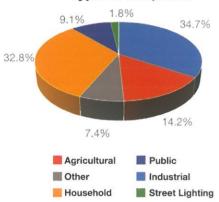
### **Electricity**

Reliable and growing energy supply is practically available to all firms and households in Iran (World Development Indicator, 2019).

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.

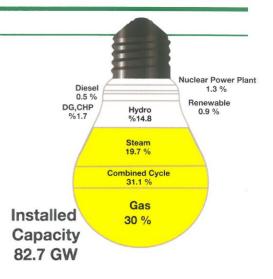
### Domestic Sale of Electricity by Type of Use, 2019



Now

82,716 MW

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



Gross Electricity Generation 324,437

## **Electricity Network**

Transmission Network
127,581 Km

Distribution Network

815,367 Km



### **Renewable Energy**

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

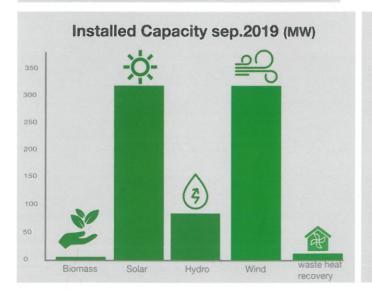


Iran has 300 sunny days in a year in more than two-thirds of the country



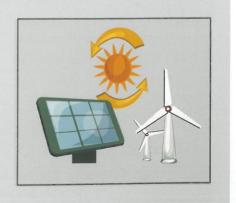
Iran has more than 2800 hours of sunshine on average per year. A number which reaches 3200 hours in arid regions such as Yazd





Electricity Production 2019 (GWh)

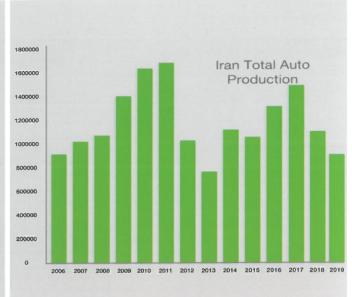
4,496 GWh



# Islamic Republic of Iran: Industries & Mineral Resources

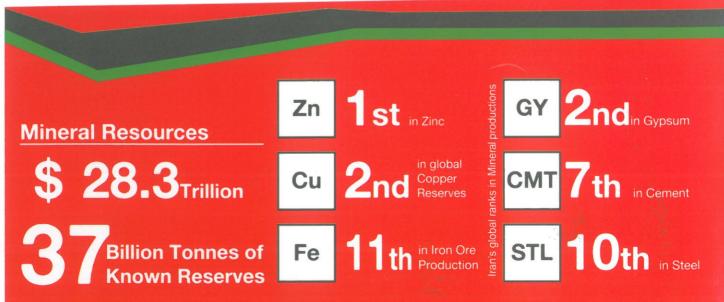
## **Automotive Industry**











### **Selected Industrial Products 2019**



**1.8**мт

Vegetable



48.7 Billion Units Pharmaceutical Products



0.6мт

Detergent Powders



0.2 мт

Tires



**1** MT

Paper



37.5
Thousand
Tonnes
Pesticides



89 Mm<sup>2</sup>

Machine-Made Carpet



**0.82** M Sets

Flat-screen TVs



**1.2** M Sets

Refrigerators & Freezers



0.7 M Sets

Washing Machines



1 M Sets

Air Conditioning Machines



9.3 M Sets

Electrical Motors



0.57 MT

Engine Oil



1.7Thousand Tonnes Acrylic Fibers



1.6 Mm3

MDF & Chipboard



400<sub>Mm²</sub>

Ceramics & Tiles



109 Thousand Tonnes Sanitary Ware



0.53 мт

Glass Containers



0.23 MT

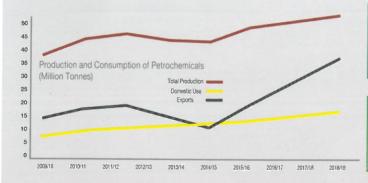
Cotton and Synthetic Fibers



61мт

Cement

### **Petrochemical Industries 2019**



Production Capacity
61 Million Tonnes
Total Production
54.6 Million Tonnes



Total Imports 0.6 Million Tonnes Key Products

Product F	Production Capacity M Tons per year	
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

