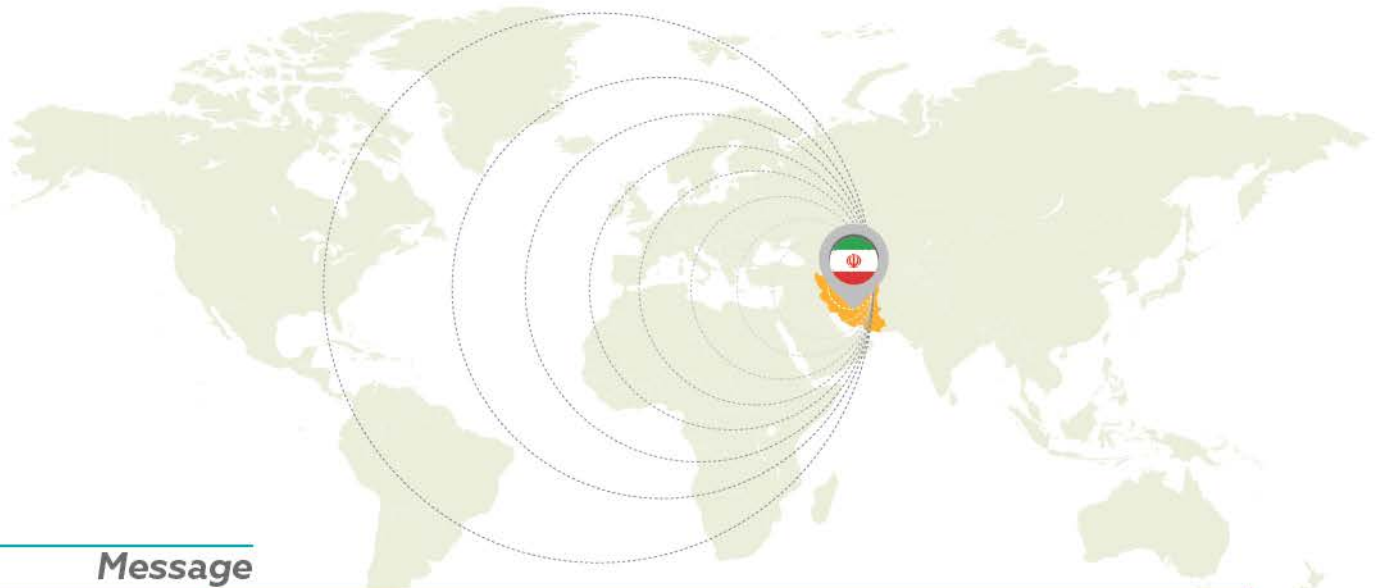


TEHRAN CHAMBER OF COMMERCE,
INDUSTRIES, MINES AND AGRICULTURE

IRAN

UNPARALLELED POTENTIAL

2020



Message



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 the Tehran Chamber of Commerce, Industries, Mines and Agriculture (TCCIMA) 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. Acknowledging the need to sustain joint collaboration between Iran and other countries in order to facilitate Iran's economic development, and given that TCCIMA has been a key player in the private sector of Iran, we do our utmost for exchanging ideas, sharing experiences, developing new professional services and community building apt to help foster new relations 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 witness for yourself the opportunities our country offers as a basis for mutually beneficial cooperation.



President
Masoud Khansari

Why Iran

1 Strategic Location

Straddling the Persian Gulf and the Caspian Sea, Iran connects Central Asia to the open seas and West Asia to the Middle East, offering a unique and valuable geographic location.



17.5m barrels of crude per day through the Straits of Hormuz
= 40% of global requirements

2 At the heart of Regional Market

Iran has land and sea borders with 15 countries, offering easy access to a combined market of over 600 million whose demographics and increasing purchasing power offer a growing market at a time of low growing world economy.



15 Countries

3 World's 18th Largest Economy¹

With a total GDP of around USD 1,600 billion (PPP basis), and USD 20,200 (GDP per capita, PPP), Iran is the world's 18th largest economy and set to climb further, by mobilizing its demographic advantages and natural resources capital to enjoy years of sustainable and rapid growth.



9.8% Agriculture **35.9%** Industry **54.3%** Services

4 Political Stability

While Iran enjoys peace, stability and security in an area affected by upheavals, unrest and hot beds of tensions, it has always offered peace and tranquility and used its utmost to invite others to contribute to the process of Détente in the area and the Middle East region.



