Country Profile

Islamic Republic of IRAN

ICDT 2022

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General Data

General info

- Capital: Tehran
- Type of state: Islamic Republic
- Location: Asia - Area: 332,463 Km2
- Time zone: GMT + 2

Demography

- Population: 85,028,760 - 2021
- Natural increase : 1.2% - 2021
- Official and business language: Persian

Currency

- Iranian Rial (IRR)
- 1 USD = 42300 IRR – September 2022

Macro economy

- GDP: 231.55 MM USD Growth: 1.8% - 2020
- GDP per capita: 2,756.7 USD - 2020
- Employment rate of 15 years and over: 37 %

International trade

- Imports – 2021: USD 52.96 MM
- Exports – 2021: 75.15 MM USD

FDI

- FDI stocks in 2020: 58.7 MM USD
- Inward FDI flows in 2020: USD 1.34 MM

Strong Facts

- 2nd largest proven oil and gas reserves in the world
- Qualified and competitive human capital
- Diversified economy with various investment potentials

GDP growth (annual %)

In 2022, growth is expected to stabilize at 2.1%.

The Iranian economy is based on the gas and oil sector, agriculture and services, and is characterized by a significant involvement of the state in manufacturing and financial services. Iran is the world's second largest producer of natural gas and the fourth largest producer of proven oil reserves in the world.

Rankings of Doing Business 2020 by Domain

Start a business	Iran
Procedures (number)	10
Time (days)	72

The country is ranked 127th in the Doing Business 2020 ranking, an increase of one position from 2019.The country has facilitated the payment of taxes by introducing an online system for paying social security contributions and value added tax refund claims, or amending corporate income tax returns online.

The Islamic Republic of Iran has facilitated export and import by strengthening the single window of national trade.

Main Sectors of Activity

12.8 %	Share of agriculture in GDP It employs 17.4% of the population
30.6 %	Share of industry in GDP It employs 31.4% of the population
57 %	Share of services in GDP They employ 51.2% of the population

Sector Strategies

The National vision 2024 strives towards transforming Iran into a society that is :

- Equipped with advanced knowledge; competent in science and technology; largely reliant on human resources and social capital in national production.
- Equipped with health, welfare, food security, social security, equal opportunities, equitable distribution of income, strong family foundations; reduced poverty, corruption, discrimination, and a favorable natural environment.
- Active, responsible, generous, loyal, satisfied, having a work ethic, discipline and a cooperative and collaborative social mentality; dedicated to the development of the country; and the national identity.
- Ranked first in the fields of economy, science and technology in the western region of South Asia (which includes Central Asia, Kyrgyz regions, the Middle East and neighboring countries). Iran emphasizes on the production of high-tech knowledge [software], rapid and continuous economic growth, a steady increase of income per capita and the achievement of full employment.

Infrastructure

Maritime

The country's main port of entry is Bandar-e 'Abbas on the Strait of Hormuz. Other important ports include Bandar-e Anzali on the Caspian Sea and Khorramshahr and Bandar-e Khomeynī on the Persian Gulf.

Airport

Iran possesses a strong air network. Its largest airport (Imam-Khomeini International Airport) is located in Tehran.

Railway

The Iranian railway network consists of 8,500 km of tracks. By 2025, the railway network is expected to expand to 25,000 km. The Tehran / Bandar-e 'Abbas railroad which allows to cross all Iran by connecting the port of the Persian Gulf to Central Asia (Turkmenistan, Uzbekistan) via Tehran and Mashhad was inaugurated in 1995. since 2016, Iran has been linked to China by rail as part of the Silk Roads project, which enables goods to be transported project,in 12 days instead of 30 by sea

Energy & Telecom

Iran works on extending the reach of its LTE networks, which increases network capacity and improves the quality of mobile broadband services.

Promising Sectors

01 **Construction** : Annual sales amount to 38.4 billion US dollars. A total of 2,000 units are built every day, but this figure is expected to increase to 2,740 units.

02 **Agriculture:**One third of the total area is considered agricultural, but most of it is not cultivated. One of its major agricultural products are: pistachios, saffron, dates, milk and honey.

