

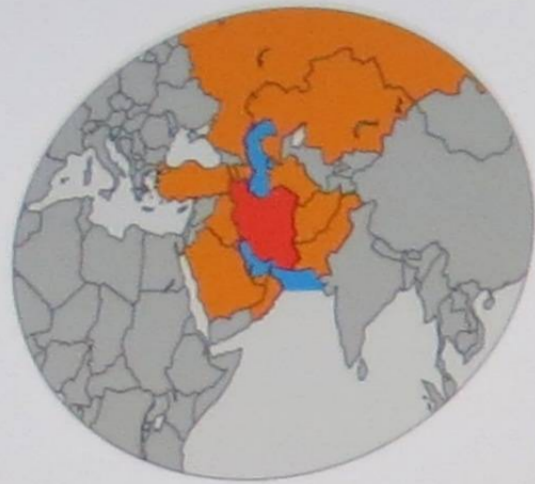


IRAN

A New Era
2016

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.



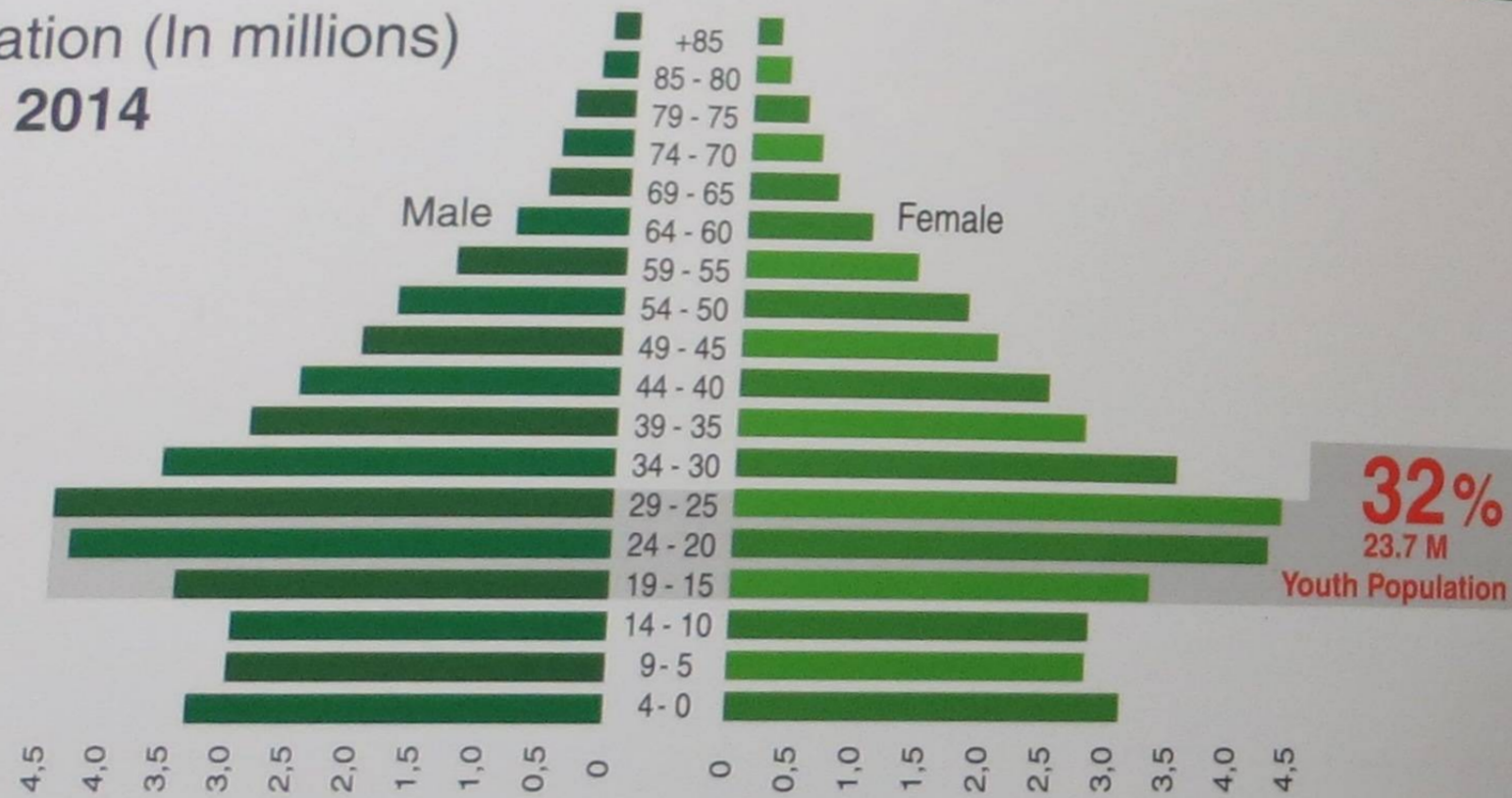
Neighbours: **15 Countries**
Population of Neighbouring Countries >600M
8% of Global Population
12% of Global Economy

WORLD ECONOMIC FORUM
28th
Foreign Market Size Index

Total Area **1,648,195 km²** (17th)
Mexico 1,964,375 km² / Alaska 1,723,337 km²

Demography

Population (In millions) Iran - 2014



Population 2016 (April) Census 2011

79.2 M



1st in the Middle East

17th in the World



Number of Households
21.1 M

Median Age
27 Years



Population Growth Rate
1.29 %



Urban
71.5 %

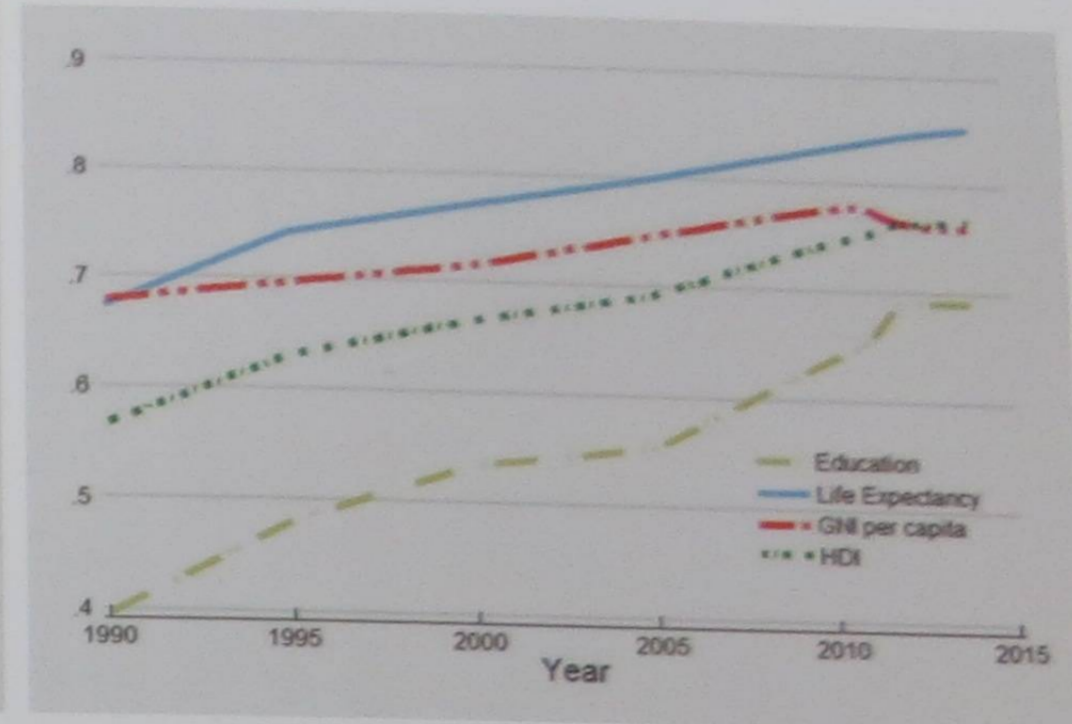
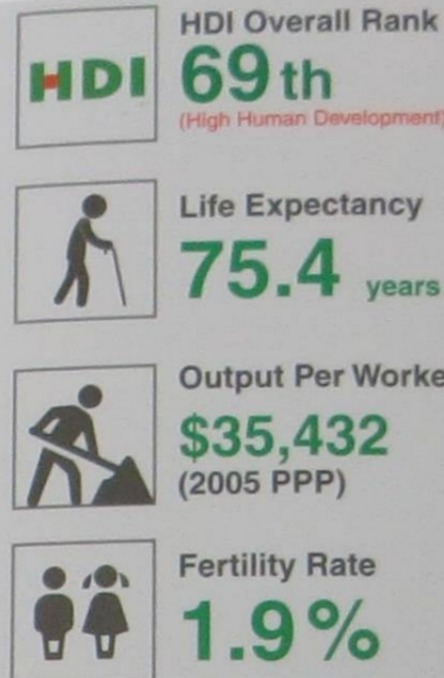


Rural
28.5 %



Human Development Index (2015)

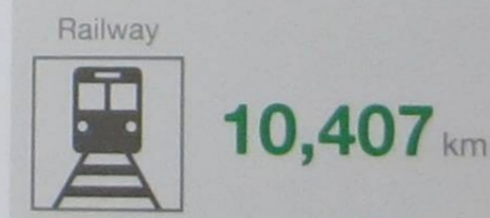
The Human Development Index (HDI) illustrates key dimensions of human development. People and their capabilities are the most important enabling factor to ensure economic growth and country development.