5 Low Effective Rate of Taxation

Iranian companies enjoy a flat 25% corporate tax rate and shareholders are not liable to any tax on dividends, while exports are exempt from any taxation and under certain circumstances tax holidays of up to 15 years can be obtained.



15 Years Tax Holidays

Note: Data refers to figures based on the information in 2019.
1.Ref.: IIL 2018 Rank



6

Developed Infrastructure

Through substantial investments, Iran has developed its ports, rail and road networks and air transport systems, creating the perfect foundation for economic development and prosperity.

103 Airports

General Infrastructure Rank: 39

13,000 km Railroads

Gross Capital Formation%GDP Rank: 8



7

Labor Market and Education²

With some 4.8 million students at various stages of higher education, Iran possesses some of the best educated youth in the developing world.

82 m Population



Population

Iran Global Rank: 18

Growth Rate: ~1%

Median Age: 30.1

Urban Population: ~ 62,703,000 (76%)

Rural Population: ~ 20,118,000 (24%)

30.5 m Labor force



Labor Force

Labor force participation rate: 41%

Female labor force participation rate: 20%

Labor productivity: 3%



4.8 m Students



Tertiary Education Rank: 3

Graduates in Science & Engineering Rank: 3

Patents by origin/GDP PPP bn USD Rank: 14

Knowledge Impact Rank: 12

Employment Share in Major Economic Sectors



Agriculture: 17.7%



Manufacture: 32%



Services: 50.3%

Growth rate of GDP
PPP USD
worker Rank: 1

2.Ref.: Worldometers.com
Worldbank
GII 2018 Rank





8

Untapped Tourism Potential

With its ancient history, the heritage of some of the world's greatest empires, exquisite arts and crafts, rich cultural heritage, refined and varied cuisine, diverse climate and breath-taking natural wonders, Iran is a desirable and unparalleled destination for all types of tourists, a market which is reached yet to have its real potential.

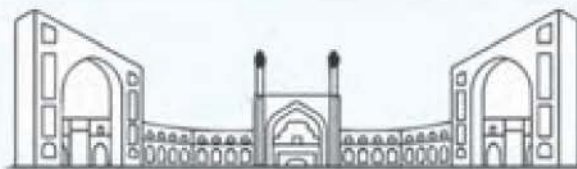


MENA Region Pillar Snapshot

The Most Improved Country in ICT Readiness Index

Price competitiveness: Iran ranks 1st globally thanks to low ticket taxes and airport charges (7th), fuel prices (5th) and high purchasing power (5th)

Cultural Resources and Business Travel: 33rd



Fact and Figures

Biosphere Reserves: 12

World Heritage Sites: 22

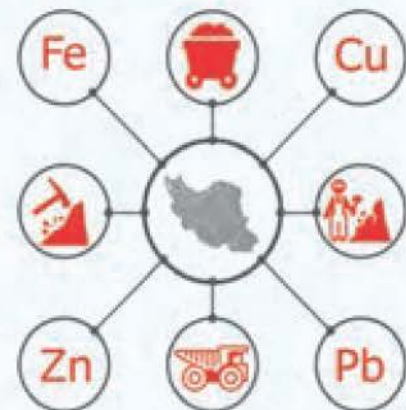
9

Abundant Mineral Resources

The country is exceedingly rich in mineral resources, which are worth an estimated USD 27.3 trillion. Iran is the MENA region's leading country in reserves and production of critical base metals including iron ore, zinc, steel, copper and lead.

68 types of minerals and metals

37 billion tones known reserves & 57 billion tones potential reserves



Zn 1st in Zinc

Cu 2nd in copper

Fe 10th in iron ore

Iran's global ranks in Mine's productions

2nd in gypsum

4th in cement



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Energy Security³

Iran with close to $\frac{1}{6}$ of total global proved gas reserves as the 2nd country and ranked 4th in proved crude oil reserves which is one of the most sustainable resources of supplying hydrocarbon fuels in the world. An extensive national pipeline network to deliver fuel, together with 82,306 MW of installed electrical generation capacity Iran's ensure energy security.

Electricity

Cheap and reliable energy is accessible to practically all of the firms and households in Iran. The World Bank Doing Business Report ranks access to electricity in Iran higher than other Emerging Markets such as China and India.