03 **Automotive:** Iran is one of the leading markets in the region. With 900,000 new cars produced in 2019, Iran is among the world's top 20 producers .

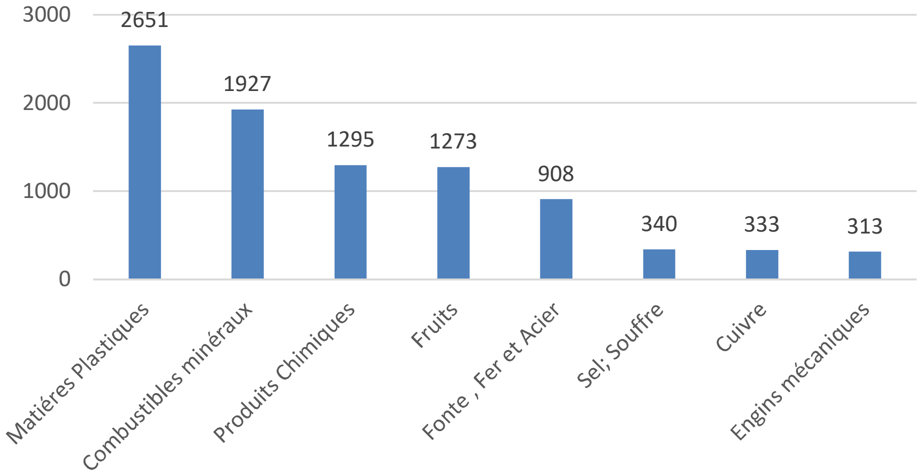
04 **Mining:** The mineral industry is still under development and is ranked among the top 15 in the world in minerals, holding some 68 types of minerals, 37 billion tons of proven reserves and more than 57 billion tons of potential reserves

05 **Oil & Gas:** the sector accounted for 60% of total state receipts and 80% of the total annual value of exports and foreign exchange earnings

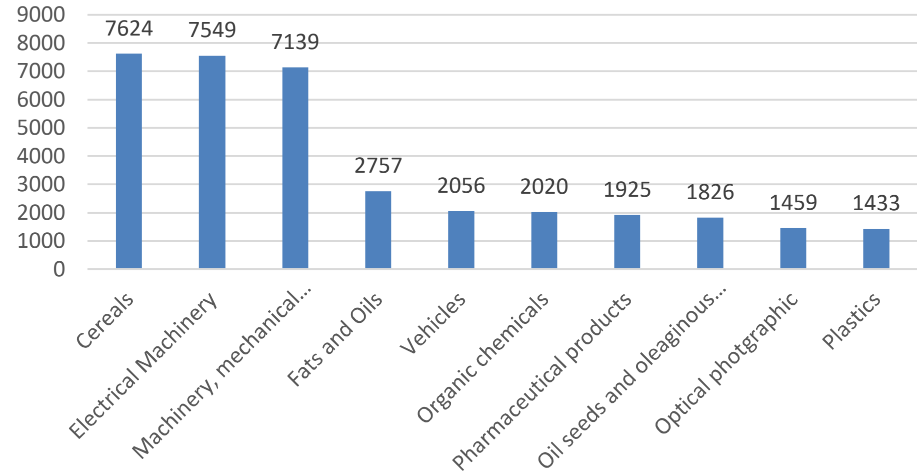
06 **Textile:** one of the main industrial sector . The quality of Persian textile is the result of a thousand-year-old expertise (carpet weaving, ceramics manufacturing, silk and jewelry processing)