8 Molybdenum

9 Chromium

15 Iron

16 Manganese

#### ndustrial Minerals

2 Gypsum

6 Feldspar

7 Perlite

6 Barite

9 Bentonite

10 Boron

11 Sulfu

Sulfur

Fluorspar

9 Kao

#### Non-Ferrous Metals

6 Arsenic

9 Mercury

8 Antimony

16 Copper

14 Lead

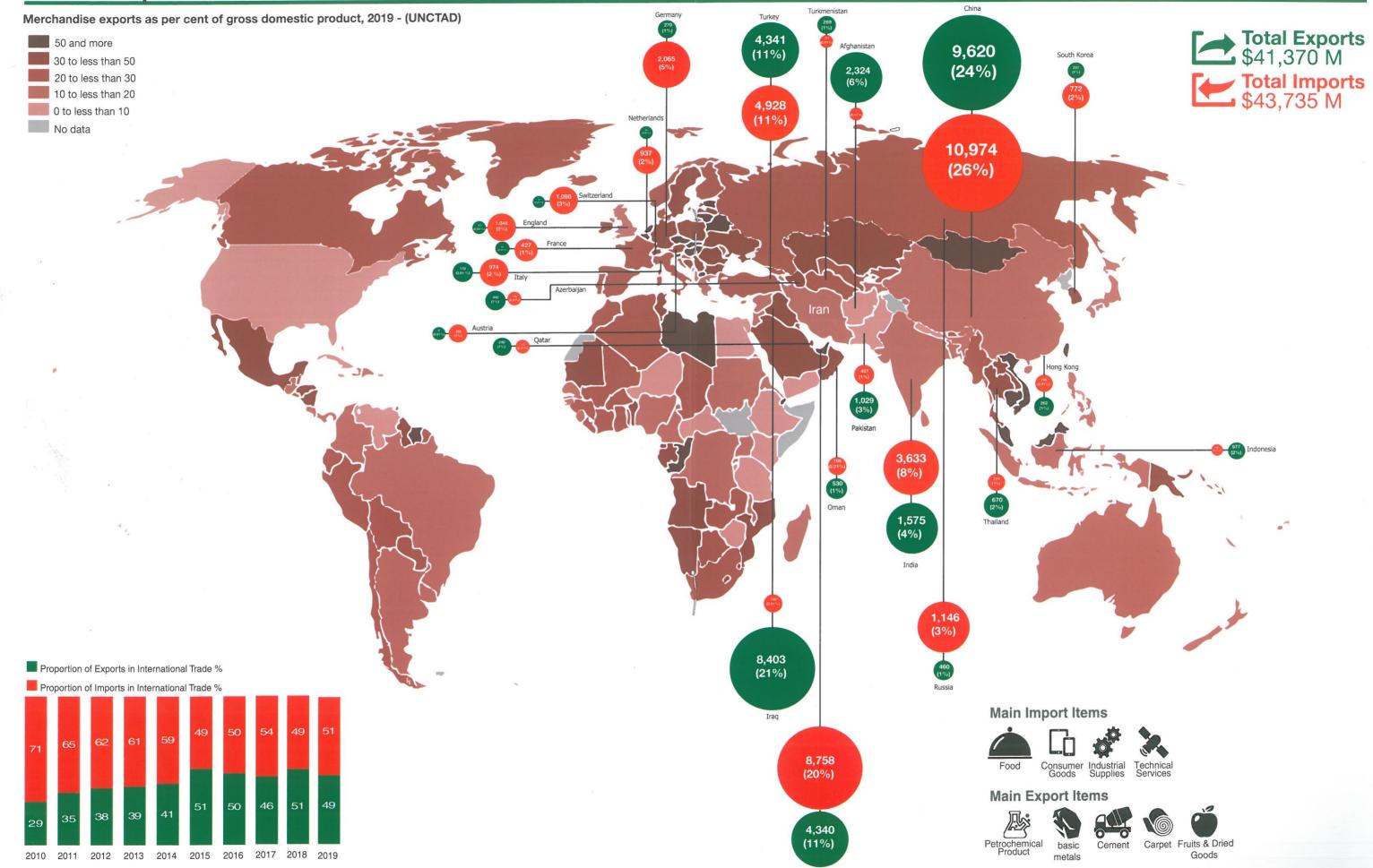
13 Zinc

20 Bauxite

18 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: Agriculture & Food Production