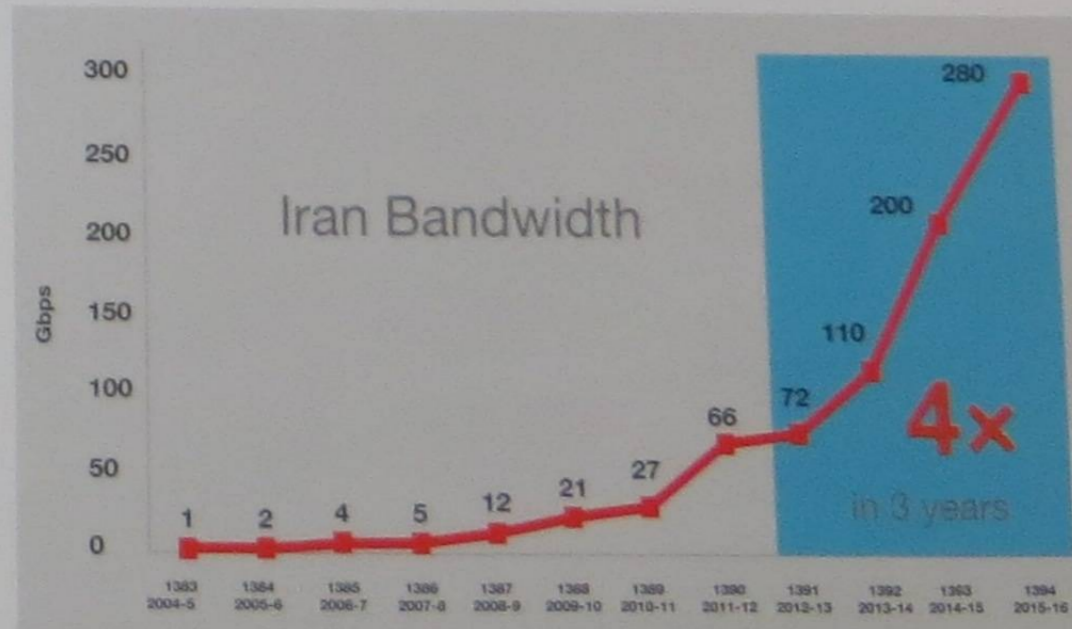
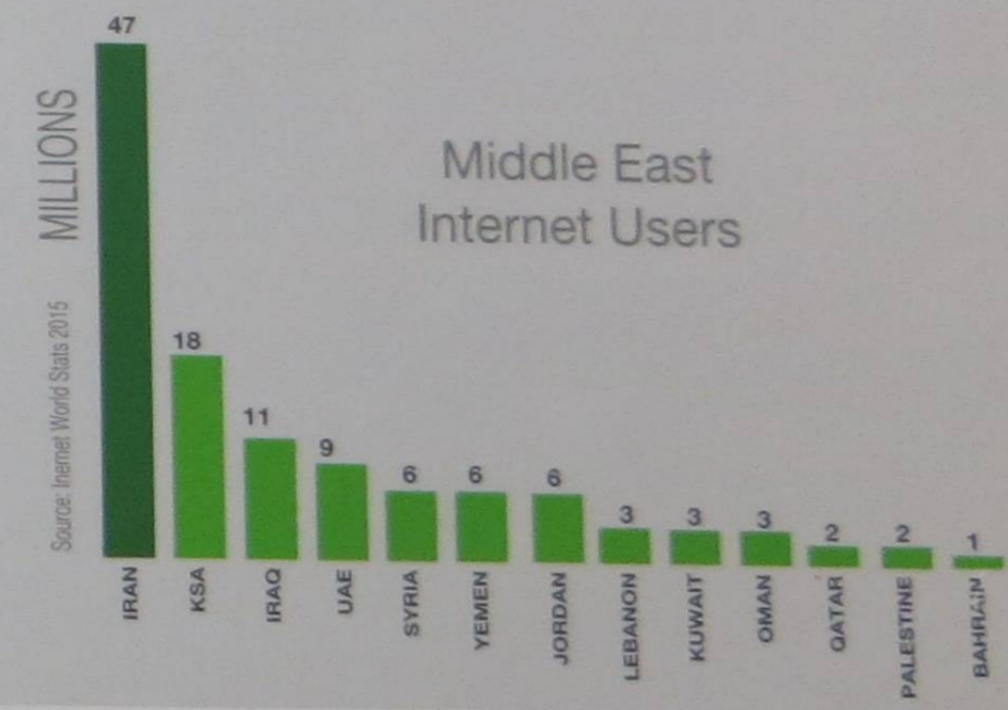
Infrastructure



Quality of Roads (WEF 2016) **63rd**



Quality of railroads (WEF 2016) **45th**



Islamic Republic of Iran: An Overview of The Economy

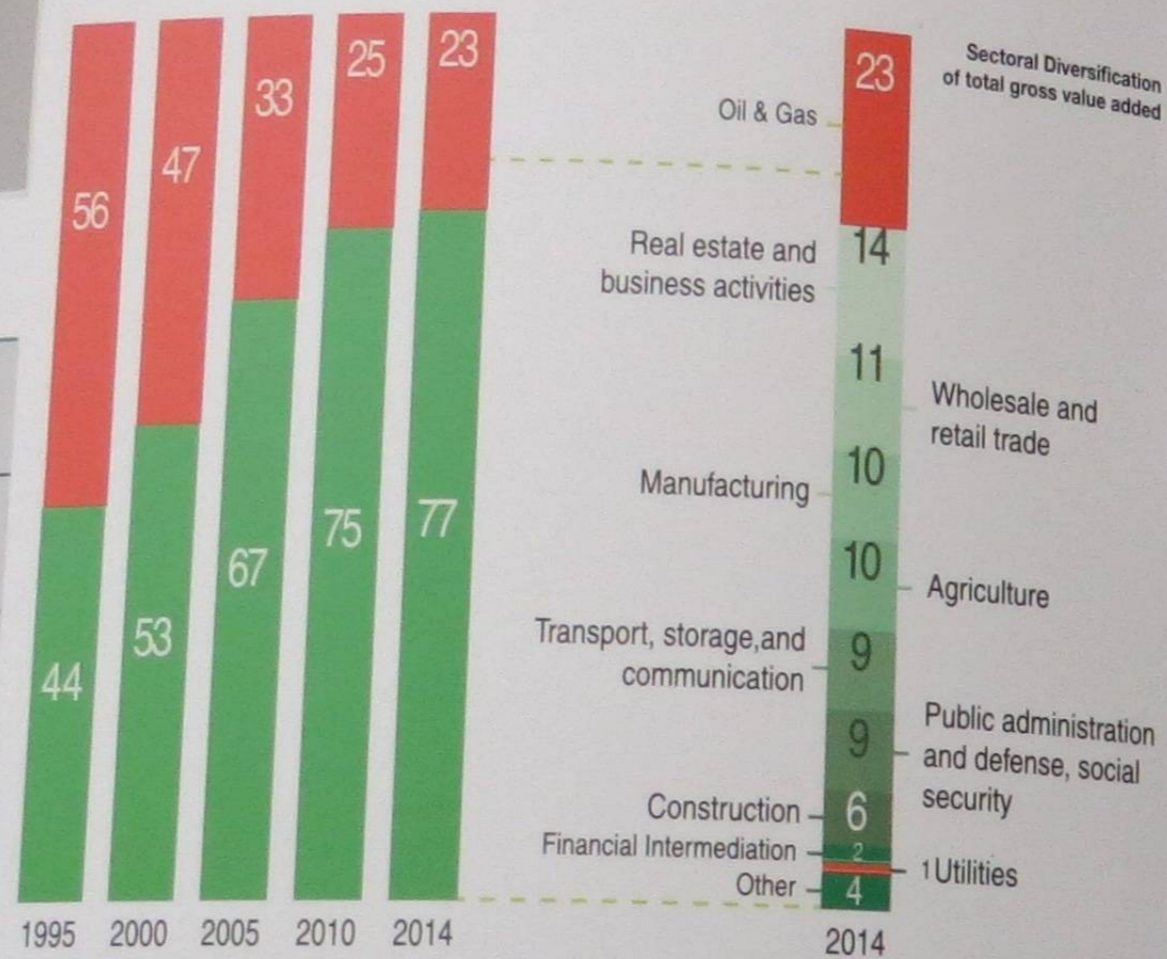
National Accounts

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 involved in the Tehran Stock Exchange.

GDP

	3.0% Growth Rate (2014)	
(2014) World bank	PPP	Nominal
GDP Value	\$1352 B	\$425 B
Rank	18th	28th
GDP Value Per Capita	\$17,303	\$ 5,443
Rank	64th	92nd

Sectoral contribution to Iran's total gross value added



Government Finances (2014)

39.9%
Tax Revenues



General Government Resources (Income)
\$37B



80.9%
Current Expenditure



35.5%
Oil Revenues



16.8%
Construction Expenditure



\$ 5107 M
Foreign Debt



General Government Debt
(12.2 % of GDP)
9th



Labour Market (2015)

Unemployment Rates

11%
9.3%
19.4%



Youth Population
15-24 years old
26.1%

Higher Educated Population
18.5%

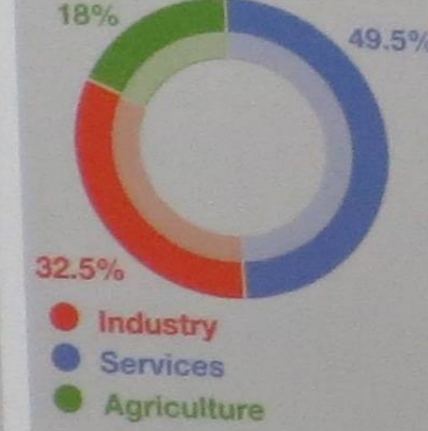


8.1%



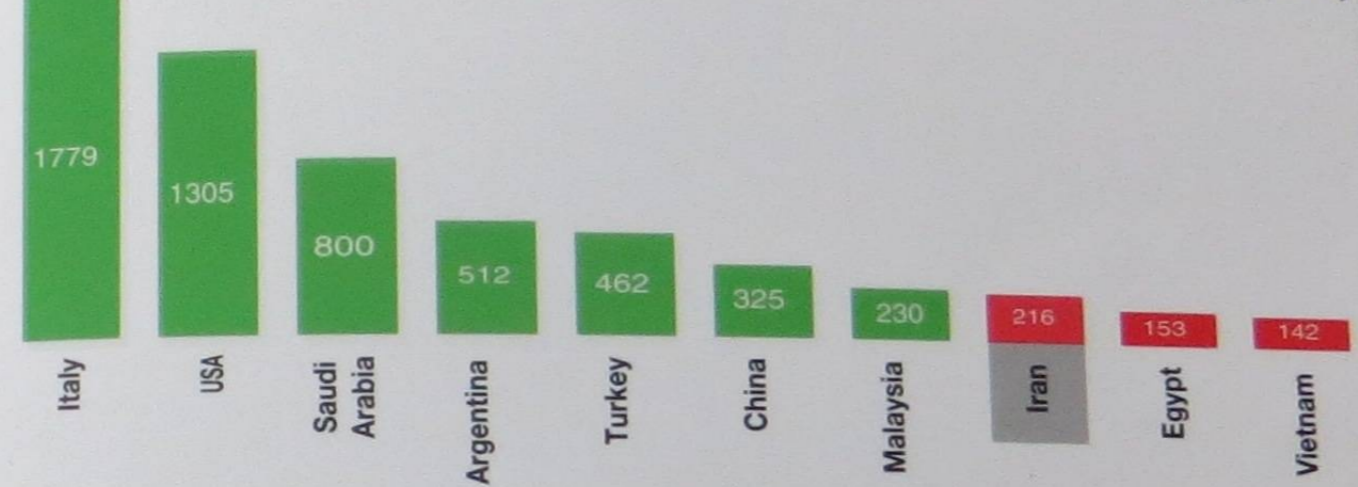
12.2%

Employment Share in Major Economic Sectors



Active Population
24.7 M
Economic Participation Rate (Total)
38.2%

Monthly Minimum Wage Rates by Sample Countries (\$) (2014)



63.2%
of total population is active

13.3%
of total population is active

Rates

11.3%
IRR

Inflation Rate (2015)

Official Exchange Rate



30,304 IRR (1\$)
(April 2016)

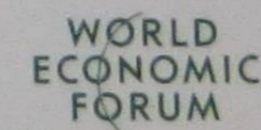
10-22%

Deposit Rate (2015)

20%

Interbanking Loan Rate (2015)