International Trade

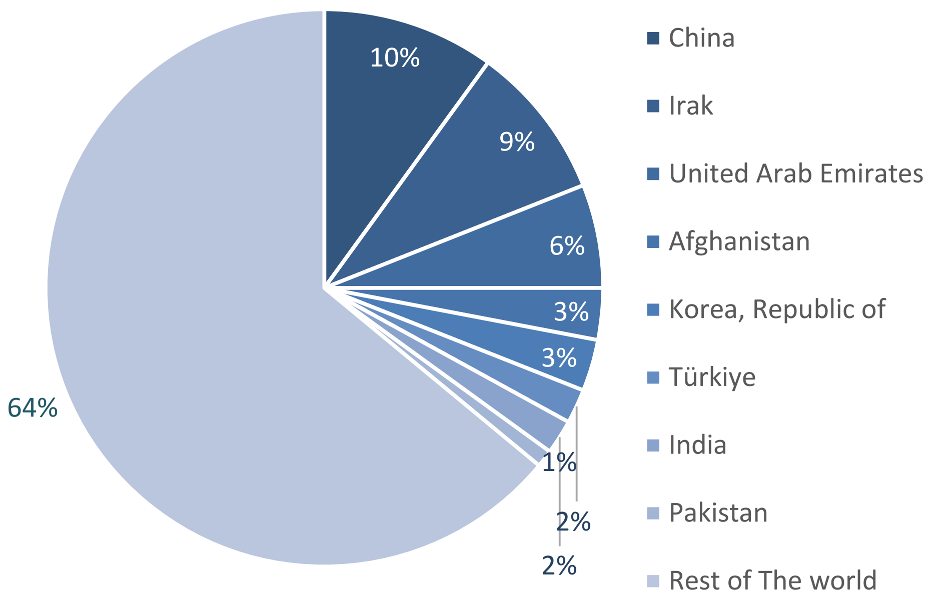
Main products exported by Iran in 2020 - MUSD



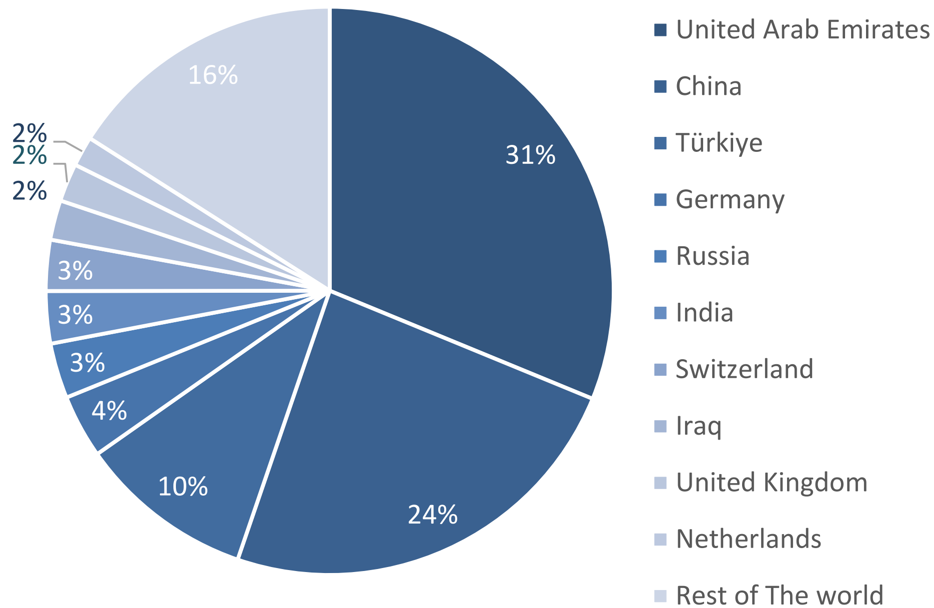
Main Imported products by Iran in 2021 - MUSD



