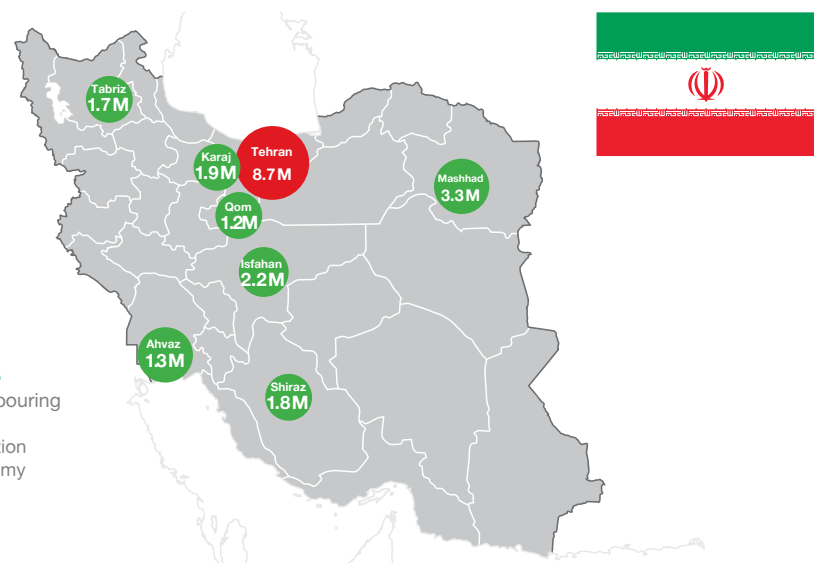


# Islamic Republic of Iran: Country Overview

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.



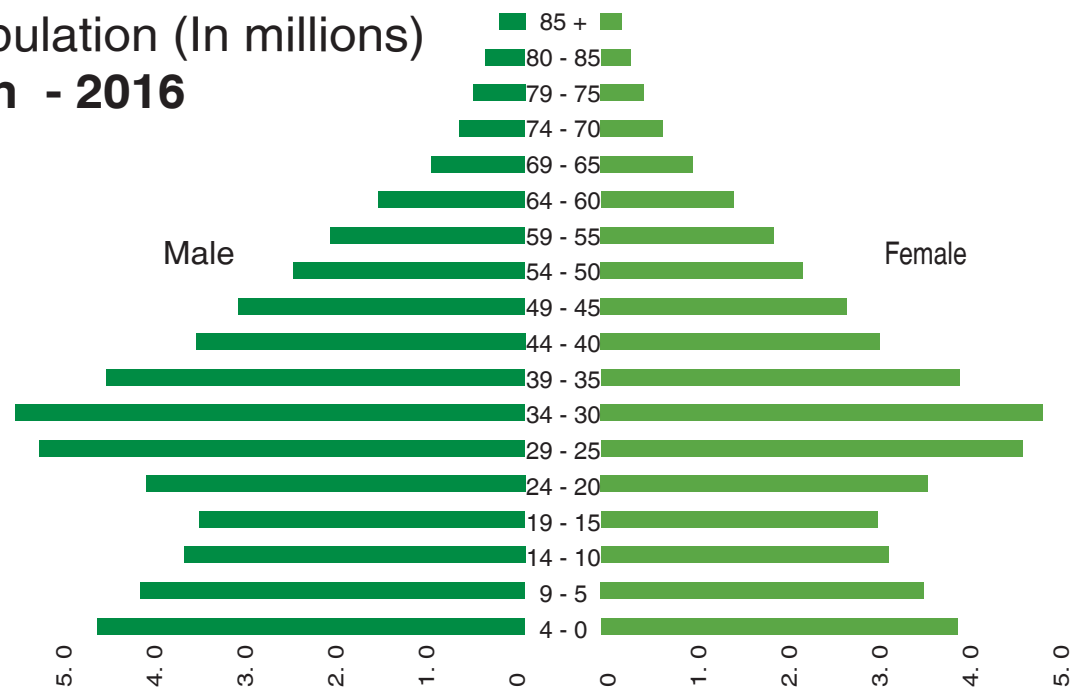
**Neighbours: 15 Countries**  
Population of Neighbouring Countries >600M  
8% of Global Population  
12% of Global Economy

**WORLD ECONOMIC FORUM**  
**21st**  
Foreign Market Size Index  
2019

Total Area (17th)  
**1,648,195** km<sup>2</sup>  
Mexico 1,964,375 km<sup>2</sup> / Alaska 1,723,337 km<sup>2</sup>

## Demography

### Population (In millions) Iran - 2016



### Population Feb 2020

**83.2 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 %**

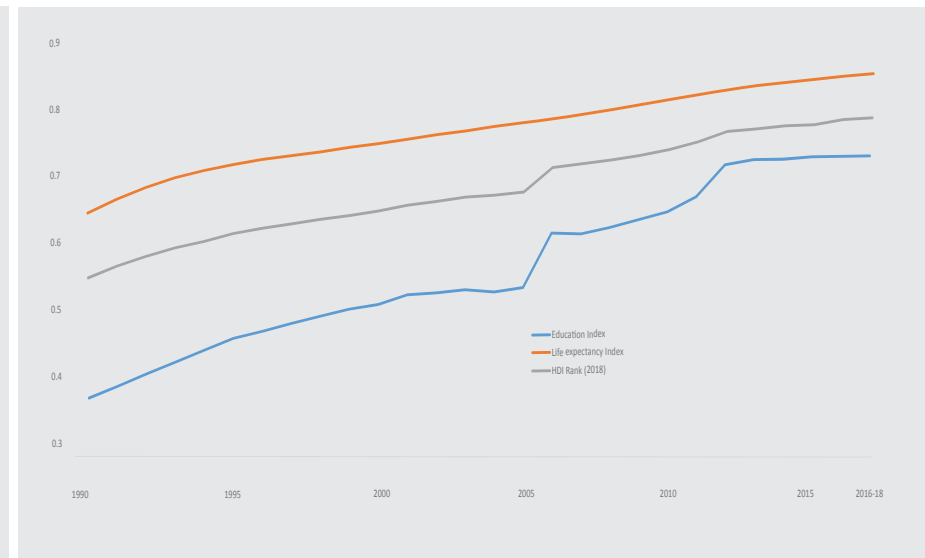
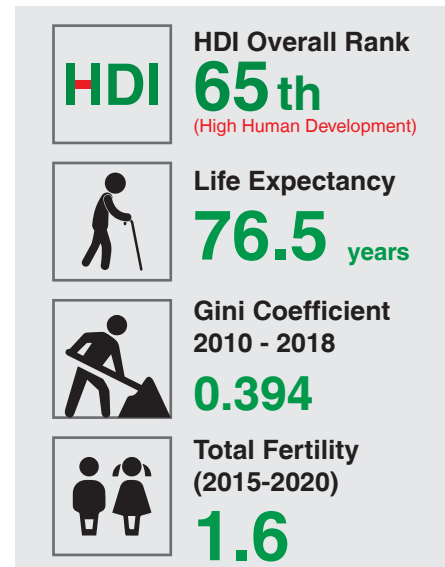