82,306 MW Present Generation Capacity



Having more than 2800 hours of sunshine per year on average which exceed to 3200 hours in desert cities such as Yazd

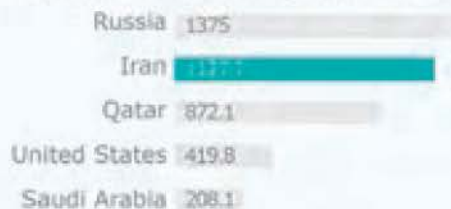
Oil and Gas⁴



2nd World Largest Gas Reserves

Gas

Proved Reserves of Natural Gas (Trillion Cubic Feet)



$\frac{1}{6}$

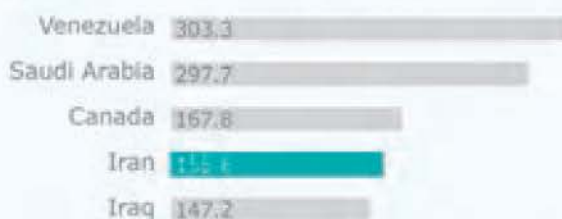
Global Proved Gas Reserves



4th World Largest Oil Reserves

Oil

Crude Oil Proved Reserves (Billion Barrels)



Ref.:

3. Ministry of Energy, 2019

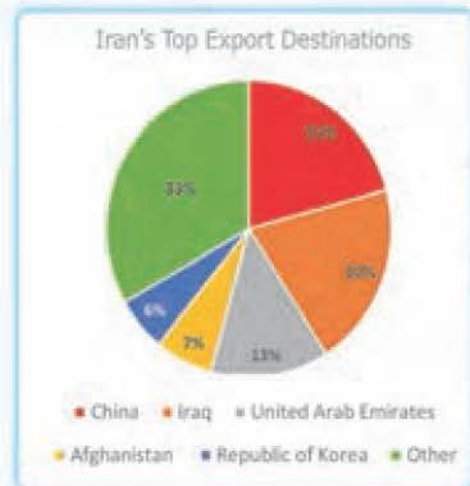
4. Bp Statistical Review of World Energy 2019





11 Main Trading Partners and Products⁵

Iran with a sizable emerging market is the largest developing economy in the region and plays a vital role in the region's economy which provides a lucrative staging ground for businesses. The country offers great opportunities for foreign businesses in agricultural and non-agricultural fields of activity.



Agricultural Products⁶

Top Exported Products (Million USD)



Top Imported Products (Million USD)



Non-Agricultural Products

Top Exported Products (Million USD)



Top Imported Products (Million USD)



Ref:

5. I.R. Iran Customs Administration (IRICA)

6. ITC, 2018

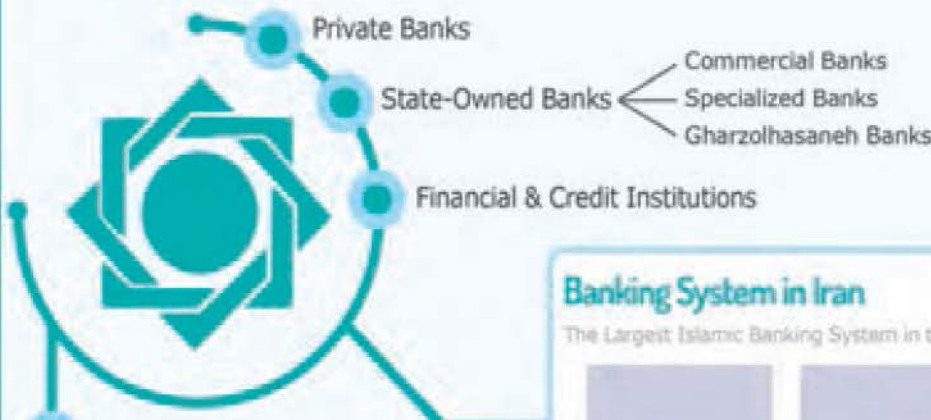




12

Banking System in Iran⁷

The banking sector plays a fundamental role in the economic growth and development of the country. There are many key players in the Iranian banking industry including 31 banks and 5 credit institutions where the financial institutions such as banks are the main sources of funding for the industrial and commercial businesses. This reflects a high level of competition in the market which has naturally compelled them to focus on innovation, performance, and quality of their services.