Main Customers of Iran in 2018

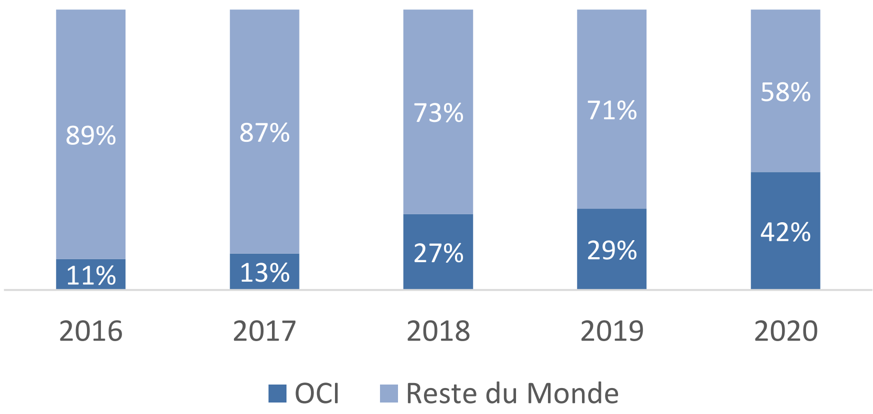


Main Suppliers of Iran in 2021

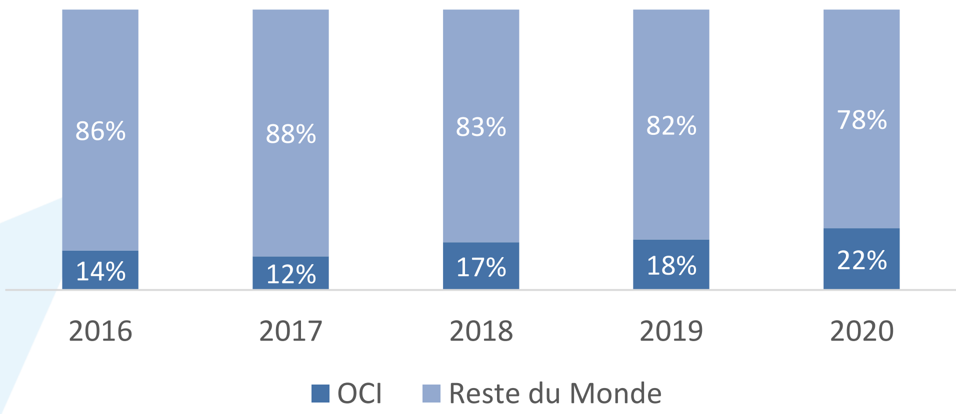


Intra-OIC Trade

OIC Share in Iran's Exports



OIC Share in Iran Imports



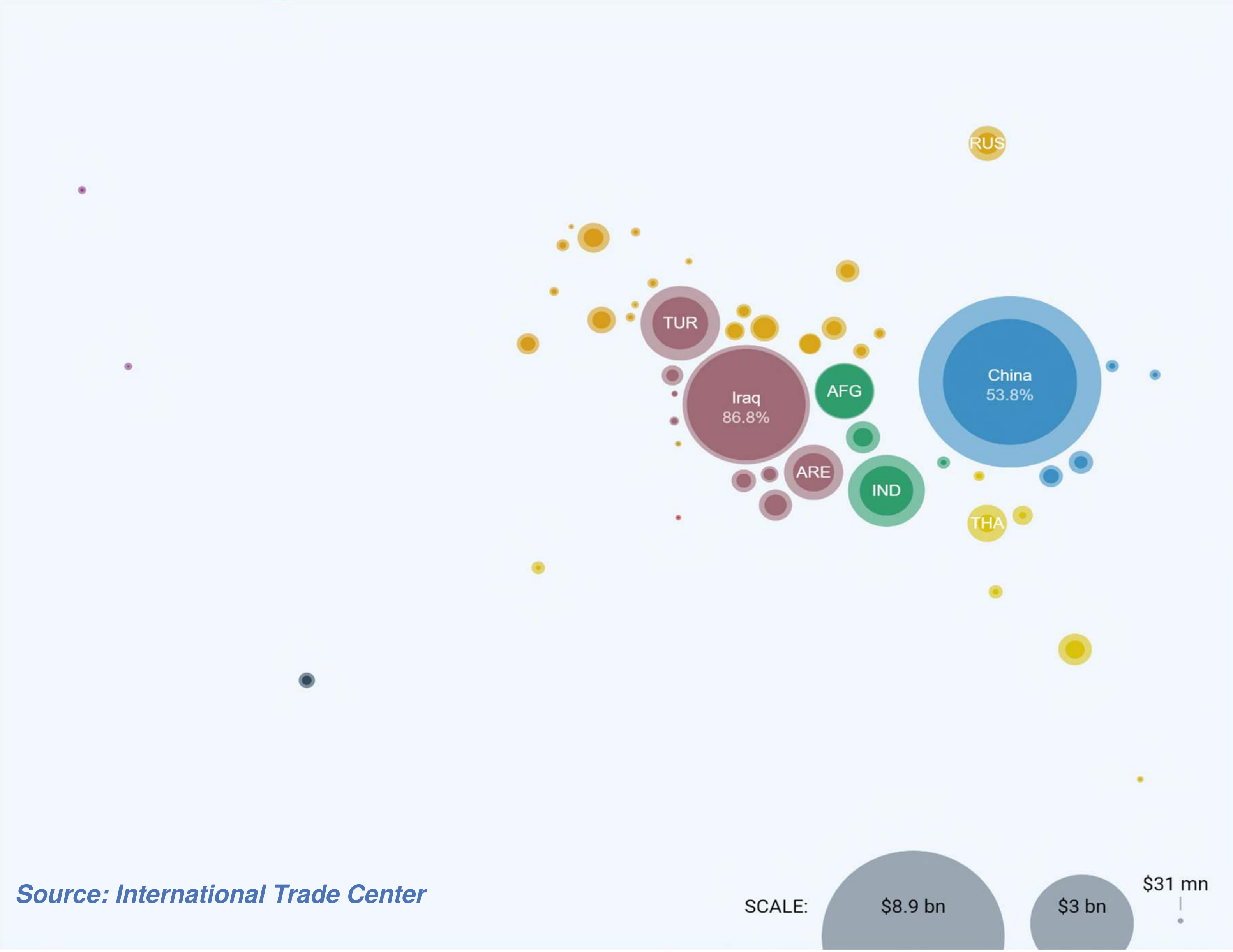
Top 10 Customers, OIC Members in 2020

1. Iraq
2. United Arab Emirates
3. Afghanistan
4. Turkey
5. Pakistan
6. Indonesia
7. Oman
8. Azerbaijan
9. Turkmenistan
10. Kuwait

Top 10 Suppliers, OIC Members in 2020

1. United Arab Emirates
2. Turkey