Rural  
**26 %**

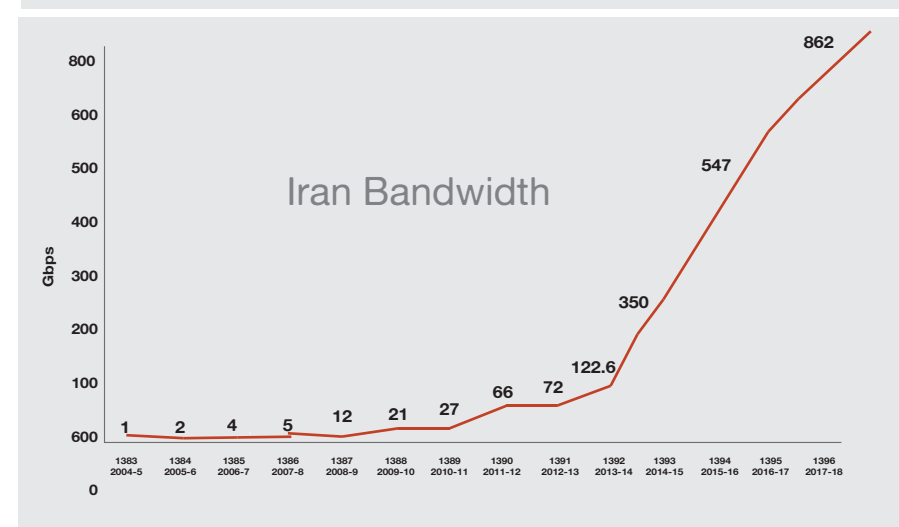
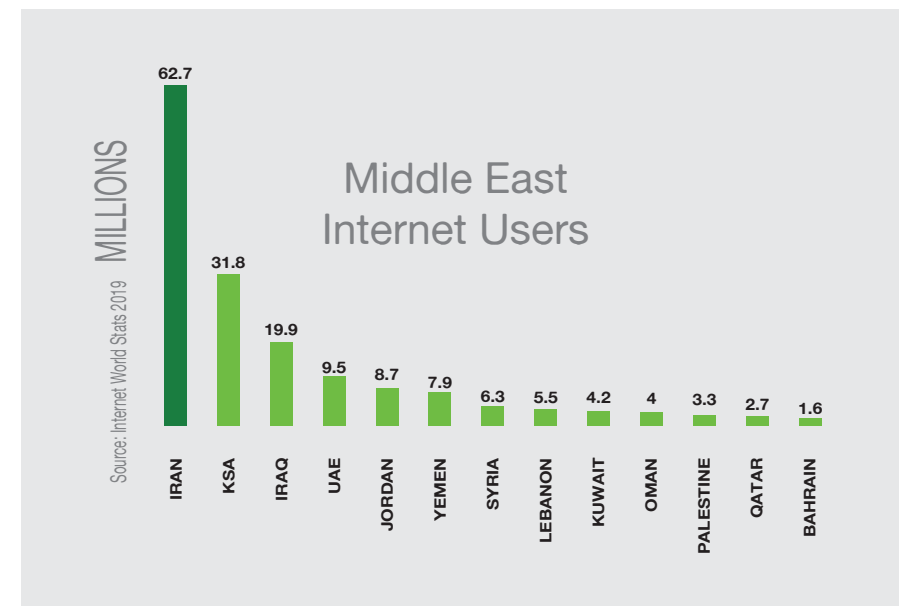
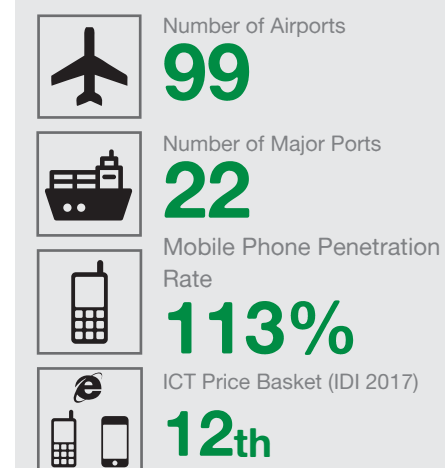
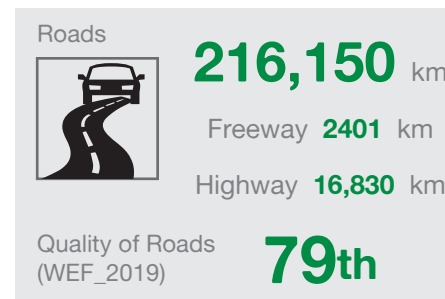


## Human Development Index (2018)

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

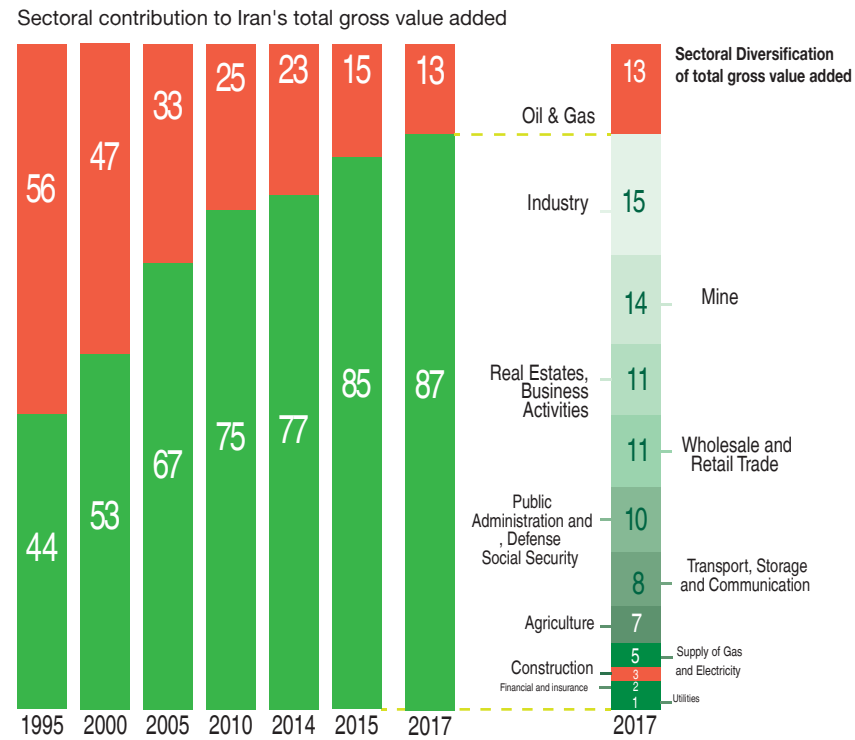
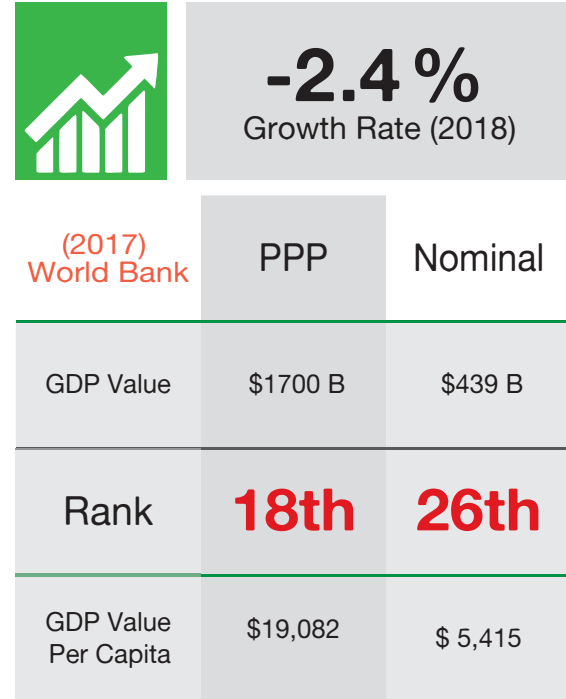


# Islamic Republic of Iran: An Overview of The Economy

## National Accounts

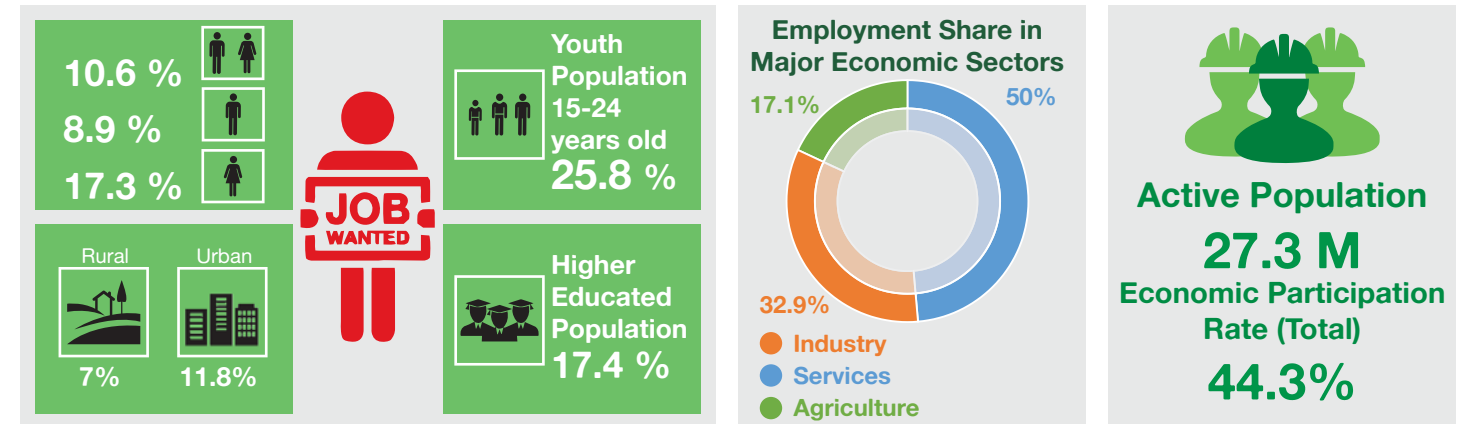
Iran is the world's eighteenth largest Economy by Purchasing Power Parity. The country is a member of Next Eleven, because of its high potential for development. It is a diversified economy. Over 40 industries are directly present in the Tehran Stock Exchange.