International Rankings



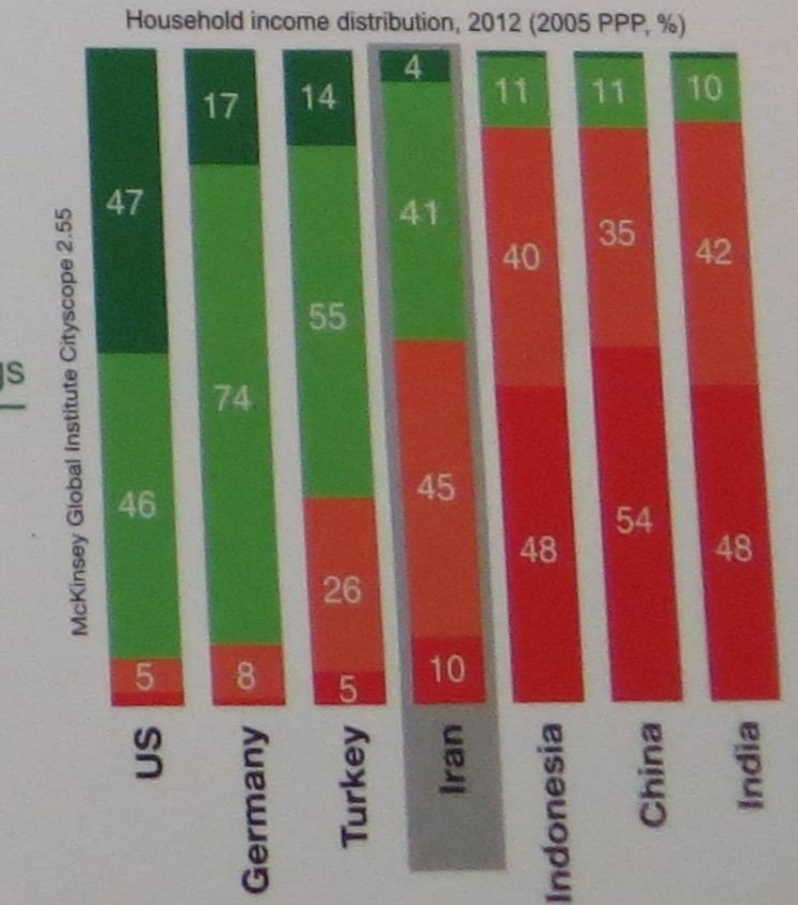
World Economic Forum Global Competitiveness 2015-2016
74/144

74

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.

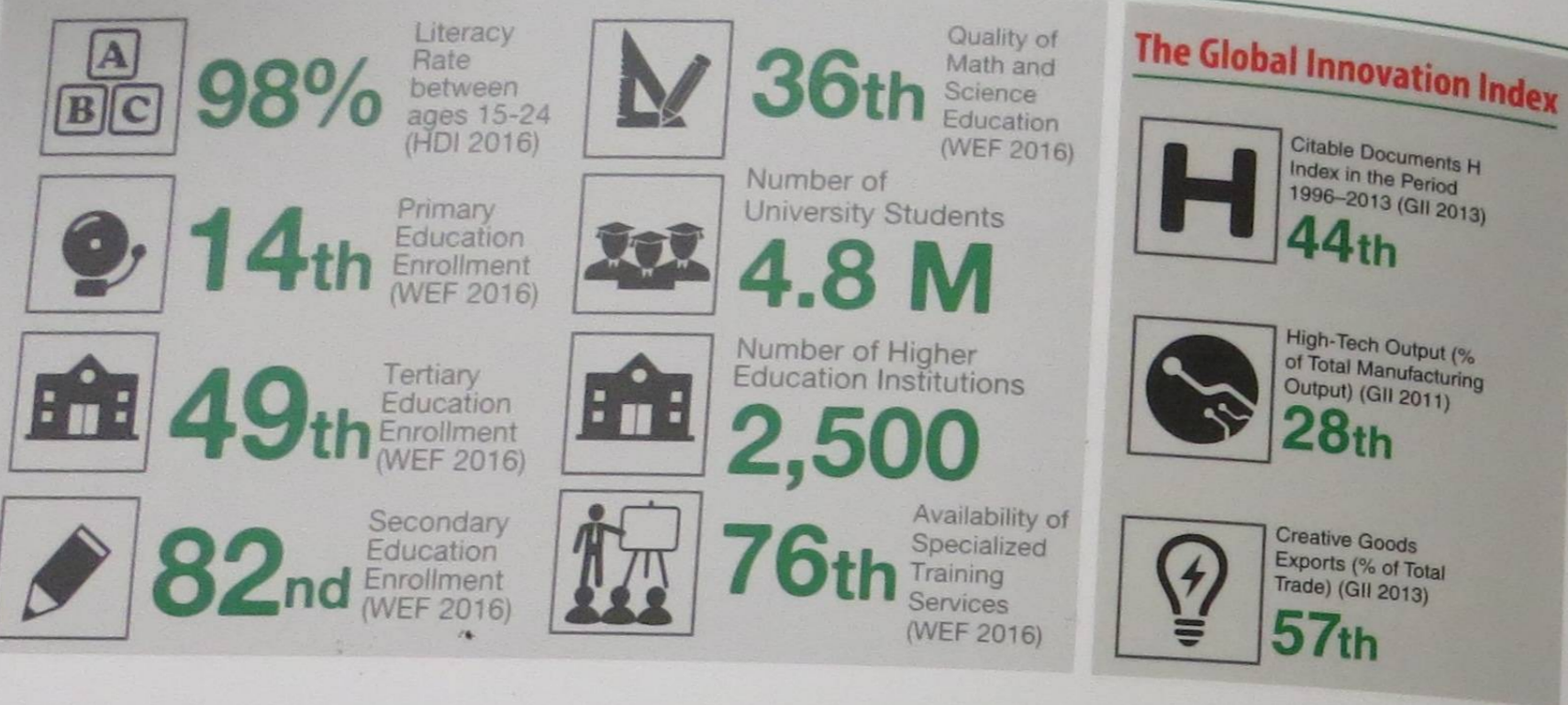
Household income distribution, 2012 (2005 PPP, %)



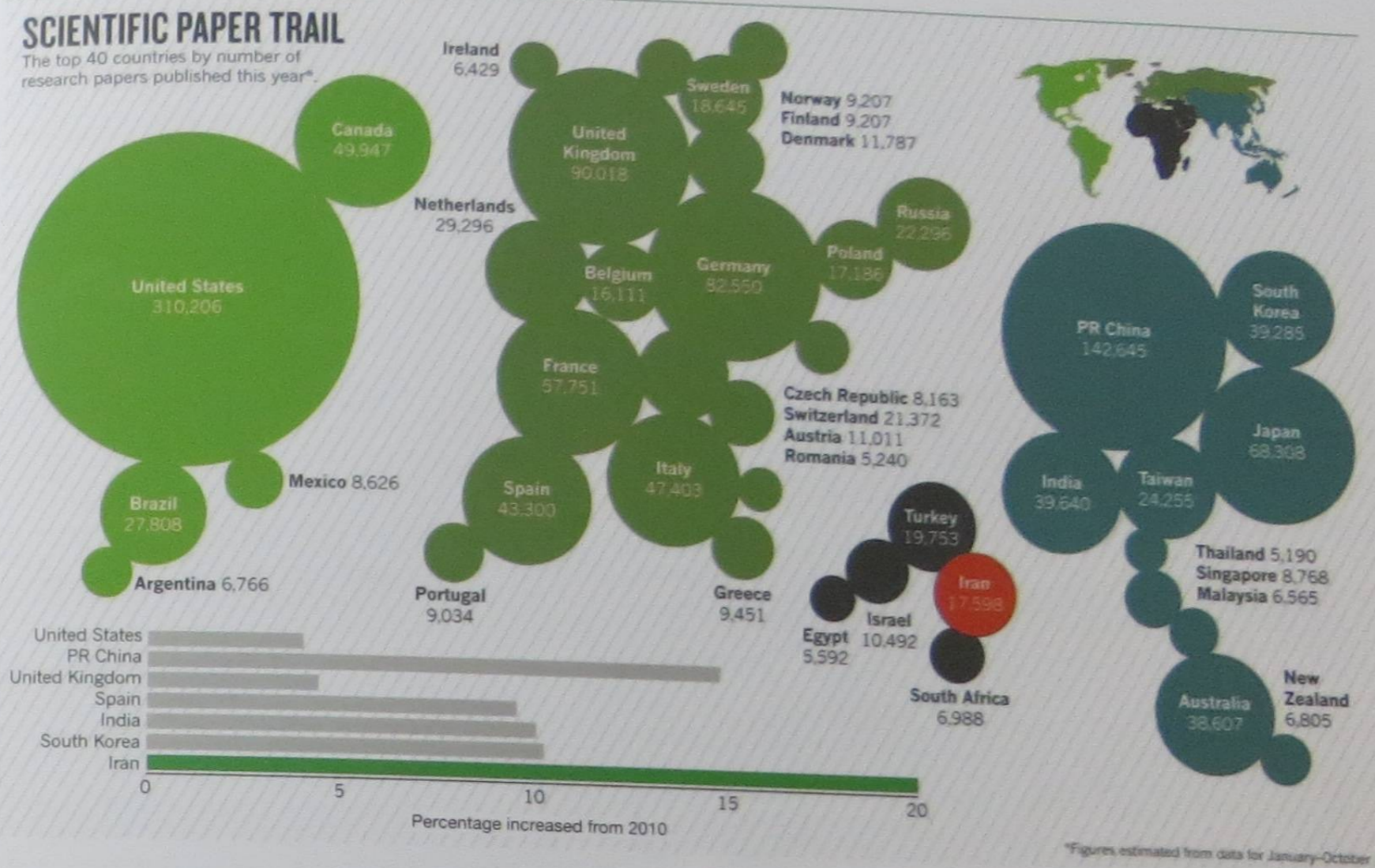
Islamic Republic of Iran: Human Capital

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.