3. Pakistan
4. Malaysia
5. Oman
6. Indonesia
7. Kazakhstan
8. Iraq
9. Uzbekistan
10. Bangladeshi

Export potential of Iran by country of destination



Markets with potential for Iran, Islamic Republic of's exports

Legend

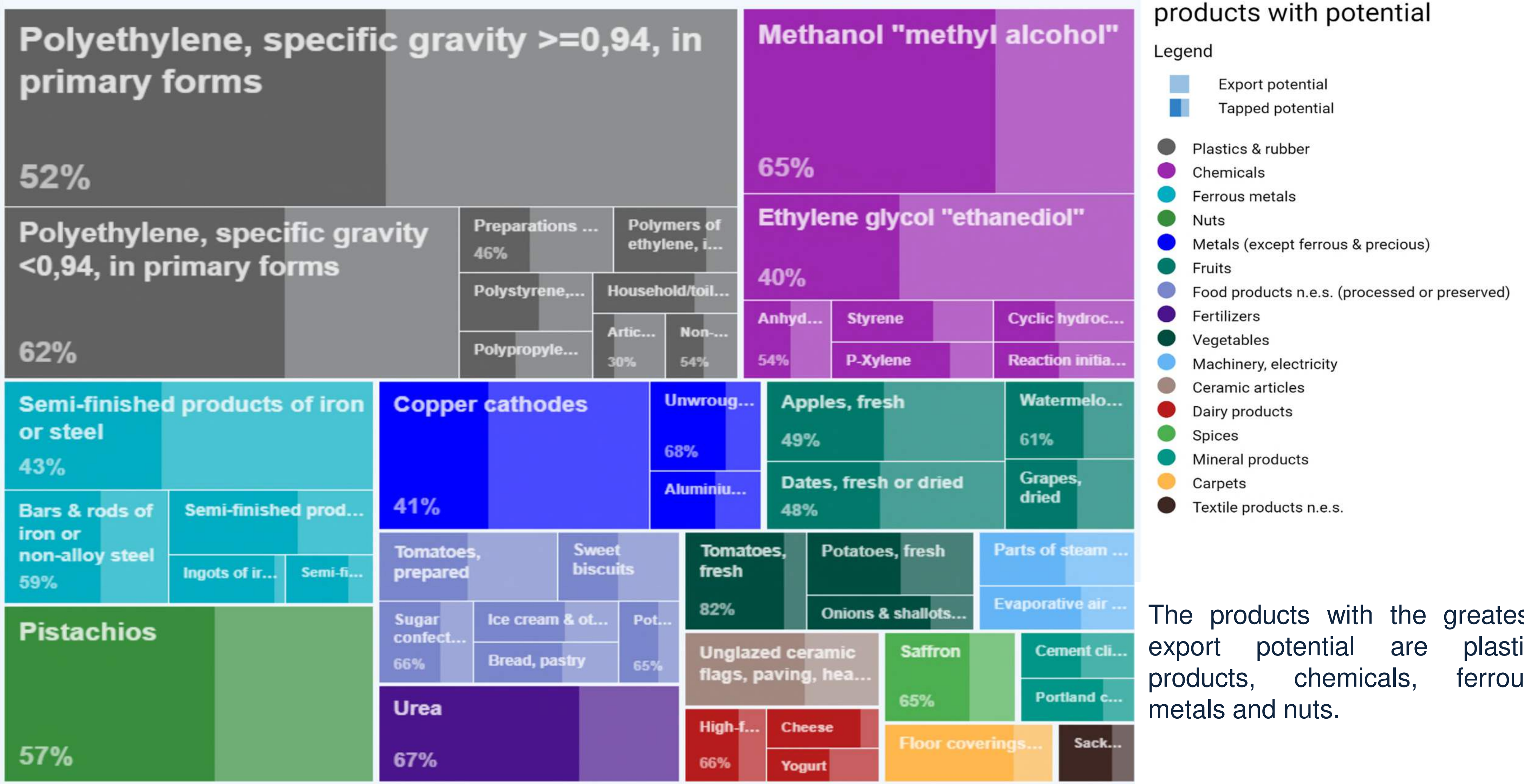
- Export potential
- Tapped potential
- East Asia
- Middle East
- South Asia
- East Europe & Central Asia
- Southeast Asia
- EU & West Europe
- South & Central America
- North America
- Western Africa
- Pacific
- Northern Africa
- Eastern Africa