### GDP

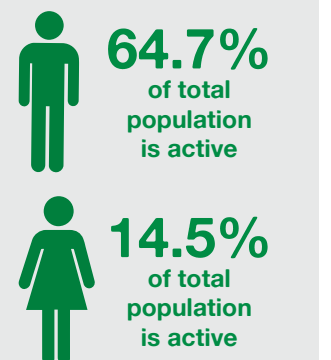
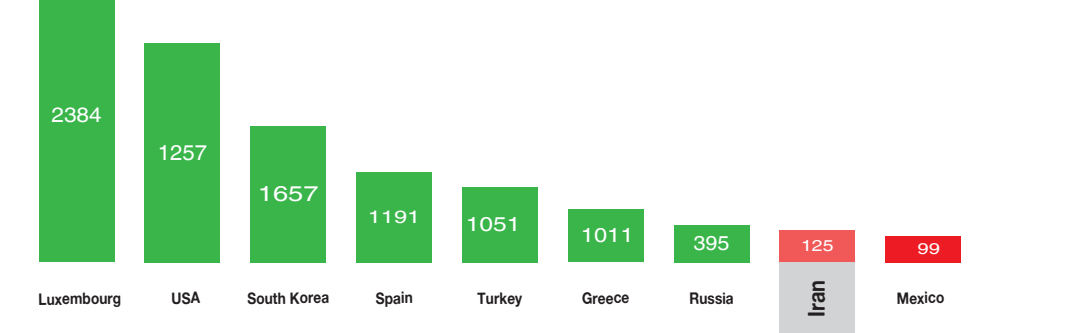


## Labour Market (Autumn 2019)

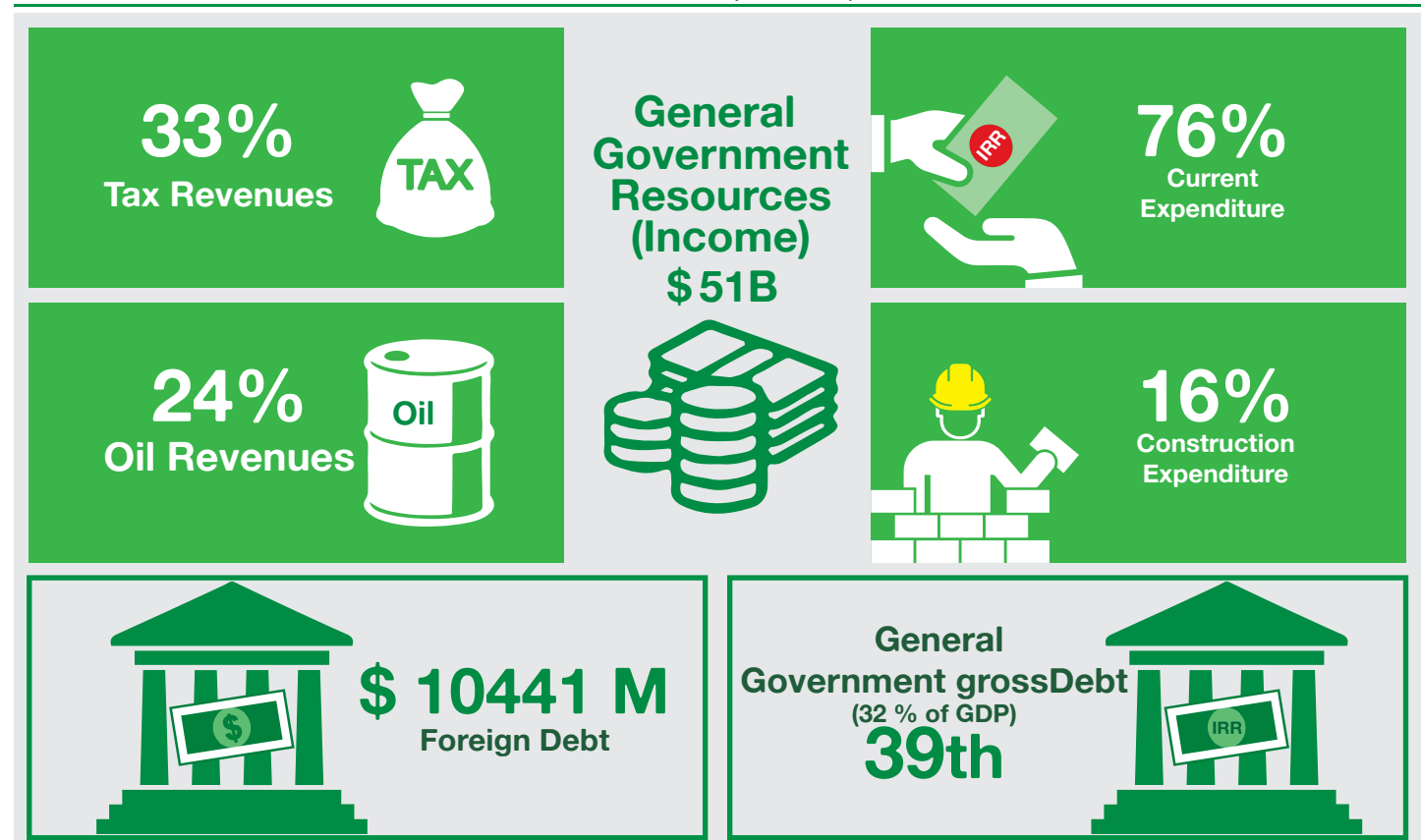
### Unemployment Rates



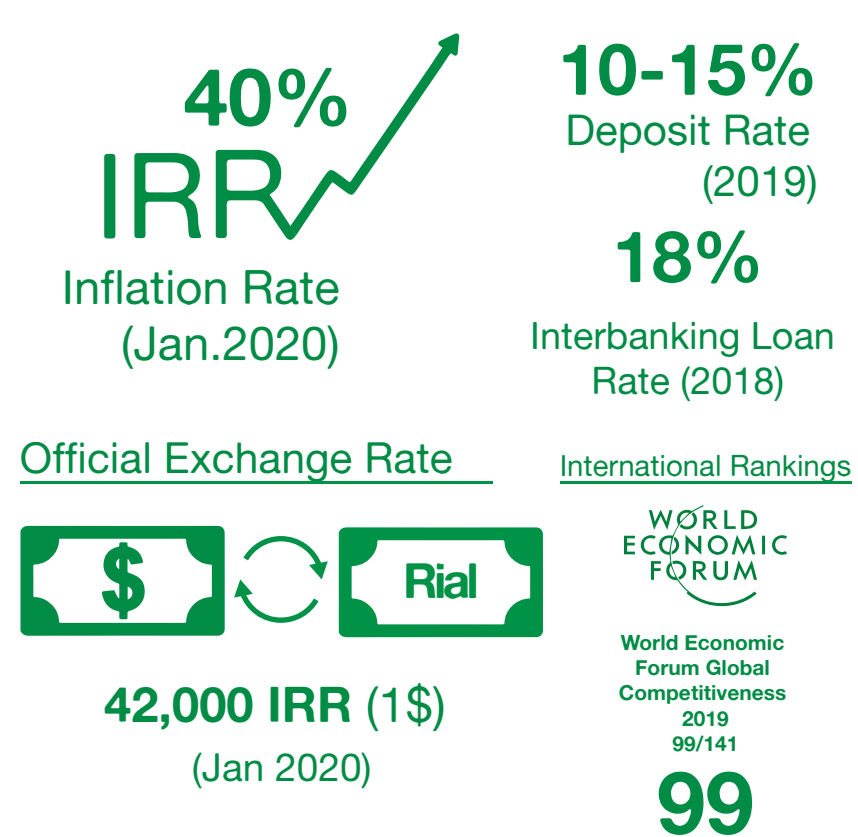
### Monthly Minimum Wage Rates by Sample Countries (\$) (2018)