- Foreign Banks in Iran
- Core Banking Businesses
- API Banking
- Banking Startups
- Data Mining Businesses

Share of Various Economic Sectors in Facilities Extended by Banking Sector

Share in total (percent)



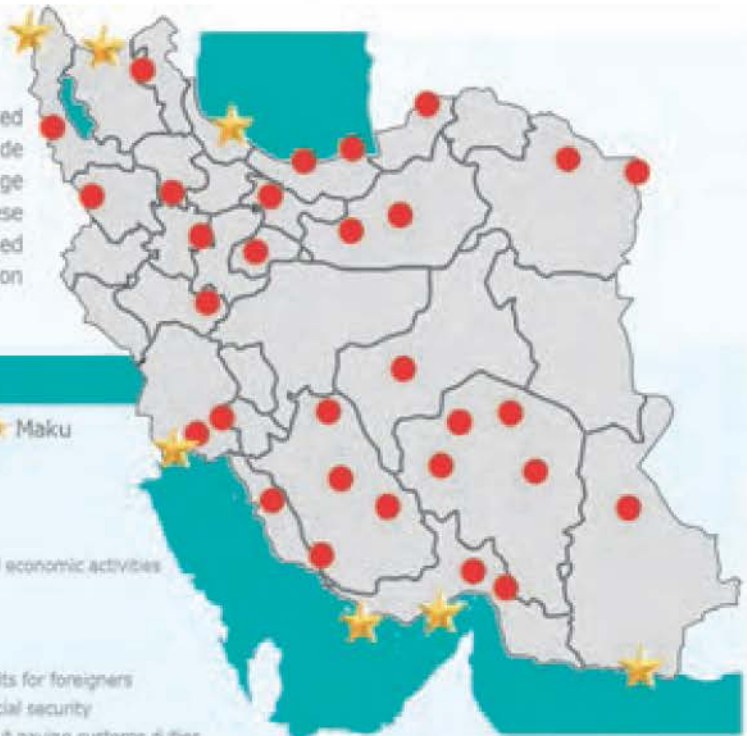
7.Ref.: Central Bank of I.R. Iran



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Economic Zones⁸

Iran in recent years has created many special economic and free trade industrial zones in order to encourage businesses to set up and invest in these zones. To this end, officials have eased regulation on labor, investment, taxation system, trade and customs.



Free Trade-Industrial Zones

- ★ Kish
- ★ Chabahar
- ★ Arvand
- ★ Maku
- ★ Qeshm
- ★ Aras
- ★ Anzali

Incentives and Advantages

- Tax exemption for 20 years from the date of operation for all economic activities
- Eligible for up to 100% foreign ownership
- Freedom of entry and exit of capital and profits
- Protection and guarantees for foreign investments
- Abolition of entry visas and easy issuance of residence permits for foreigners
- Facilitated regulation on labor relations, employment and social security
- Transfer of semi-manufactured goods to the mainland without paying customs duties
- Elimination of pay customs duties on imports from outside to the region and vice versa
- Employing trained and skilled labor force in all different skill levels and professions
- Utilization of raw materials, oil and gas as feedstock and fuel for all industrial activities and etc.

★ Free Trade-Industrial Zones: 7
● Special Economic Zones: 30

The Most Prominent Special Economic Zones of Iran

- Salafchegan
- Arge Jadid
- Lorestan
- Shahid Rajaei Port
- Yazd
- Shiraz
- Payam Airport
- Amirabad port
- Sarakhs
- Bushehr
- Assaluye
- Persian Gulf
- Bushehr Port
- Sirjan


Incentives for Investment

- Exporting goods without requiring any formalities
- Importing goods with minimal customs formalities
- Goods imported from outside or industrial and commercial zones can be exported without any formalities.
- Management of the region is allowed to assign the region to qualified natural or legal persons after classification and valuation.
- Owners of goods imported to the region can send all or part of their goods for temporary entry into the country after doing customs clearance regulations.
- If the processing of imported goods is to the extent that changes the tariff of goods, the rate of the commercial benefit of the goods would be calculated in relation to the commercial benefit of raw materials & spare parts of the country.
- The management of each district is authorized to issue certificate of origin for goods per applicant out of the area with the approval of the customs administration.
- All the goods imported to the region for the required production or services are exempted from the general import-export laws.
- The proportion of total value added, domestic parts and materials used in the total price of the commodity production is allowed without any limitation in addition to not having to order or open letter of credit.
- Goods manufactured in these areas are not subject to price regulation due to unutilized resources, allocated currency and etc.


8.Ref: Organization for Investment Economic & Technical Assistance of Iran




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