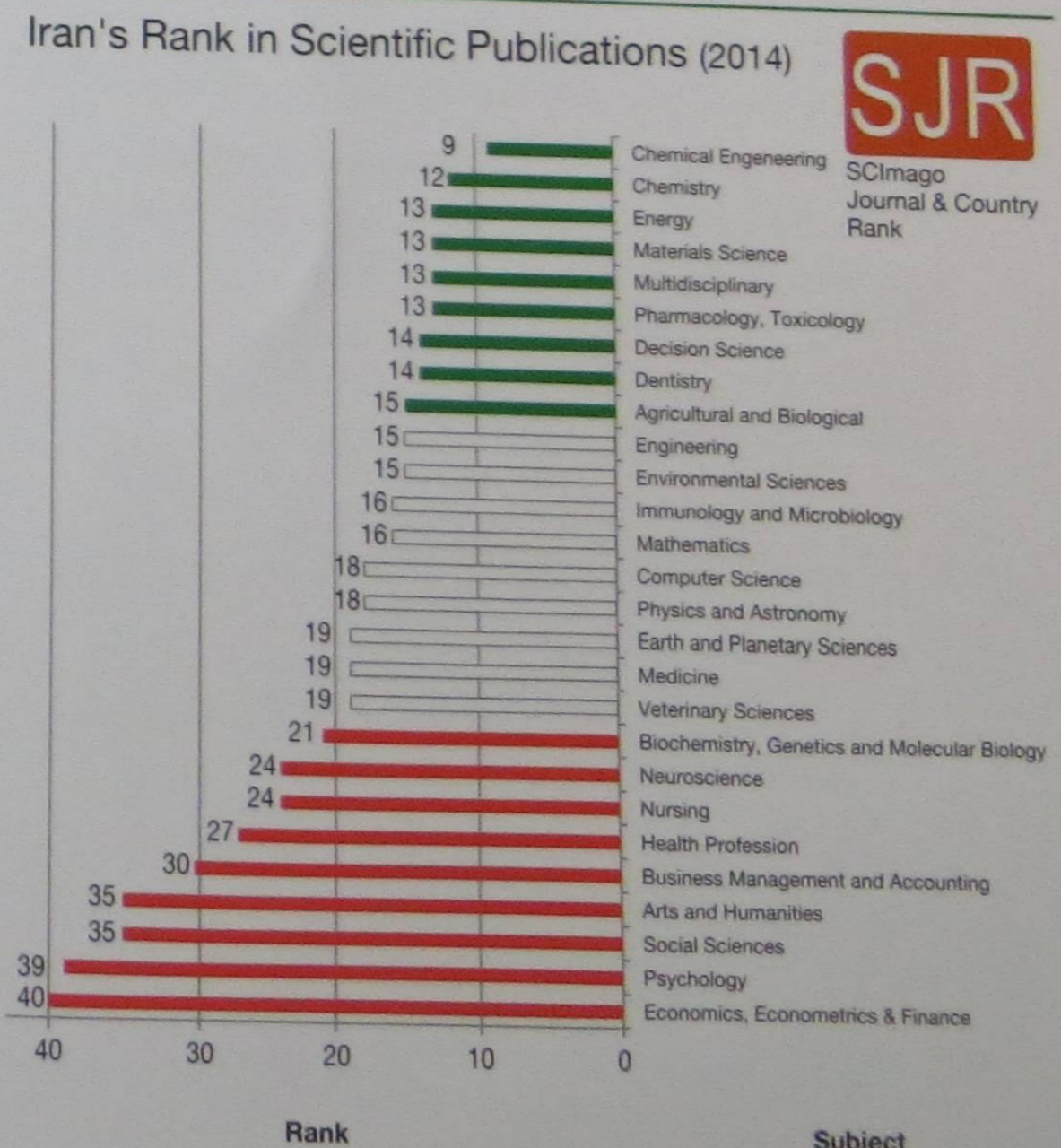
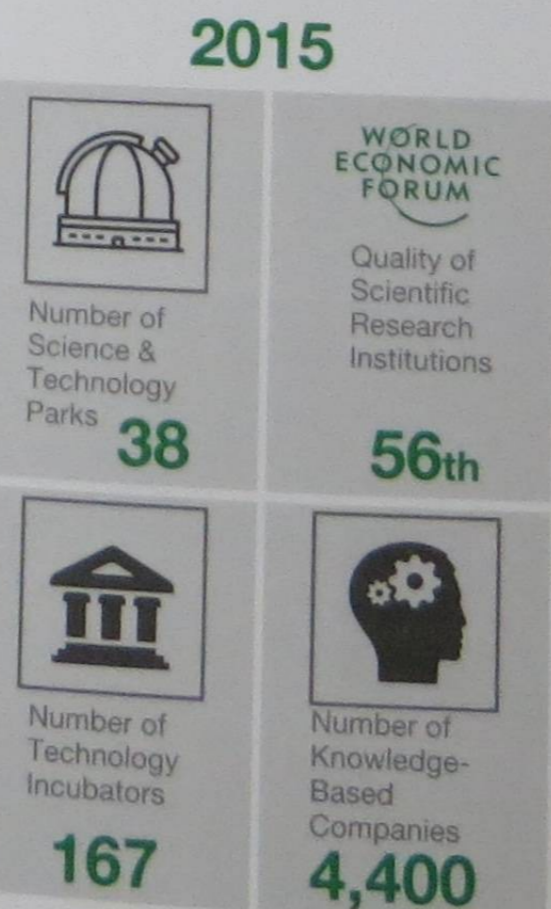
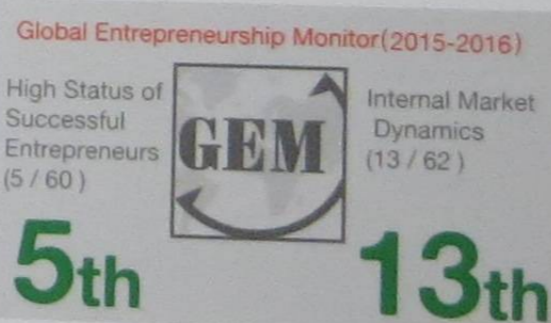
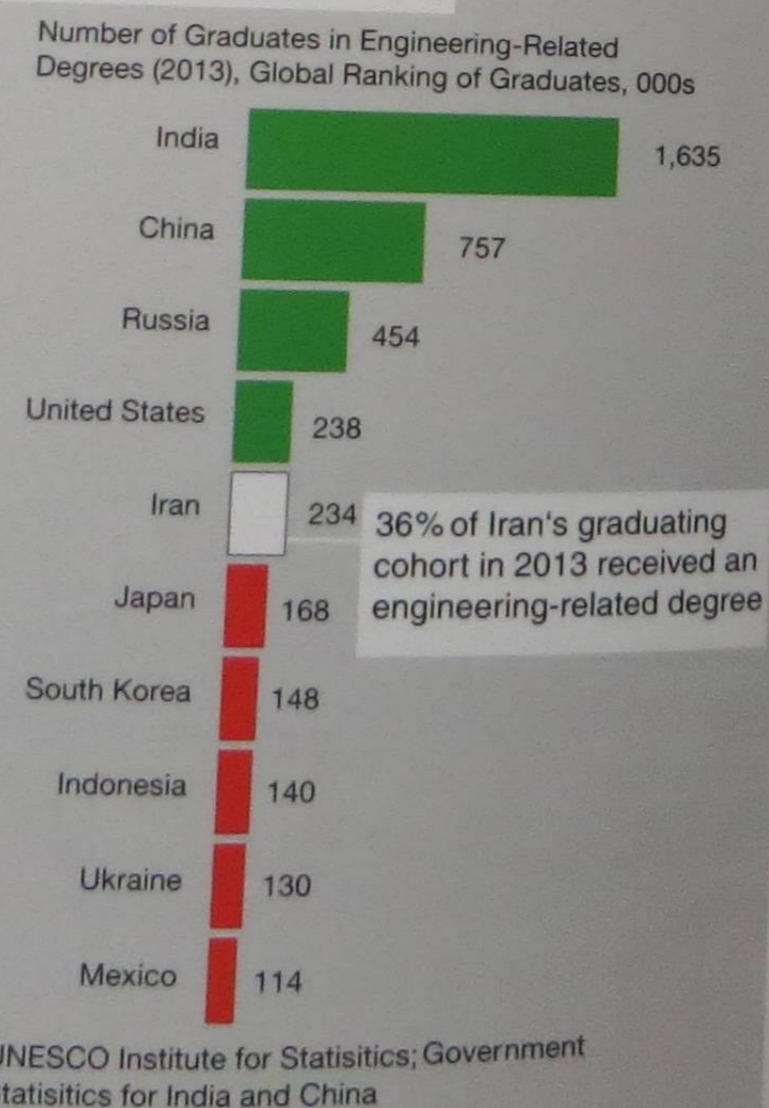
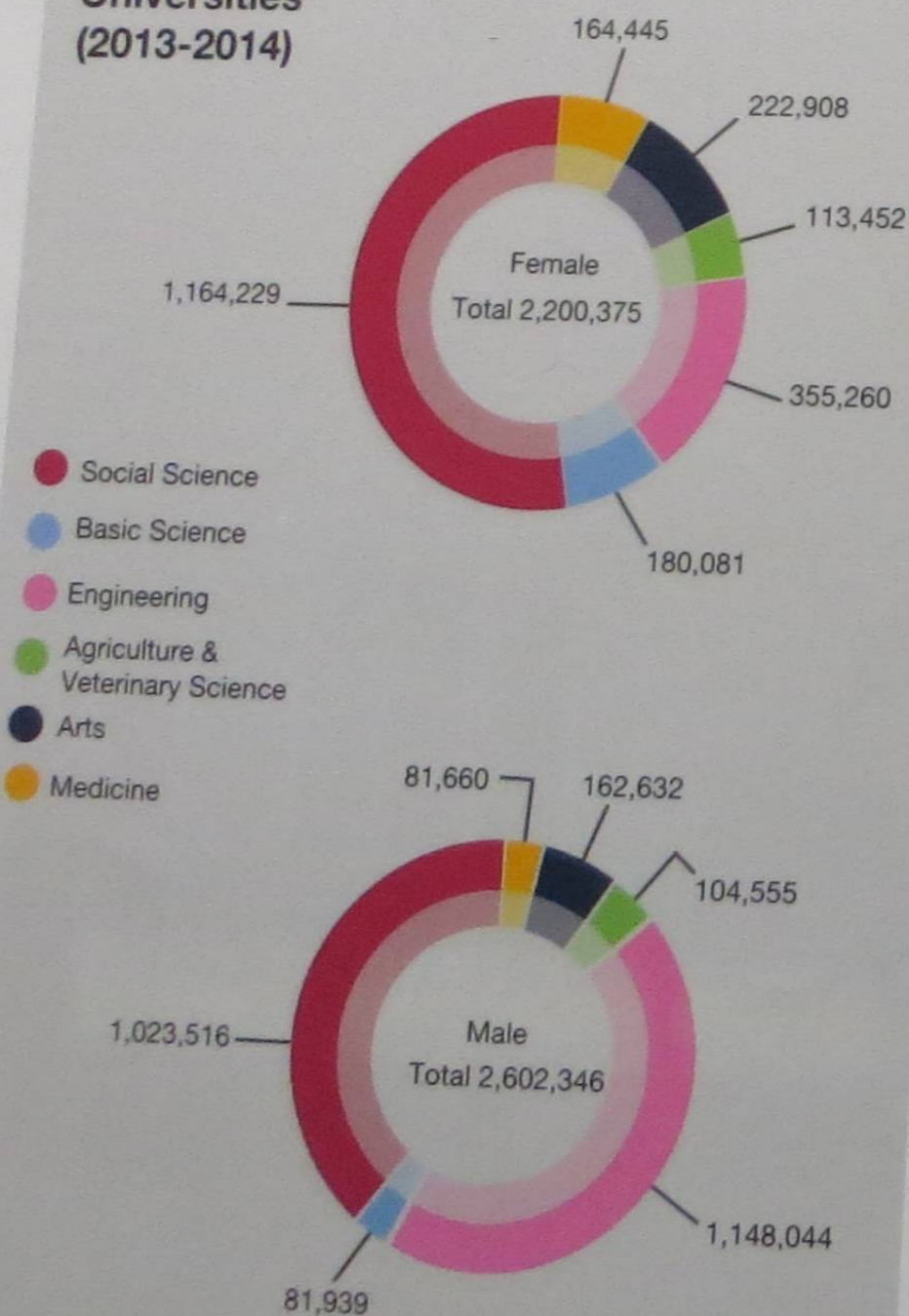
Education



Scientific Achievements (2013)



Students in Iranian Universities (2013-2014)



Islamic Republic of Iran: Energy

Iran's Proven natural gas reserves are estimated to stand at 1200 trillion cubic feet, placing her in 1st 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 possesses the worlds fourth largest crude oil reserves.