## Government Finances (2018)

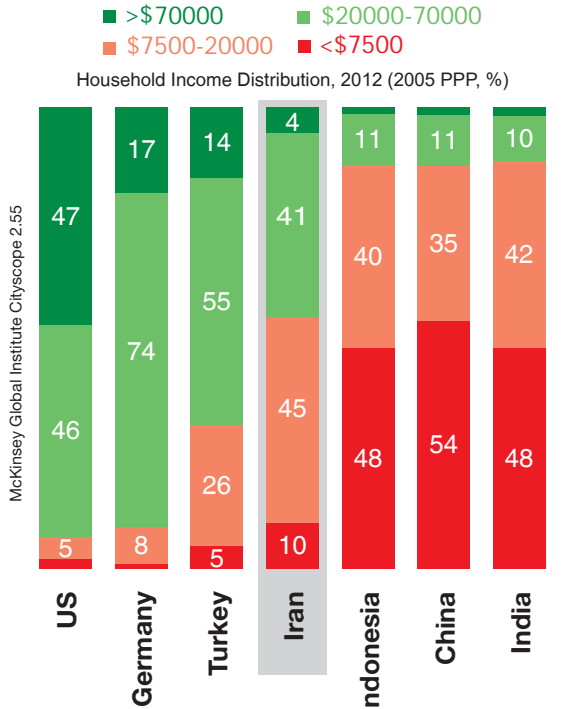


## Rates



## Consumer Spending

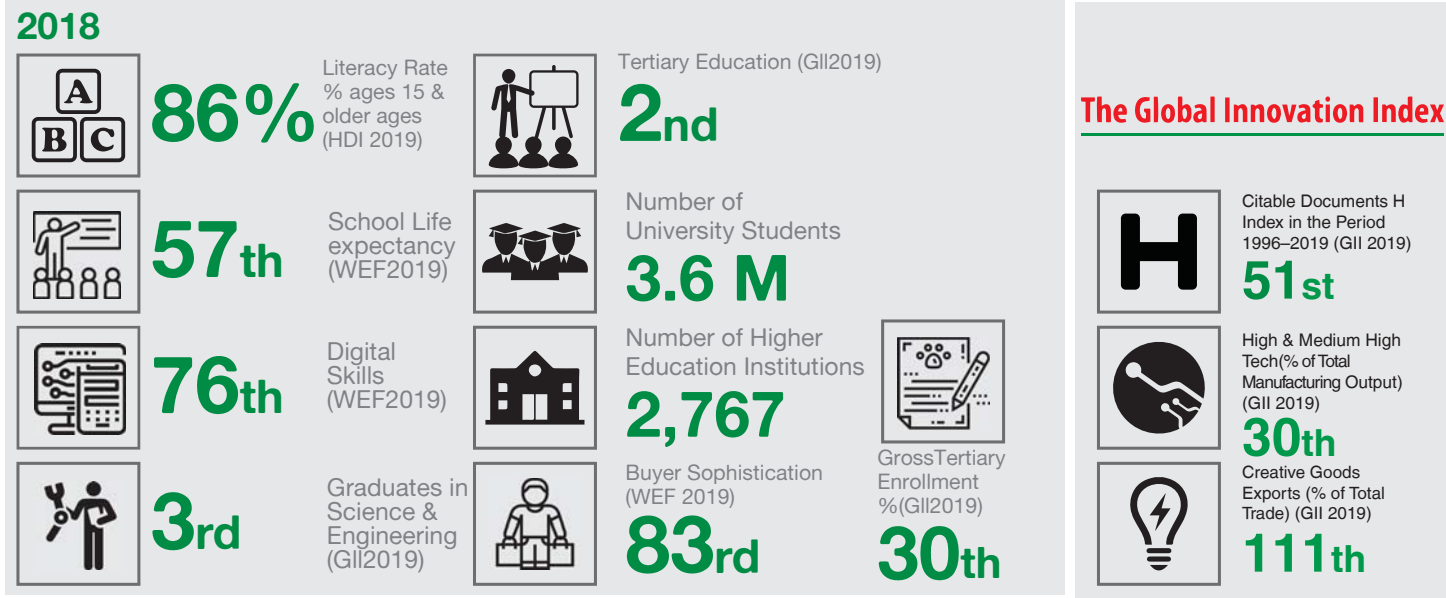
Some 45% of Iranian households already have an annual income exceeding \$20,000. A level which is referred to as "consuming households". The current proportion of consuming households in Iran is already four times that of China and India.



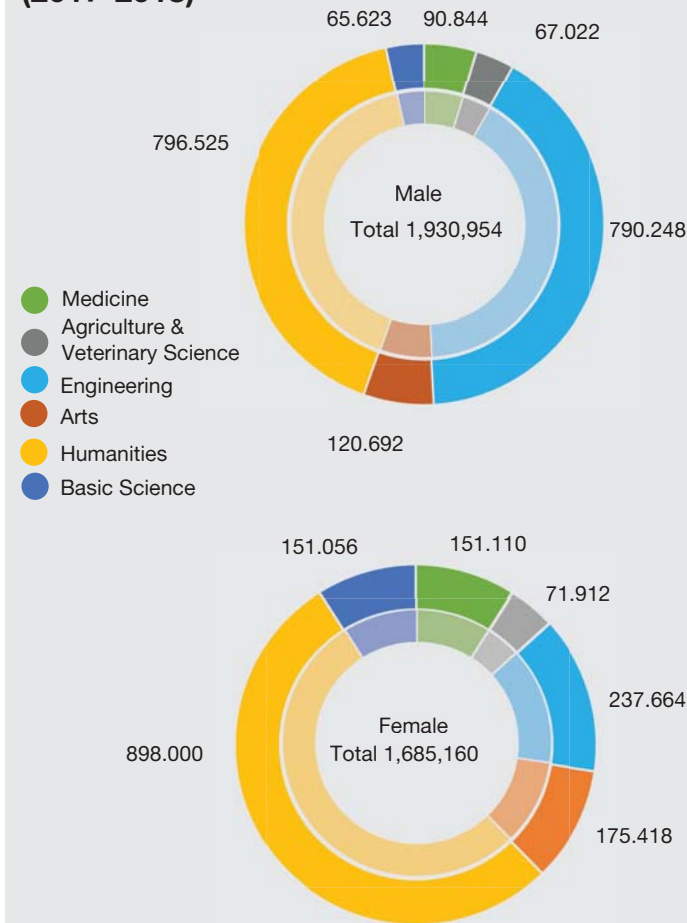
# Islamic Republic of Iran: Human Capital

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.