#### 2015 - Census

# 2019

#### 2019



16.5<sub>Mha</sub> Arable Land



46.2 % Irrigated Arable Land



53.8 % Rainfed Arable Land



7,759 ha Green House Cultivation Area



**2,759**Number of Medium & Big Food Processors



21,709 Number of Modern Cattle Farms



25,992 Number of Modern Chicken Farms



25,415 Number of Aquacultural Holdings



98,212 Apicultural Holdings



**17,363** Number of Sericultural Holdings



44.6M Sheep & Lamb



17.7M Goat & Kids



Cattle & Calves



195 **Thousand** 



221 **Thousand** Buffalo

#### 2019



0.85 MT Production of Red Meat



Production of Chicken Meat



Production of Milk



Production of Eggs



**1.28** мт Catches & Production of Aquatics



Honey

#### Top Five Products (Order by Quantity) 2019







Cake, Soybeans



Rice







**Apples** 



Watermelons

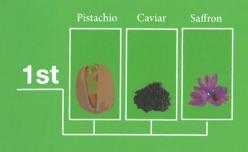


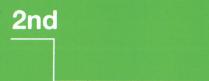
Cucumber and Gherkins

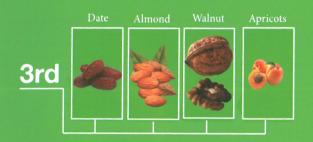


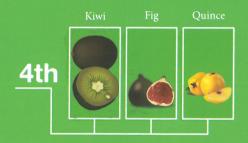


# Iran's World Ranking (2019)







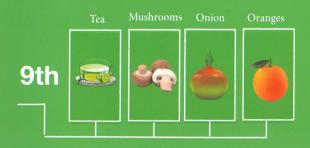










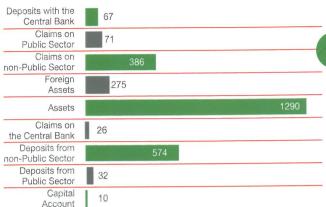




# Islamic Republic of Iran: Banking System & Stock Market

**Iranian Banking System** 





**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 2019-2020

Central Bank

**Banking System in Iran** 

Types of Banks

Specialized

Banks

Assets

196

(\$ Billion)

The Largest Islamic Banking System in the World

Governmenta & Non

Banking Institutions

Assets

713

(\$ Billion)

2019 Central Bank of the Islam Republic of Iran

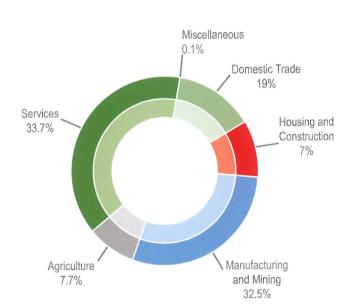
Commercial

Banks

Assets

190

(\$ Billion)



#### Number of Banking Transactions per Month in 2020(Million) ... **Branches** POS Internet **ATMs** mPayment 109 163 21 2427 409

#### **Developed Infrastructure and Institutions**



Institution (% age 15 +)



World Bank Ease of Doing **Business Ranking 2019** 4/20 in MENA **Getting Credit** 

358M



60389



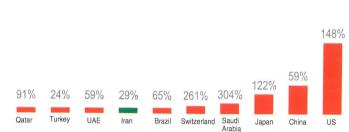
Bank Branches 23900



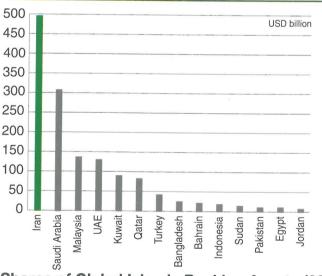
### **Comparison Market Capitalization**

no	Country	Market Capitalization (\$bn)
1	United States	37,689,256
2	China	8,515,504
3	Japan	6,191,073
4	Saudi Arabia	2,406,820
5	Switzerland	1,834,453
6	Brazil	1,187,362
7	Iran, Islamic Rep.	320,671
8	United Arab Emirates	247,209
9	Turkey	184,966
10	Qatar	160,051