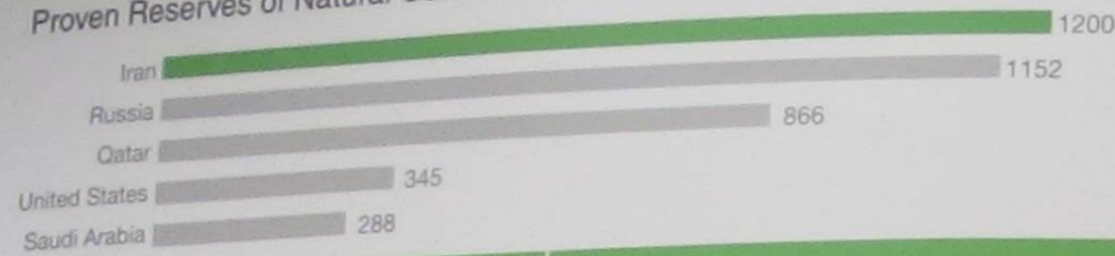
Gas



1st World's largest gas reserves
Over 1200 trillion cubic feet

Gas **1/5** Proven Global Gas Reserves

Proven Reserves of Natural Gas 2015 (Trillion Cubic Feet)

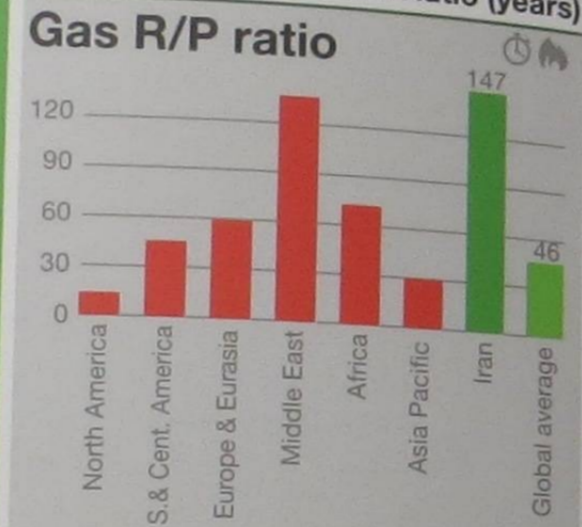


36,000km
Natural Gas Transportation Pipeline
273,000km
Natural Gas Distribution Pipeline

96% Cities Supplied with Piped Gas
61% Villages Supplied with Piped Gas

70%
Proportion of Natural Gas in Primary Energy Consumption

Reserves-to-Production Ratio (years)



Gas Production 2014 **173**
(Billion Cubic Meter)

Gas Consumption 2014 **170**
(Billion Cubic Meter)

Oil



4th World's 4th largest oil reserves
158 billion barrels

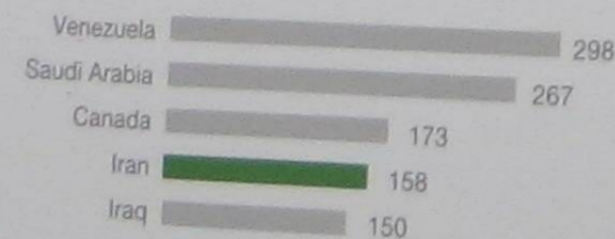
Oil



Oil R/P ratio



Crude Oil Proven Reserves 2015 (Billion Barrels)



Oil Production 2014
(Thousand Barrels Per Day)

3,614

Oil Consumption 2014
(Thousand Barrels Per Day)

2,024

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, 2015). 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
73,700 MW

Installed Capacity By 2020

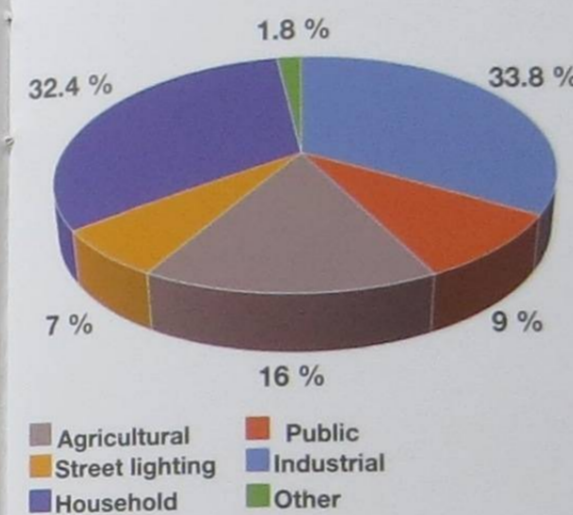
110,000 MW

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

Installed Capacity
73,7 GW



Domestic Sale of Electricity by Type of Use, 2014



2014

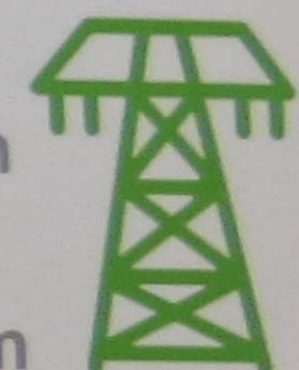
Gross Electricity Generation

274,480
(GWh)

Electricity Network

Transmission Network
121,000 km

Distribution Network
730,000km



Renewable Energy

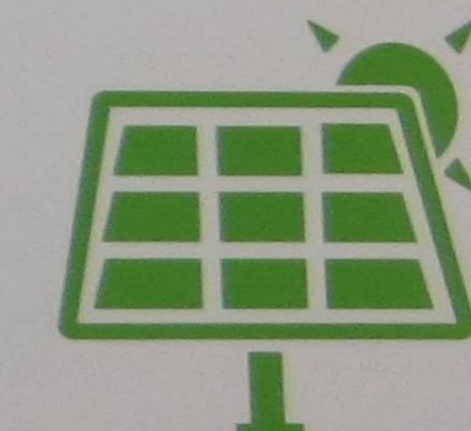
Iran has an average irradiation of 4.5 to 5.5 kilowatt hours per square meter per day



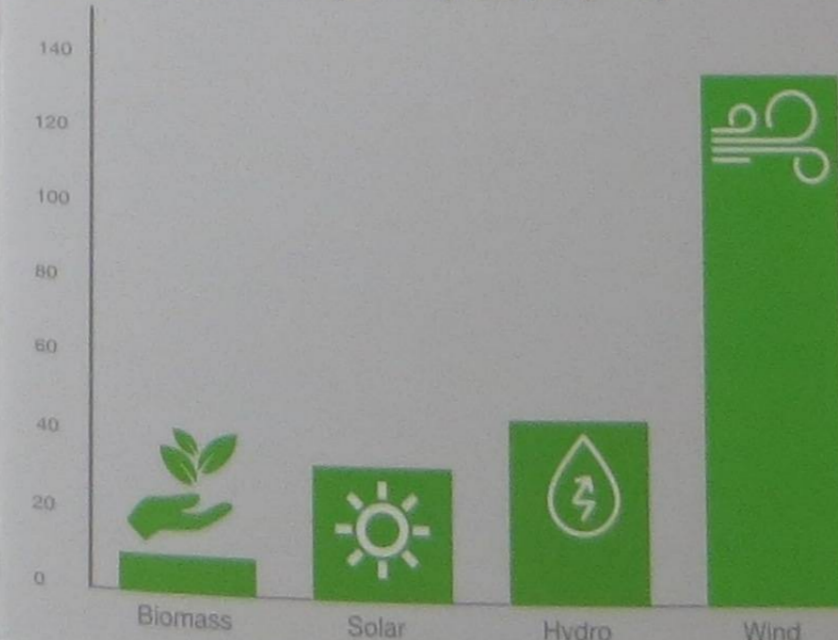
Iran has 300 sunny days in a year in more than two-thirds of the country



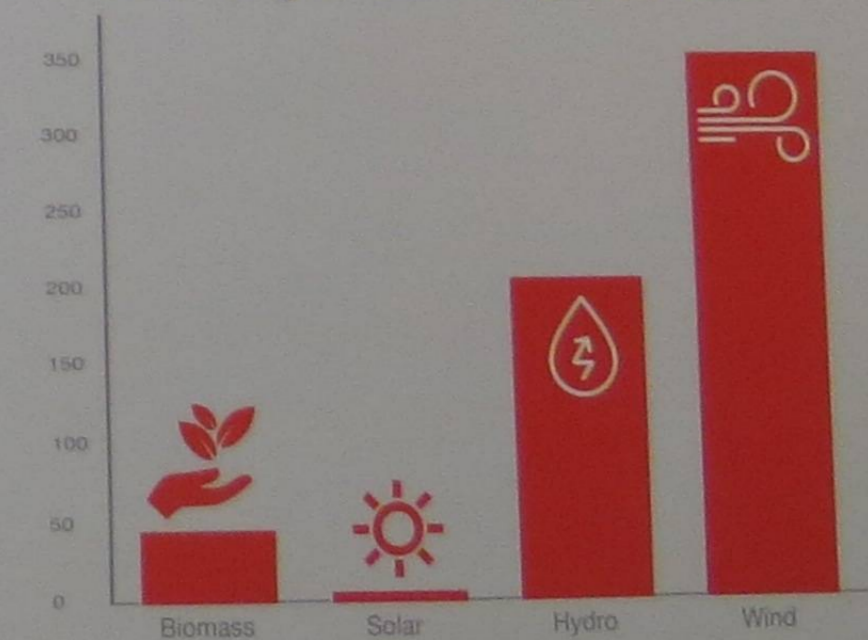
Iran has more than 2800 hours of sunshine on average per year. A number which reaches 3200 hours in arid regions such as Yazd



Installed Capacity 2014 (MW)