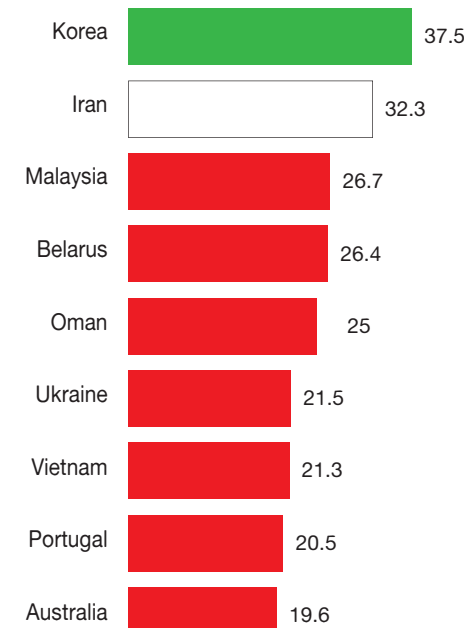
## Education



## Students in Iranian Universities (2017-2018)

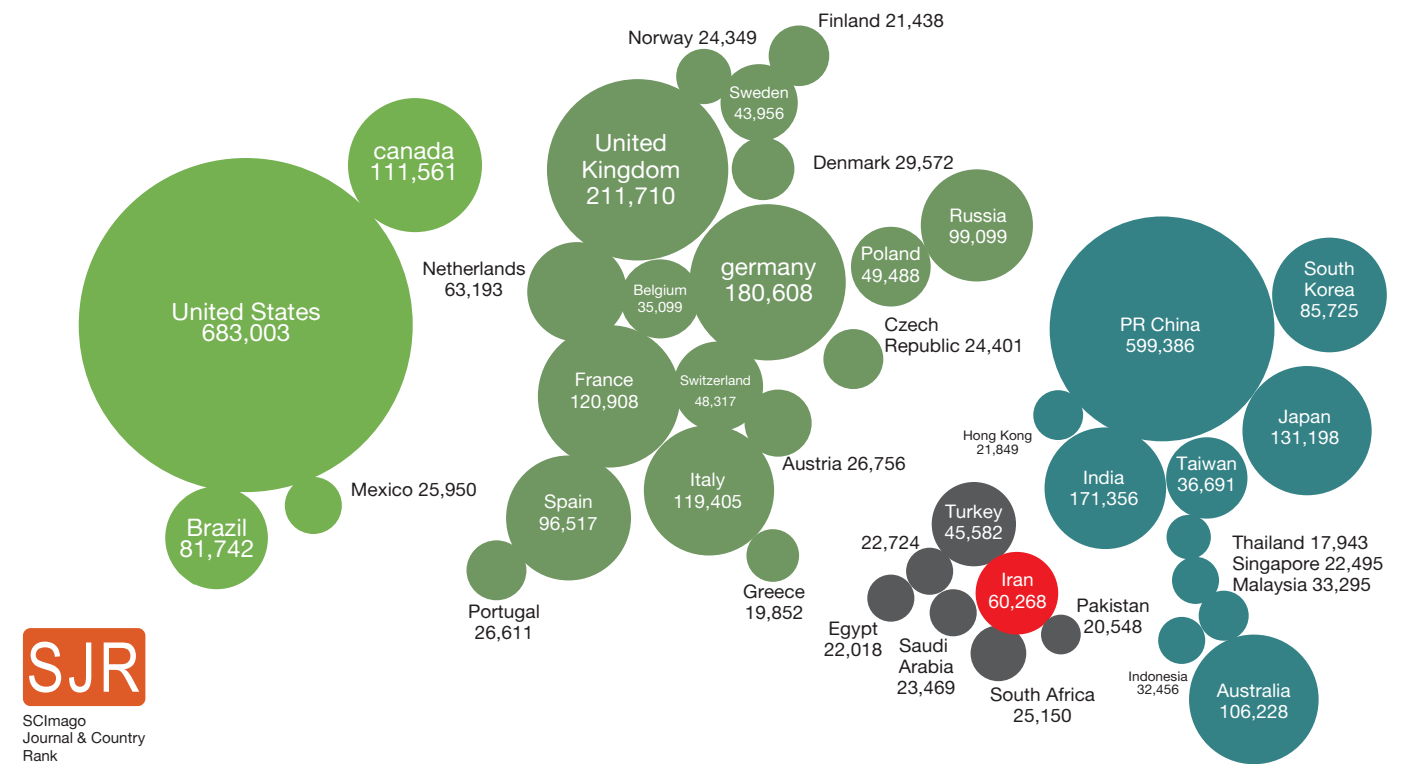


## Percentage of Graduates from Engineering - Rated Degree (2015)



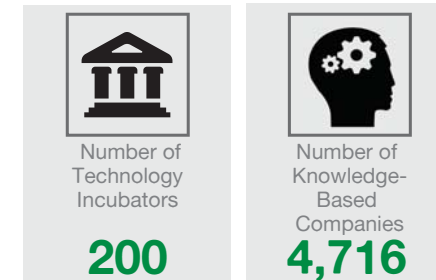
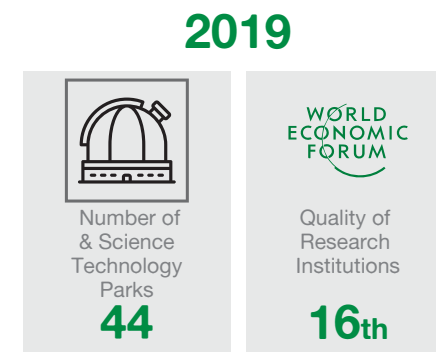
UNESCO Institute for Statistics; Government Statistics for India and China

## Scientific Achievements (2018)



## Scientific Paper Trail

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



## Iran's Rank in Scientific Publications (2018)





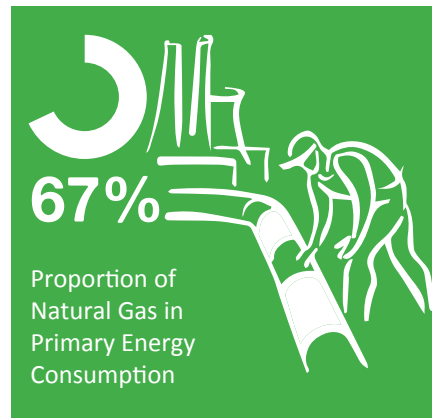
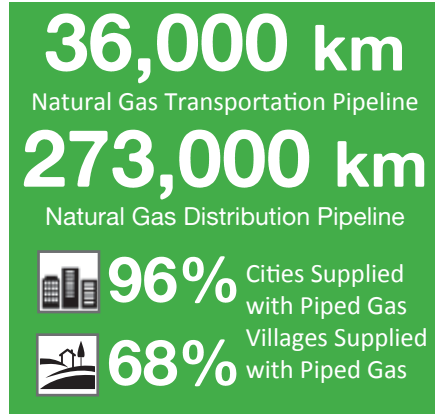
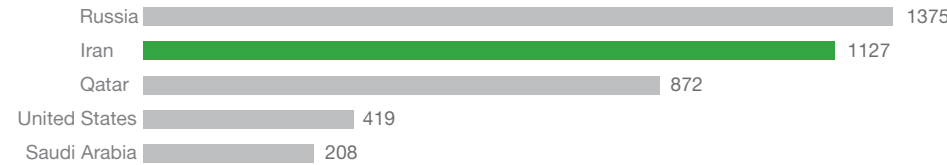
# Islamic Republic of Iran: Energy

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.

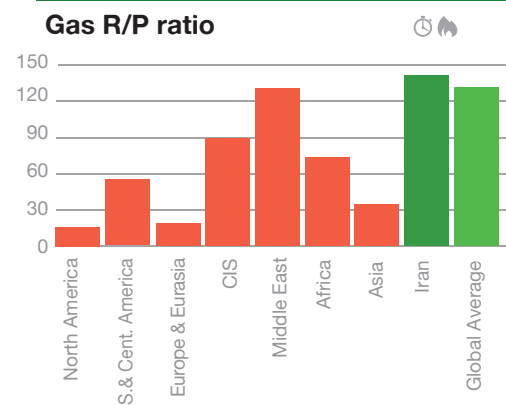
## Gas



Proven Reserves of Natural Gas 2018 (Trillion Cubic Feet)



Reserves-to-Production Ratio (years)



Gas Production 2018 (Billion Cubic Meter)

**239**

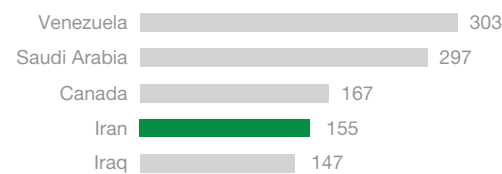
Gas Consumption 2018 (Billion Cubic Meter)

**225**

## Oil



Crude Oil Proven Reserves 2018 (Billion Barrels)

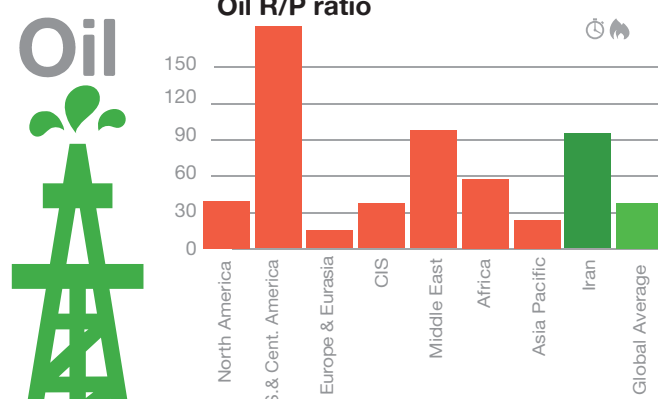


Oil Production 2018 (Thousand Barrels Per Day)

**4,715**

Oil Consumption 2018 (Thousand Barrels Per Day)

**1,879**



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, 2018).

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.