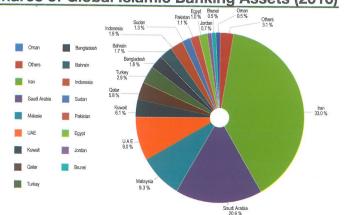
## Market Cap/GDP Market Capitalization 2019



### Islamic Banking Assets (2016)



## **Shares of Global Islamic Banking Assets (2016)**



## Iran Capital Market

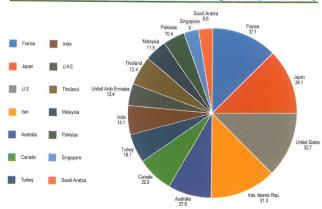


#### An Untapped Market

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).



#### Commercial bank branches (per 100,000 adults)



# Islamic Republic of Iran: Travel & Tourism

# UNESCO World Heritage (24 Sites) - 2020



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 Qābus 1006 AD



Masjed-e Jāmé of Isfahan 12th Century



Soltaniyeh 1302-12 AD



Tabriz Historic Bazaar Complex 13th Century



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



Golestan Palace 18th Century



Maymand



Historic City of Yazd



Hyrcanian Forests



Sassanid Archaeological Landscape of Fars Region



# World Economic Forum, The Travel & Tourism Competitiveness Index (2019)



2019



United Nations
Educational, Scientific and
Cultural Organization

World Heritage Sites Ranking 10th 2019



United Nations
World Tourism Organisation

Internaional Tourism arrival Ranking

41st

**NUMBEO** (2020)

Cost of Living Index by City

Tehran 41.67 / New York 100

41.67



Number of Accommodations 2018

3,134



Number of 4-Star & 5-Star Hotels

176



Number of Rooms

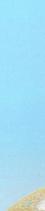
92,752



Number of Beds

235,630

Persepolis 6th Century BC





Meidan-e Emam, Isfahan

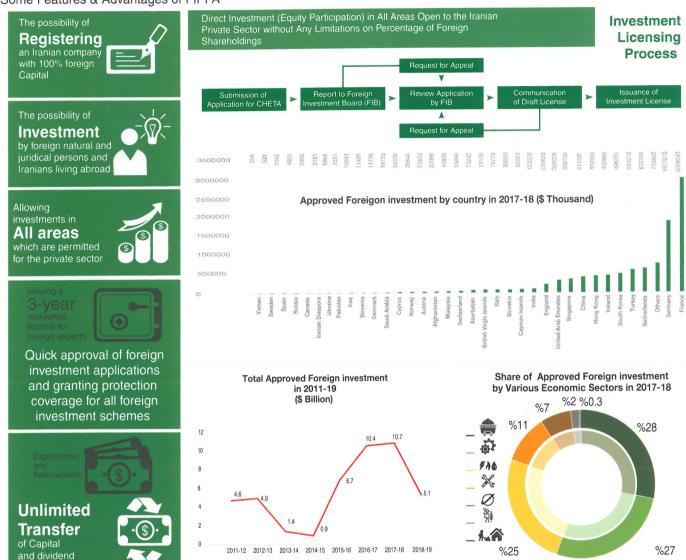
17th Century

# Islamic Republic of Iran: Laws & Regulations

# (Related to Foreign Investors)

## Foreign Investment Promotion and Protection Act (FIPPA)

Some Features & Advantages of FIPPA



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

440	Supply of Water, Electricity and Gas	2,647,189	長	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
0	Transportation and communications	711,251	Q.	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
2/	Services	1.142.932	6	Machinery Equipment & Metal Products industry	3,260
200			7	Mineral Products Industries	55,614
1	Financial Services	369,876	8	Food and Drink Beverage Industries	395,810
2	Other services (design, engineering,.)	70,010	9	Clothing and Leather Industries	5,208
3	Tourism	32,907	10	Automotive Industry	790,212
4	Public Utility	670,139		Building	28,329
	Mine	3,009,124	1	Building Material	28,329
1	Crude oil and Natural Gas	2,538,641		Total	10,772,450
2	Other mines (exploration and processing)	470,483		Total	