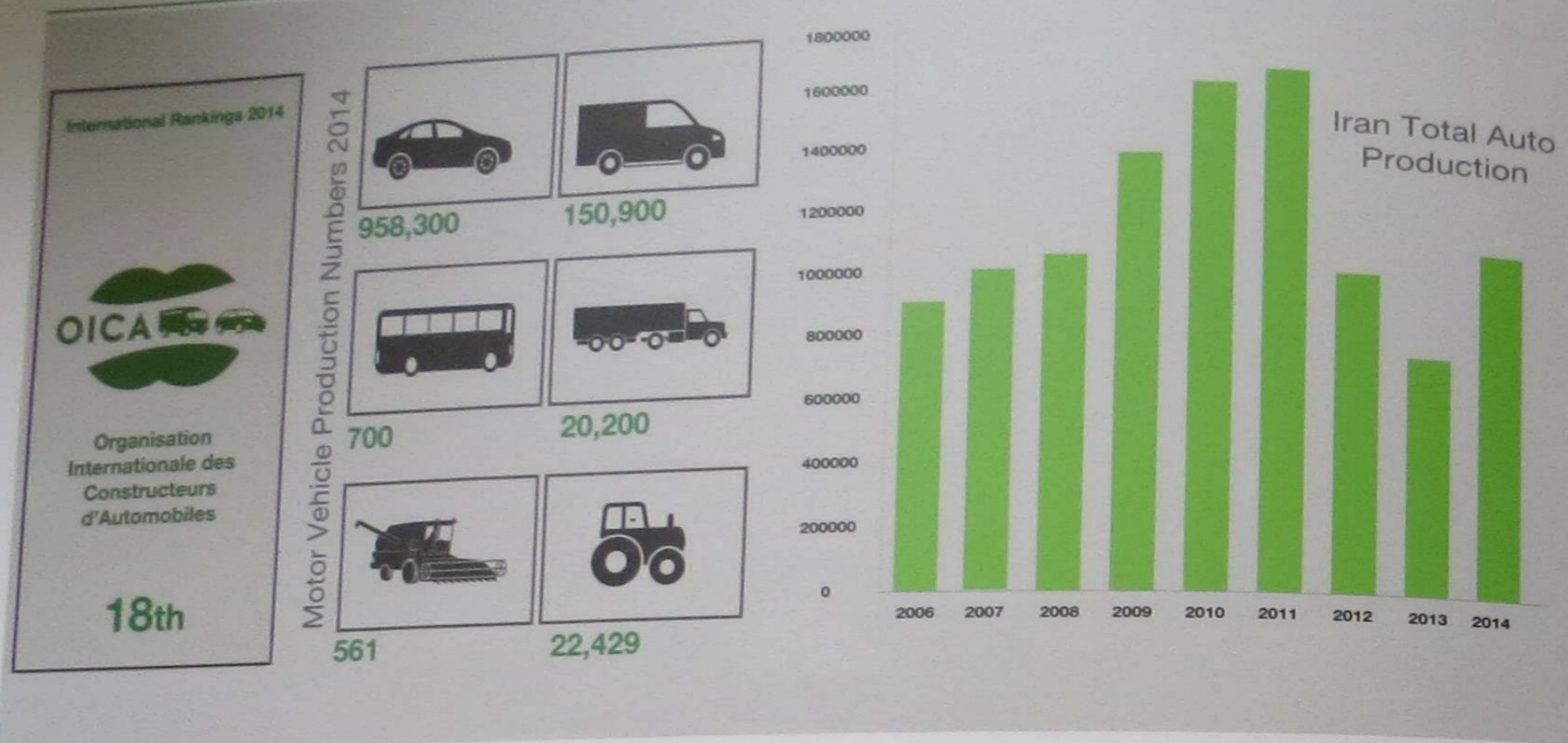


Electricity Production 2014 (GWh)



Islamic Republic of Iran: Industries & Mineral Resources

Automotive Industry



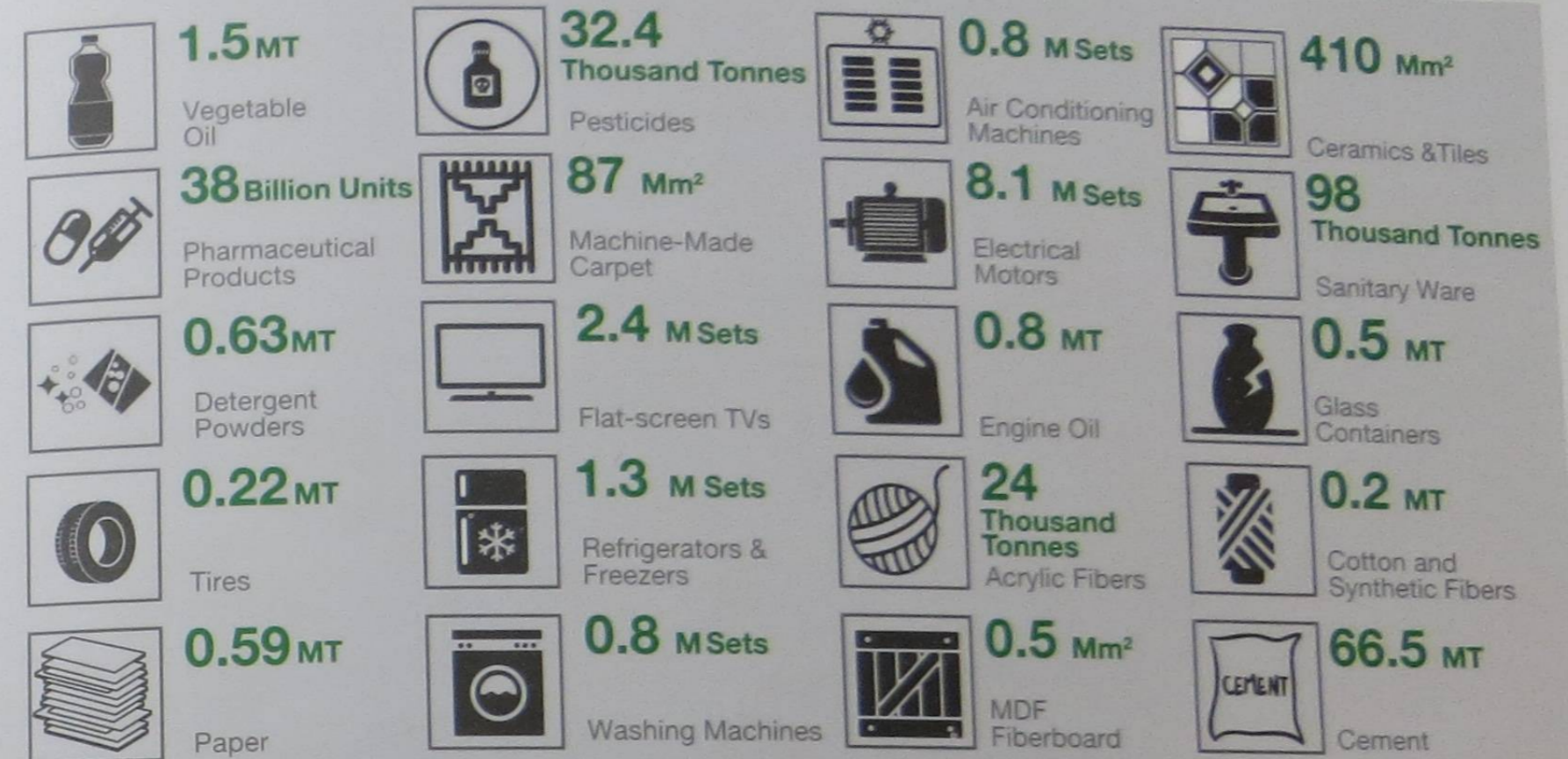
Steel Industries 2014



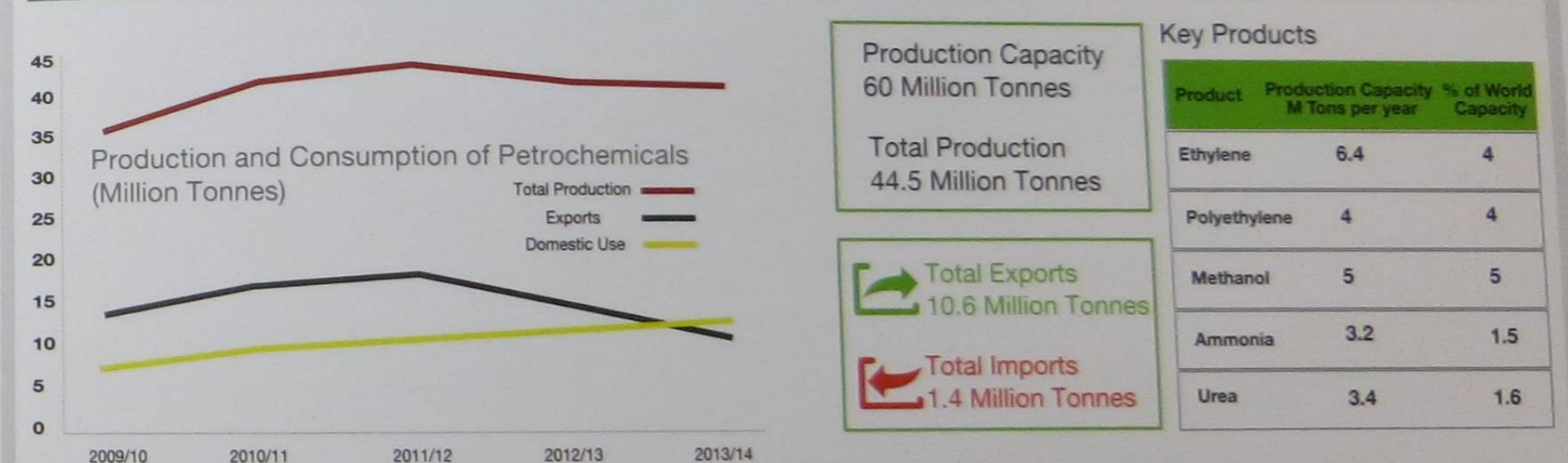
Value of Top 6 Industrial Exported Items 2014 (\$ Million)

2279 Propane	1477 Methanol
1468 Butane	1418 Polyethylene
1324 Pitch	902 Steel Products

Selected Industrial Products 2014



Petrochemical Industries 2014



Mineral Resources

\$27.3 Trillion

31 Billion Tonnes of Known Reserves

Zn 1st in Zinc	GY 2nd in Gypsum
Cu 2nd in global Copper Reserves	CMT 4th in Cement
Fe 9th in Iron Ore Production	STL 14th in Steel