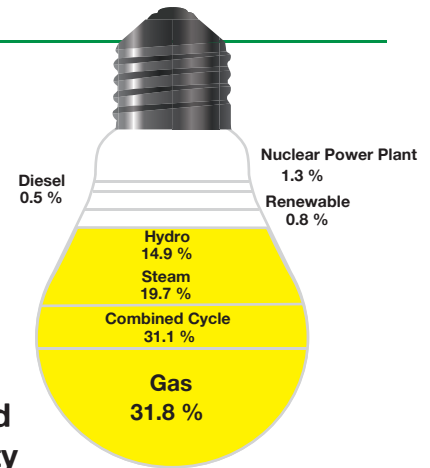
Now  
**80,467 MW**

Installed Capacity By 2020

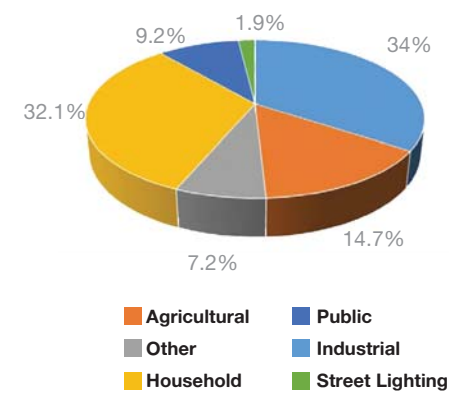
**110,000 MW**

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

**Installed Capacity 80.4 GW**



Domestic Sale of Electricity by Type of Use, 2018



2018

Gross Electricity Generation

**310,945 (GWh)**

Electricity Network

Transmission Network  
**126,648 Km**

Distribution Network  
**800,626 Km**

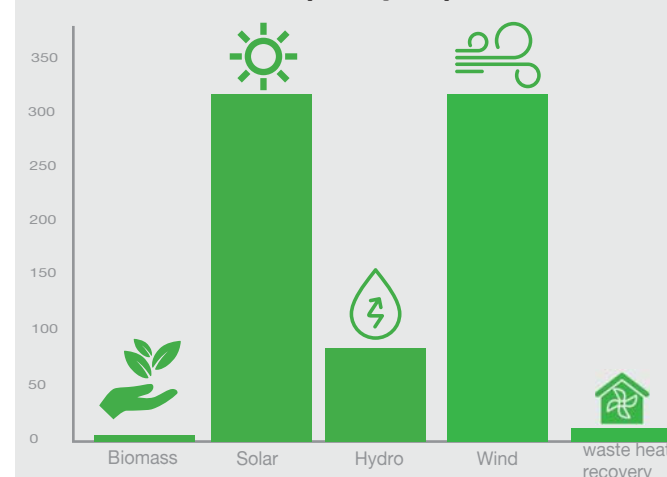
## Renewable Energy

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

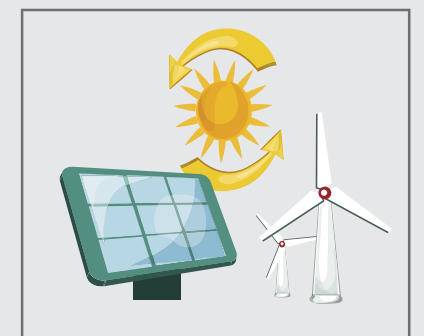
Iran has more than 2800 hours of sunshine on average per year. A number which reaches 3200 hours in arid regions such as Yazd

Installed Capacity sep.2019 (MW)



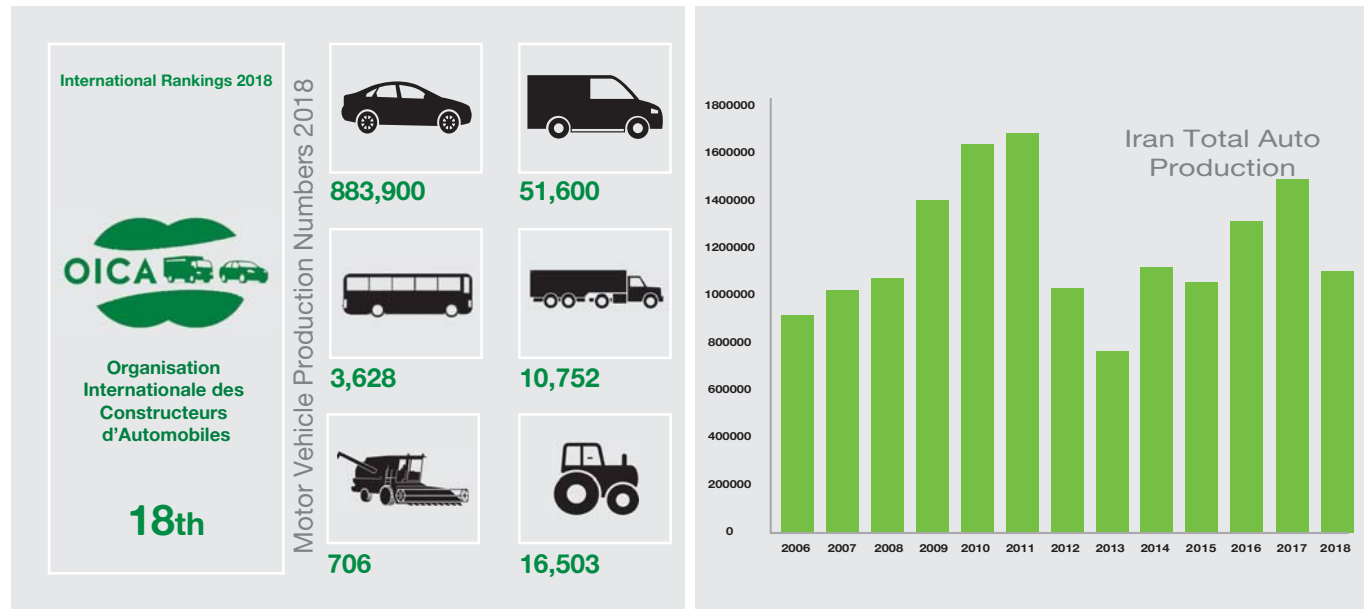
Electricity Production 2018 (GWh)