### **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

TAXFREE

### TAX REGIME



Exemptions of Income Tax for 20 Years in 100% Exemptions of Income lax IOI 20 Teals Less Developed Regions (All Activities)

Exemptions of Income Tax for 20 Years in 100% Exemptions of Income lax for Zones (All Activities)

100% Exemptions of Income lax Del Exportation for Unlimited Time Exemptions of Income Tax Derived from

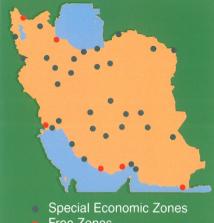
Exemptions of Income Tax for 4 Years in Production Activities

Exemptions of Income Tax for Unlimited Time Derived from Tourism Activities

100% Exemptions of income rax to Exemptions of Income rax Exemptions of Income Tax for Unlimited

Numerous Double Taxation Conventions (e.g. Germany and France)

## Free and 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 reexport 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

# **Taxable Entities**



Any natural person residing in Iran for income earned inside and outside of the country

Any Iranian natural person residing abroad for all incomes earned

Any Iranian legal entity inside and outside of the

Any non-Iranian real or legal entities for the income earned in Iran and for the income gained through educational assistance or movie contracts in the territory of the Islamic Republic of Iran.

# **Knowledge-Based Companies Legal Advantages**

■ 15 years exemption from



Financing knowledge-based companies

Insurance coverage to reduce risk

Facility to participate in tenders

Sci & Tech Parks Special Zones

### Iran Tax System

Priority to attend in



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

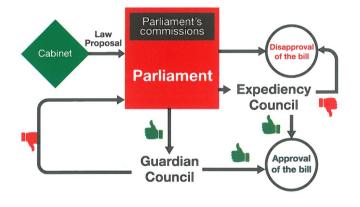
In a region faced with instability, the Islamic Republic of Iran has been a stable and thriving state despite a plethora of domestic problems, international crises and sanctions imposed over the past 37 years, and confrontations designed to bring about regime change and the Iranian nation to its knees, 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 (Mailes-e Shorave 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**



Five-Year Plans

Vision Plan

#### Supreme Leader (Magham-e Moazam-e Rahbari) Chief Justice The Guardian Council (Shoray-e Negahban) Appointed by Supreme leader (5-year term) 12 members (6 Theologians, 6 Managing the affairs of the Jurists) judiciary, Preparing judicial bills, Membership made up of 6 Recruiting, and appointing and theologians selected by the dismissing judges Supreme Leader and 6 jurists elected by the Majles from a list of jurists nominated by the Chief Justice **Assembly of Experts** - Supervises elections for the (Majles-e khobregan) Assembly of Experts, the 88 Seats, Elected by public vote President and Parliament and vets candidates. (8-year term) Selection and dismissal of, and - Power to examine the compatibility of legislation supervision over, the Supreme with Islam and the constitution and to veto legislation. - Power to approve/reject political appointments and 0000 electoral candidate **Expediency** Council Appointed by Supreme Leader (5-year term) Expediency Council plays a

Assign

Flect

**ELECTION** 

First Five-Year Plan

**Political and Legislative Timeline** 

1979 80 82 84 86 88 90 92 94 Supreme Leader Ayatollah Seyyed Ruhollah Khomeini President Ayatollah A. Khamenei A. H. Rafsanjani **Parliament** A. H. Rafsanjani A. H. Rafsanjani M. Karroubi Constitution The Constitution Foreign Investment Act 1956 Attraction And Support of Foreign Investment Act

mediating role between the

Parliament and the Guardian

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.



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)

Ministry of Cultural Heritage Tourism and Handicrafts (MCTH)

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)

96 02 98 00 04 06 80 10 12 14 15 15 16 17 18 20 Ayatollah Seyyed Ali Khamenei

M. Khatami M. Ahmadinejad H. Rouhani

A. Haddad Adel A.Nategh Nouri M. Karroubi A. Larijani A. Larijani

First Amendment

Foreign Investment Promotion and Protection Act (FIPPA)

Second Five-Year Plan Third Five-Year Plan Fourth Five-Year Plan

Iran's Twenty-Year Vision Plan