Iran's global ranks in Mine's productions

Mineral Fuels Ranking Industrial Minerals Non-Ferrous Metals

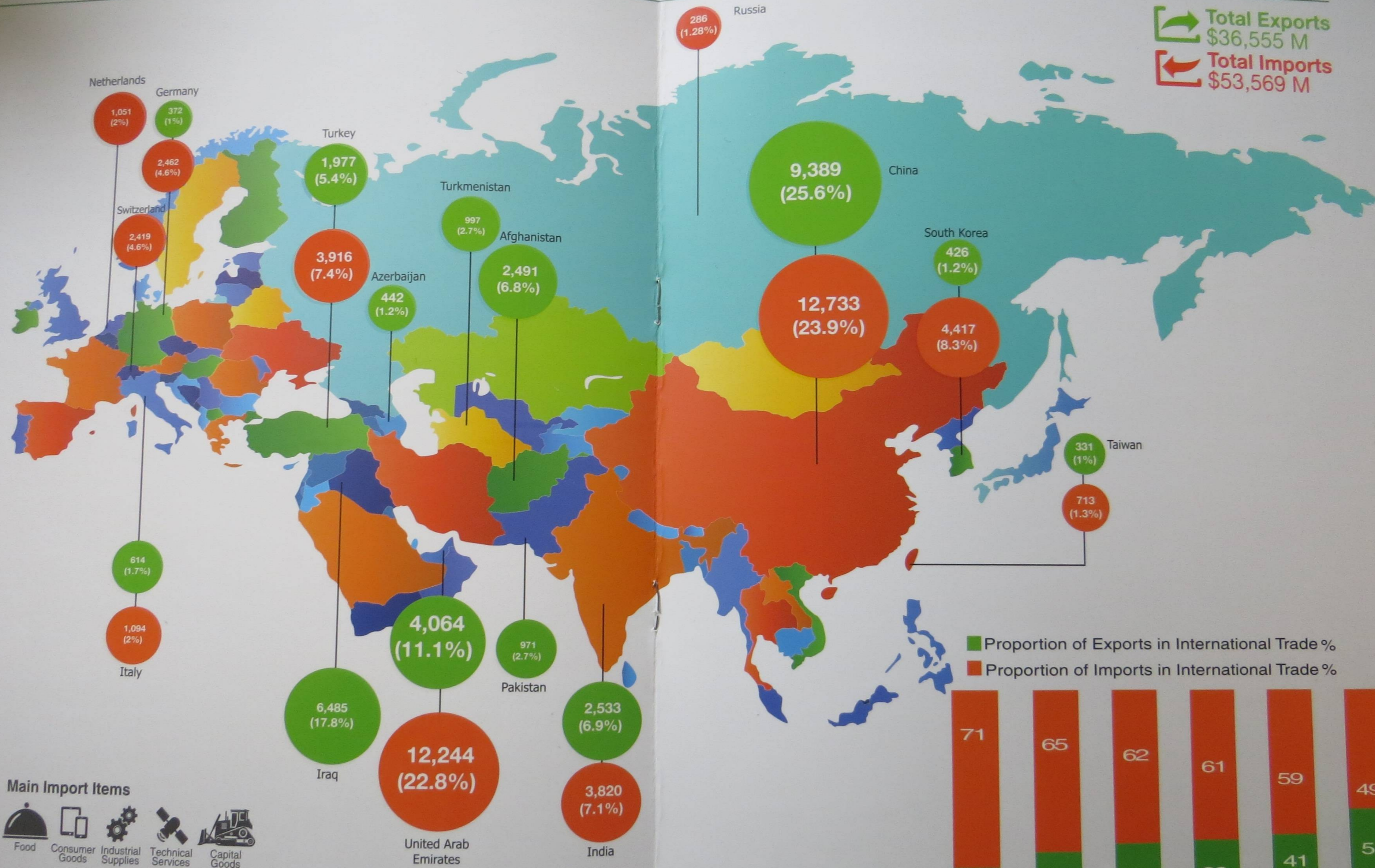
4 Natural Gas	2 Gypsum	8 Arsenic
7 Petroleum	6 Feldspar	9 Mercury
17 Coking Coal	6 Perlite	15 Antimony
46 Steam Coal	8 Baryte	16 Copper
Iron and Ferroalloy Metals	9 Bentonite	16 Lead
7 Molybdenum	9 Boron	16 Zinc
9 Chromium	9 Sulfur	17 Bauxite
11 Iron	11 Fluorspar	22 Aluminum
15 Manganese	11 Kaolin	

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.

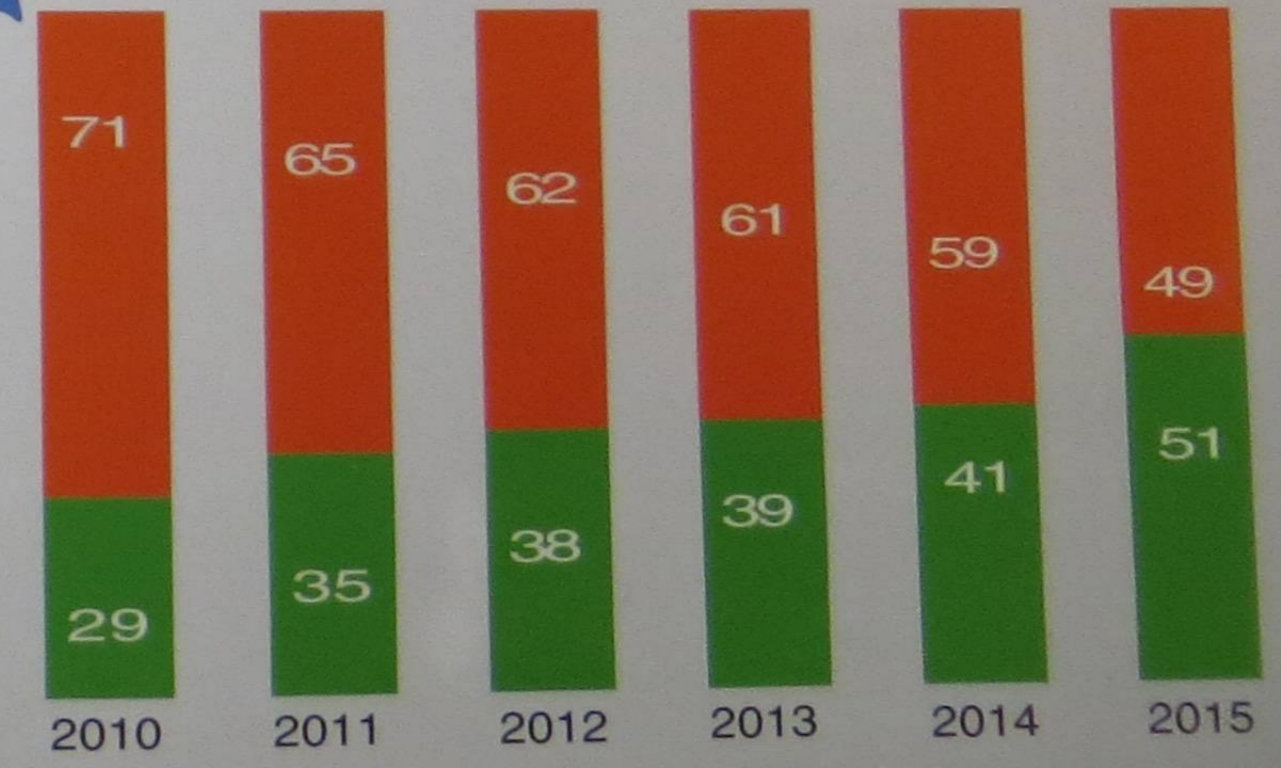
68 Types of Minerals and Metals

Islamic Republic of Iran: International Trade (Main Trading Partners 2014)

(Excluding Oil - \$ Million)



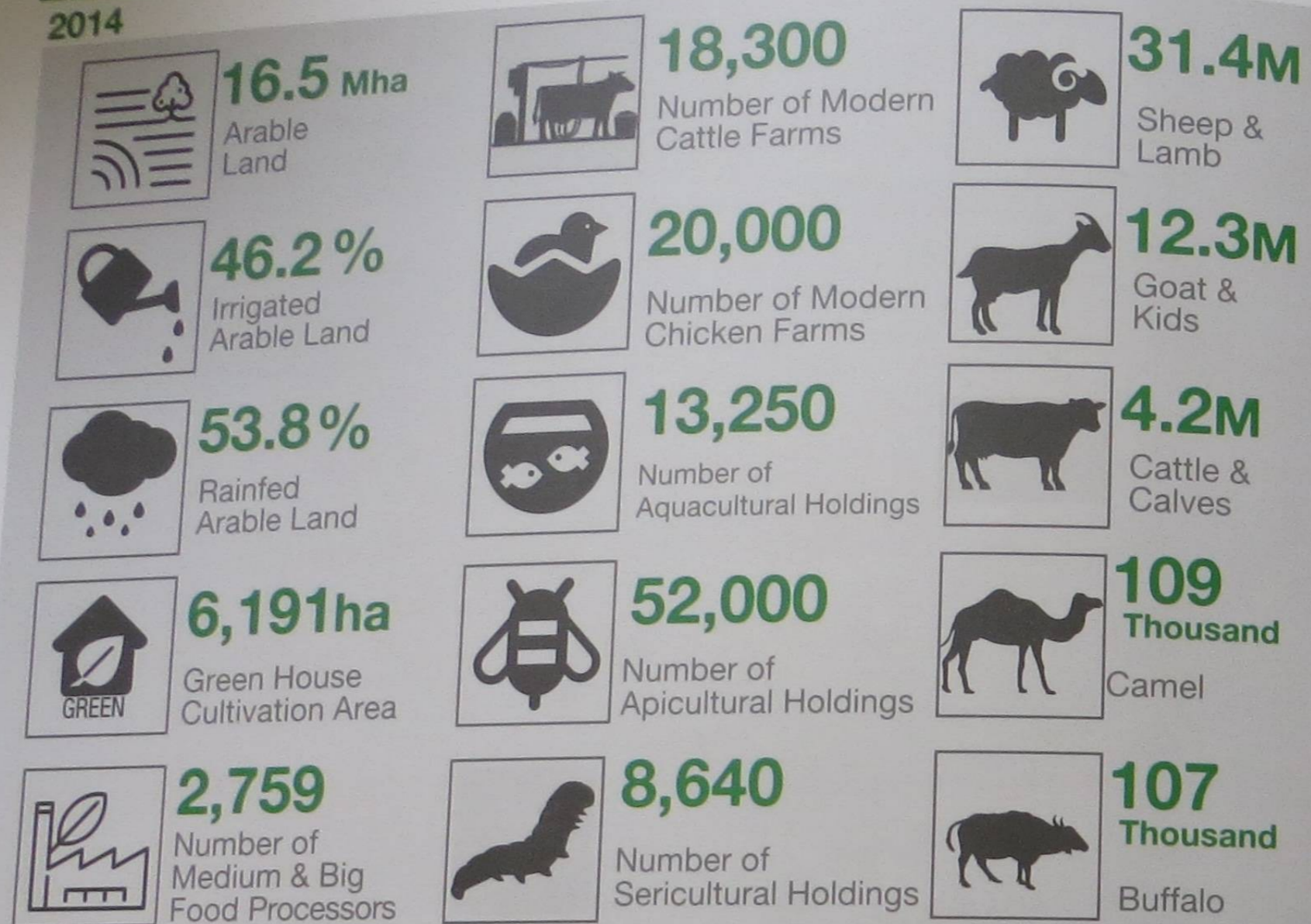
■ Proportion of Exports in International Trade %
 ■ Proportion of Imports in International Trade %