**2,572 GWh**

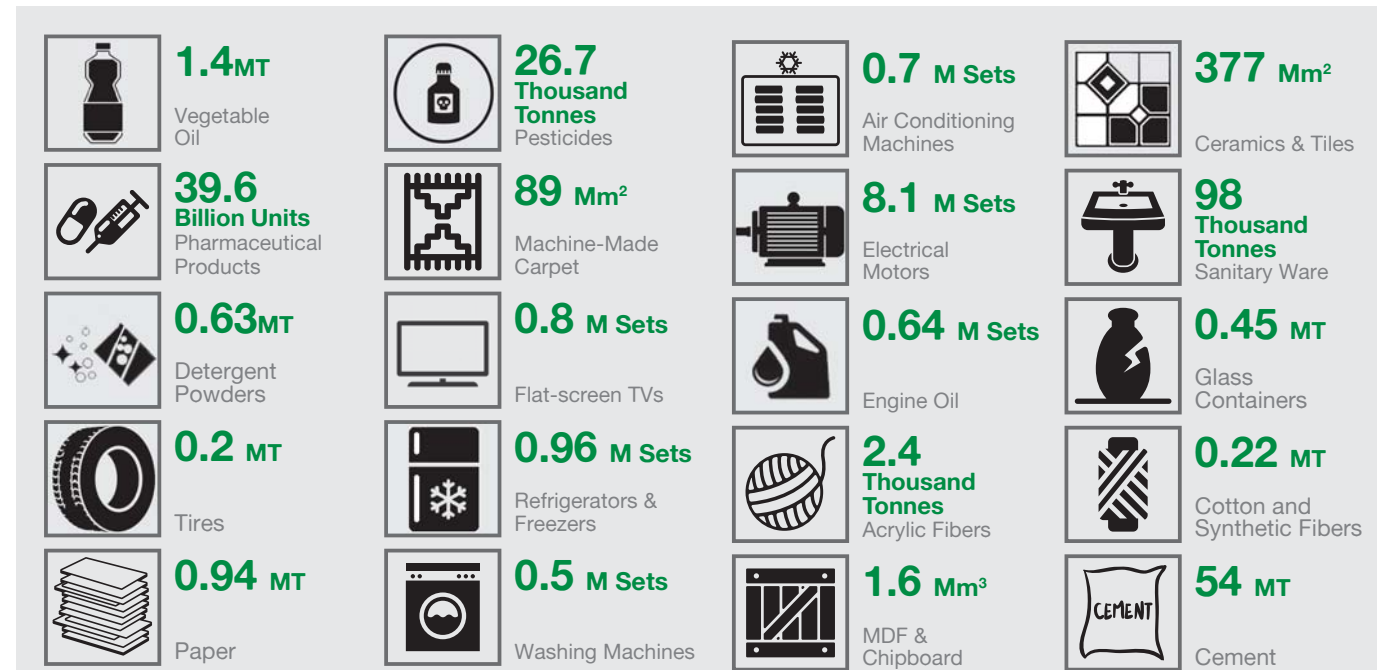


# Islamic Republic of Iran: Industries & Mineral Resources

## Automotive Industry



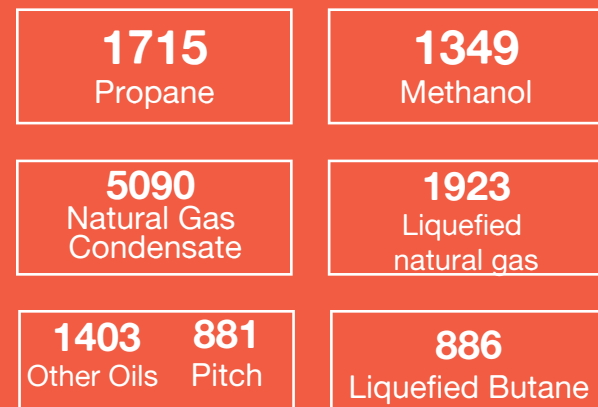
## Selected Industrial Products 2018



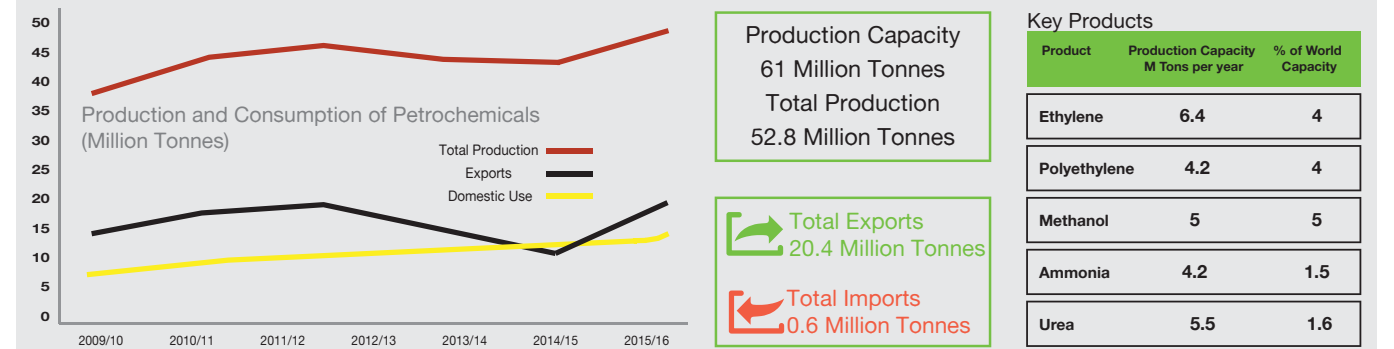
## Steel Industries 2018



## Value of Top 6 Industrial Exported Items 2018 (\$ Million)



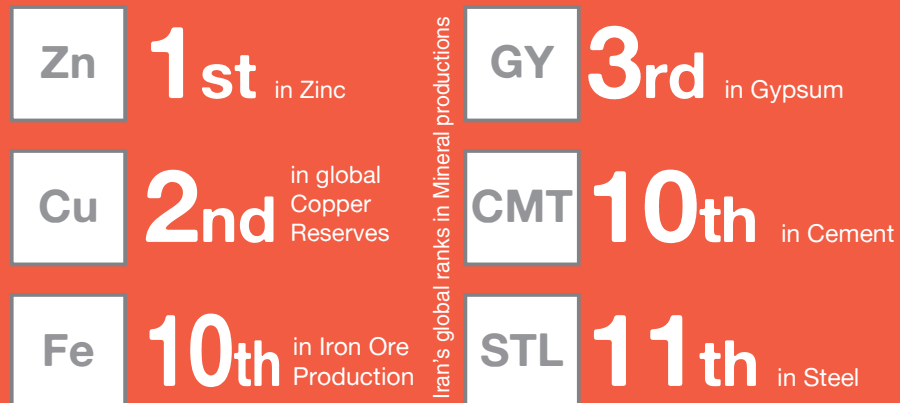
## Petrochemical Industries 2018



## Mineral Resources

**\$ 28.3 Trillion**

**37 Billion Tonnes** of Known Reserves



### Mineral Fuels Ranking

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

### Industrial Minerals

- 3 Gypsum
- 6 Feldspar
- 7 Perlite
- 6 Barite
- 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
- 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

2018

2018



**16.5Mha**

Arable Land



**46.2 %**

Irrigated Arable Land



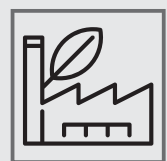
**53.8 %**

Rainfed Arable Land



**7,759 ha**

Green House Cultivation Area



**2,759**

Number of Medium & Big Food Processors



**18,547**

Number of Modern Cattle Farms



**22,293**

Number of Modern Chicken Farms



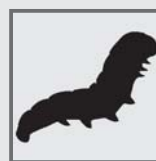
**24,481**

Number of Aquacultural Holdings



**85,336**

Number of Apicultural Holdings



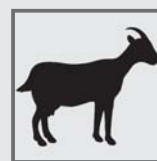
**17,363**

Number of Sericultural Holdings



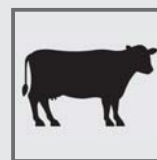
**45.6M**

Sheep & Lamb



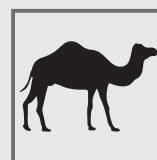
**18.1M**

Goat & Kids



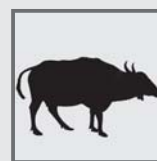
**8M**

Cattle & Calves



**189**

Thousand Camel



**218**

Thousand Buffalo

2018



**0.82 MT**

Production of Red Meat



**2.3 MT**

Production of Chicken Meat



**10.58 MT**

Production of Milk



**0.90 MT**

Production of Eggs



**1.26 MT**

Catches & Production of Aquatics

Top Five Products (Order by Quantity) 2017



Imports



Maize



Barley



Soybeans



Rice



Cake, Soybeans

Exports



Watermelons



Apples



Tomatoes



Potatoes



Wheat flour



Iran's World Ranking (2017)







# Islamic Republic of Iran: Travel & Tourism

## UNESCO World Heritage ( 24 Sites )-2019



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



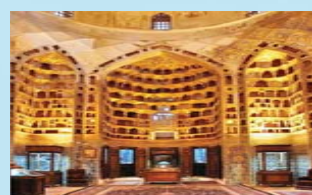
Masjed-e Jāmé of  
Isfahan  
12th Century



Soltaniyeh  
1302–12 AD



Tabriz Historic Bazaar  
Complex  
13th Century



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



Golestan Palace  
18th Century



Cultural Landscape of  
Maymand



Historic City of Yazd



Hyrcanian Forests

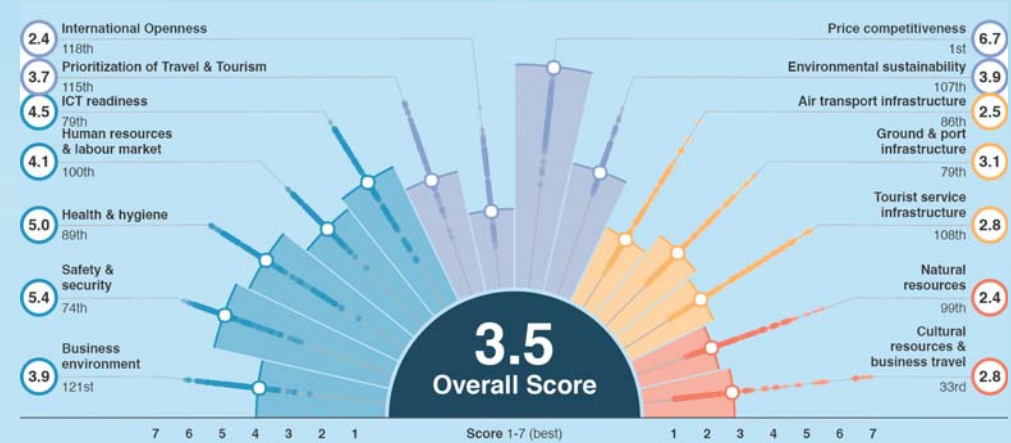


Sassanid Archaeological  
Landscape of Fars Region



Meidan-e Emam, Isfahan  
17th Century

## 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

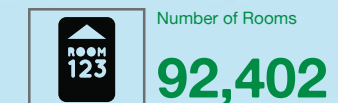
International Tourism  
arrival Ranking  
**41st**