Within the OIC region, the markets with the highest export potential are located in the Middle East.

Source: International Trade Center

Export potential of Iran by product

Source: International Trade Center



The products with the greatest export potential are plastic products, chemicals, ferrous metals and nuts.

Market Access

Customs Duties and Taxes

Average rate: 20.1%
Average rate of agricultural products: 28.4%
Average rate of non-agricultural products: 18.7%

Non-Tariff Measures

0% for the most important basic and strategic products, 100% for the few permitted consumer goods. In the case of manufacturing under licence, there is an obligation to gradually increase the local share.
For further details about Customs Laws : https://tarkhiskara.com/en/the-customs-law/

Trade agreements

Free Trade Agreement with the EAEU (Eurasian Economic Union)
Member of the Organization of Petroleum Exporting Countries (OPEC)
Member of the Economic Cooperation Organization (ECO)
Observer member of the Shanghai Cooperation Organization (SCO)

Fairs and Exhibitions

For more information, visit the website:
https://www.eventseye.com/fairs/c0_salons_iran.html

Investing in Iran

Why Iran

Young and growing population with moderate purchasing power, very competitive production costs, ideal geographical location, climatic conditions suitable for any agricultural activity. Advanced infrastructures (Energy, Telecom, Road transport)

Special Economic Zones

7 free zones: specific regulations and laws
Kish, Qeshm, Chabahar , Aras, Anzali , Arvand and Makou
12 special economic zones: unenforced customs laws to facilitate import and export and promote domestic industry.
Payam Airport (Tehran), Salafchegan (Qom), Persian Gulf (Hormozgan), Lorestan, Amirabad Port (Mazandaran), Bushehr Port .

Implemented Measures

Rapid approval of the foreign investment application, Issuance of a three-year residence permit to foreign investors, 20-year tax exemption for all economic activities in industrial zones, No limitation on the transfer of foreign currency, Flexible money and banking services, Exemption of raw materials and industrial machinery of production units from customs duties, Conducive circumstances for re-export and transit of goods.

Contacts

Iran Investment Promotion Agency

Ministry of Economic Affairs and Finance-
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