Cost of Living Index by City

Tehran 41.67 / New York 100

**41.67**



Persepolis  
6th Century BC





# 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

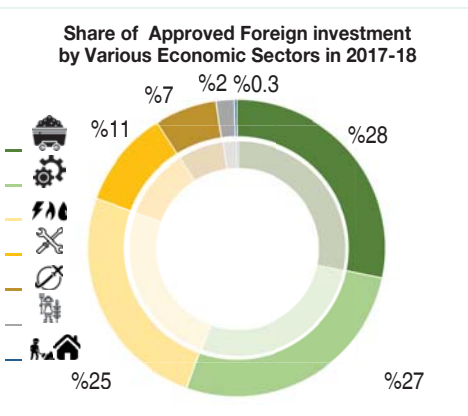
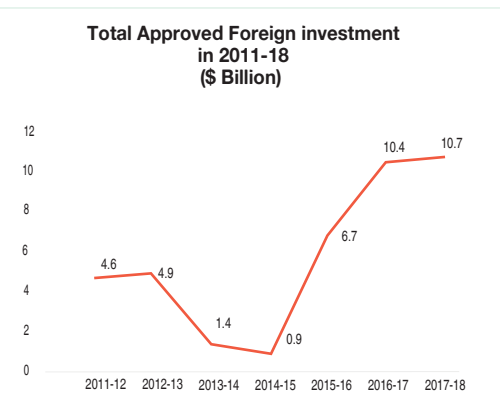
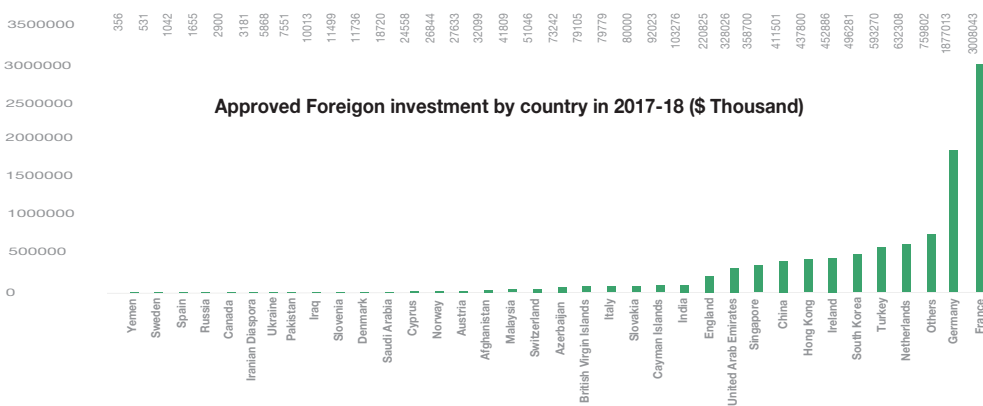
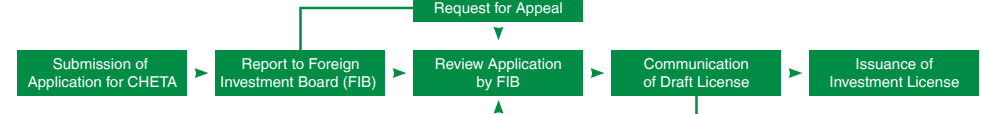
Issuing a **3-year** residence license for foreign experts

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



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

Sector	Investment (\$ Thousand)	Sub-Sector	Investment (\$ Thousand)
<b>Supply of Water, Electricity and Gas</b>	2,647,189	<b>Agriculture</b>	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
<b>Transportation and communications</b>	711,251	<b>Industry</b>	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
<b>Services</b>	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
<b>Mine</b>	3,009,124	<b>Building</b>	28,329
1 Crude oil and Natural Gas	2,538,641	1 Building Material	28,329
2 Other mines (exploration and processing)	470,483	<b>Total</b>	<b>10,772,450</b>

## Legal Framework

Advantages of Foreign Investment Promotion and Protection Act

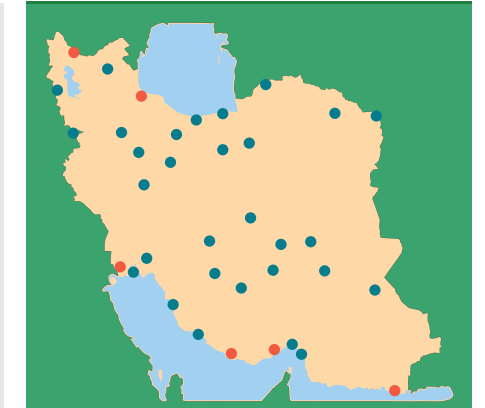
- No limits on: Investment Volume, Types of Capital Imported, Profit Transfer, Equity Percentage, Capital Repatriation
- Facilitating the entry and residence of foreign investors, Hedging non-trade risks
- Reducing the process of admission and licensing of foreign investment, Admitting investments by 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

## 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)



## Free and Special Economic 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

## Taxable Entities

- All entities, whether natural or legal, for their properties inside Iran
- 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 in Iran.
- Any Iranian legal entity for the incomes earned inside and outside of the country.
- 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

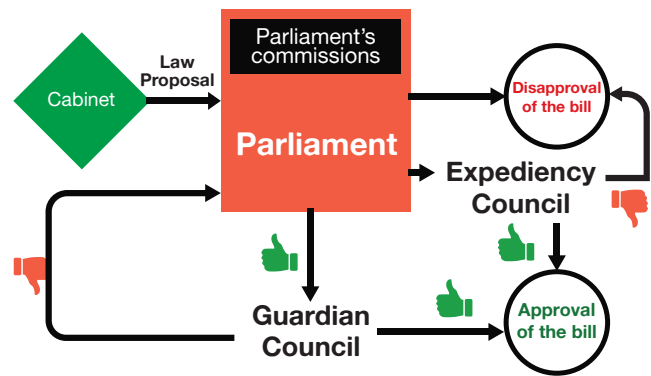
In a region faced with instability, the Islamic Republic of Iran has been a stable and thriving state despite a plethora of domestic problems, international crises and sanctions imposed over the past 37 years, and confrontations designed to bring about regime change and the Iranian nation to its knees,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

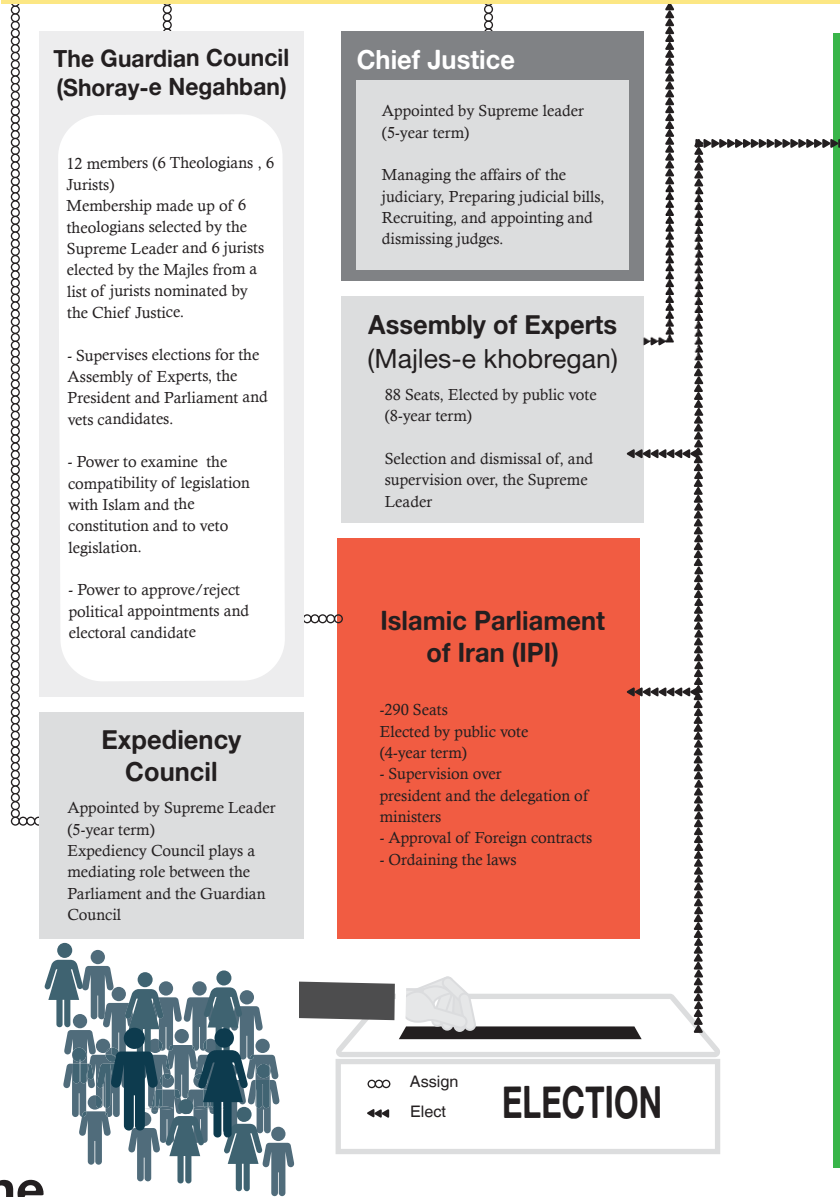
## The Legislative Process



## Supreme Leader

(Magham-e Moazam-e Rahbari)

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)
- 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)

## Political and Legislative Timeline