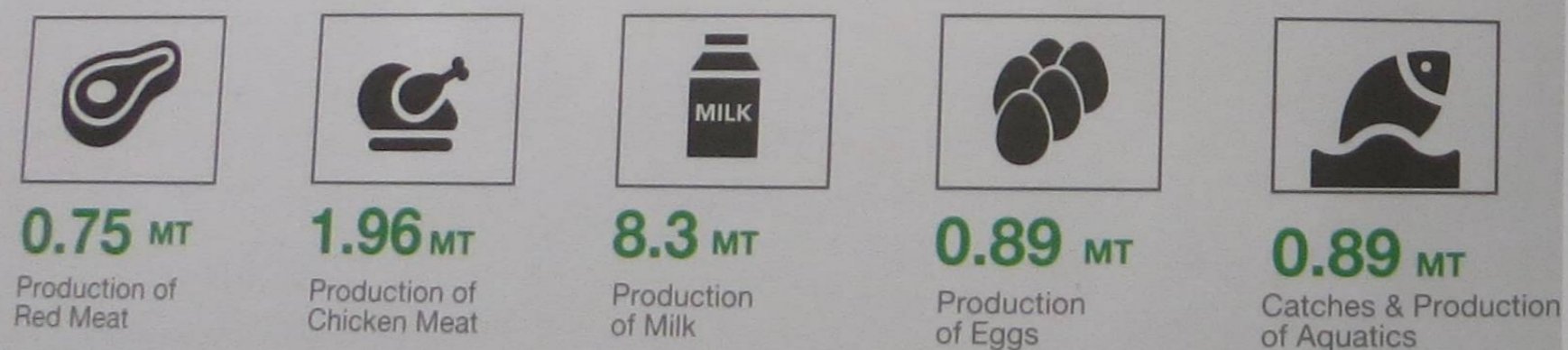
- Main Import Items**
- Food
 - Consumer Goods
 - Industrial Supplies
 - Technical Services
 - Capital Goods
- Main Export Items**
- Iron Ore
 - Cement
 - Carpet
 - Fruit&Nuts
 - Petrochemical Product

Islamic Republic of Iran: Agriculture & Food

2014



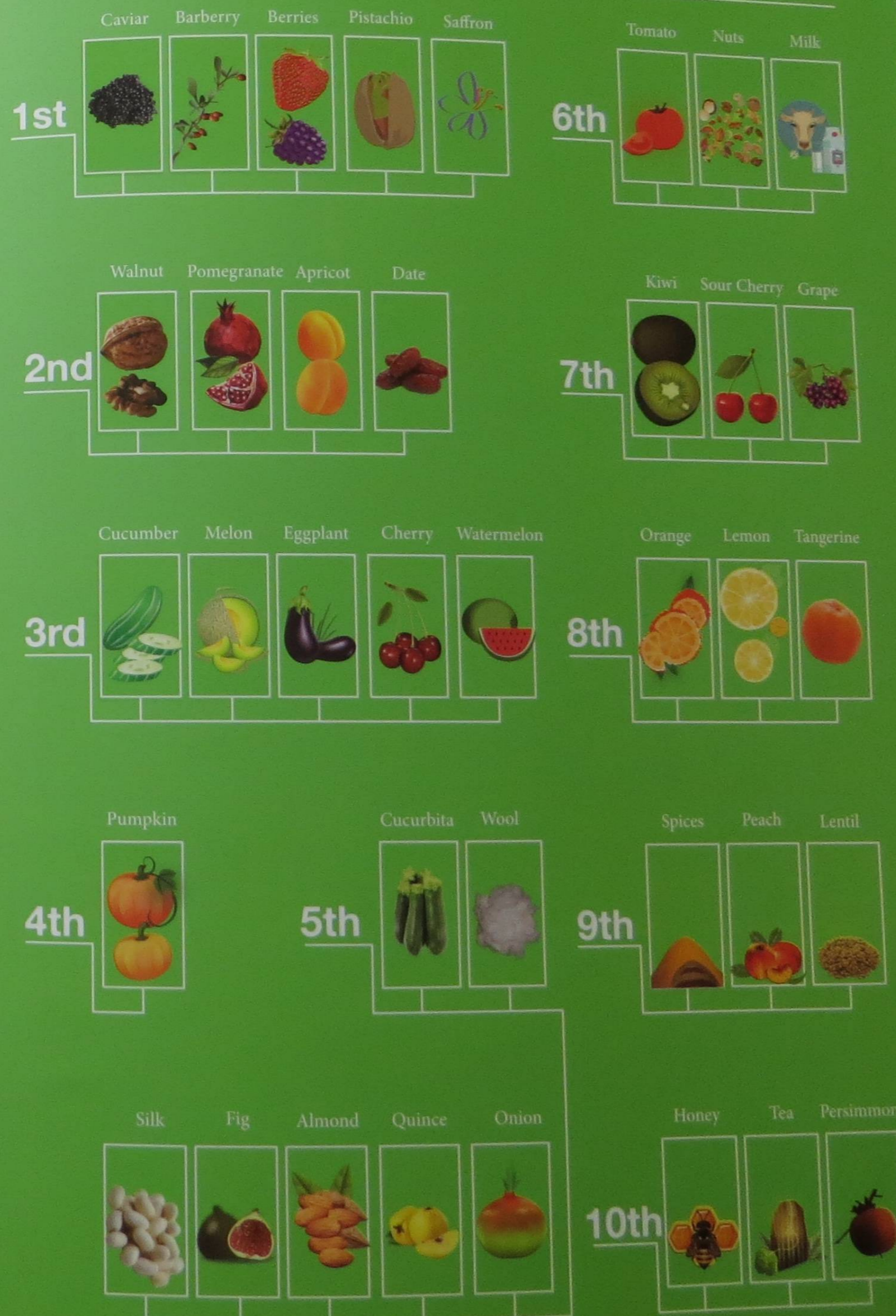
2013



Top Five Products (Order by Quantity) 2013



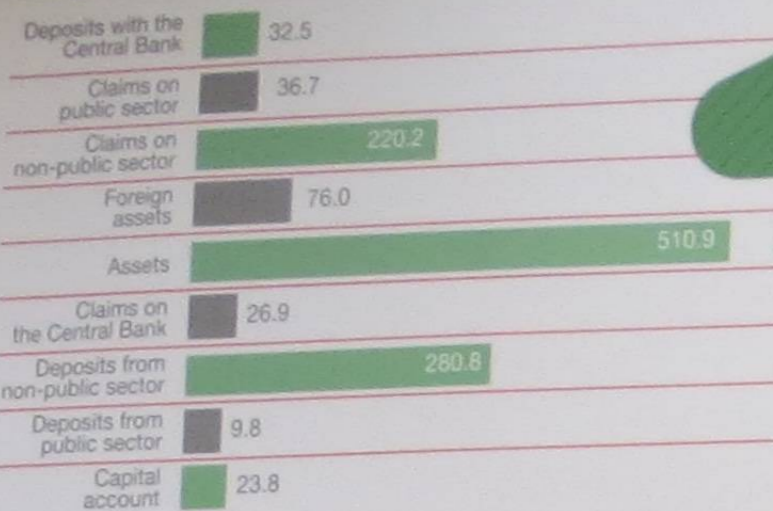
Iran's World Ranking (2013)



Islamic Republic of Iran: Banking System & Stock Market

Iranian Banking System:

Key Financial Indicators, 2012-2015 (\$ Billion)

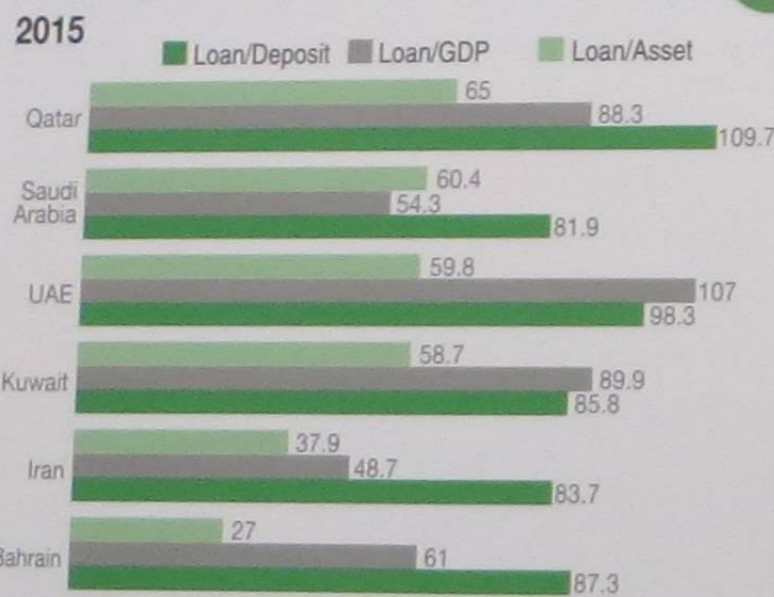


Comparison of Regional Banks

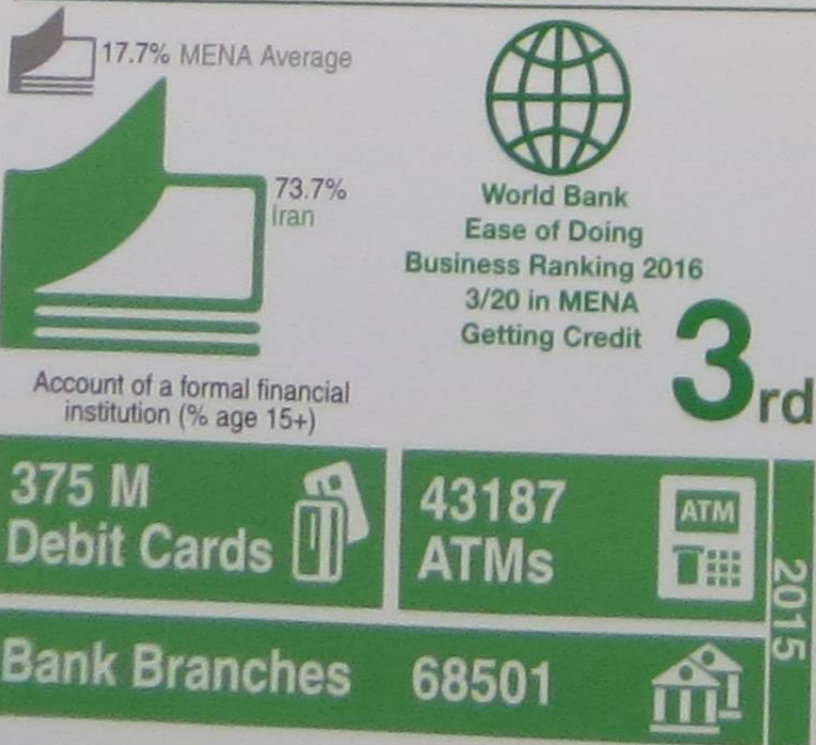
Consolidated Assets of Banks (\$ billion)



Loan/Deposit, Loan/Asset & Loan/GDP Ratios



Developed Infrastructure and Institutions



Banking System in Iran

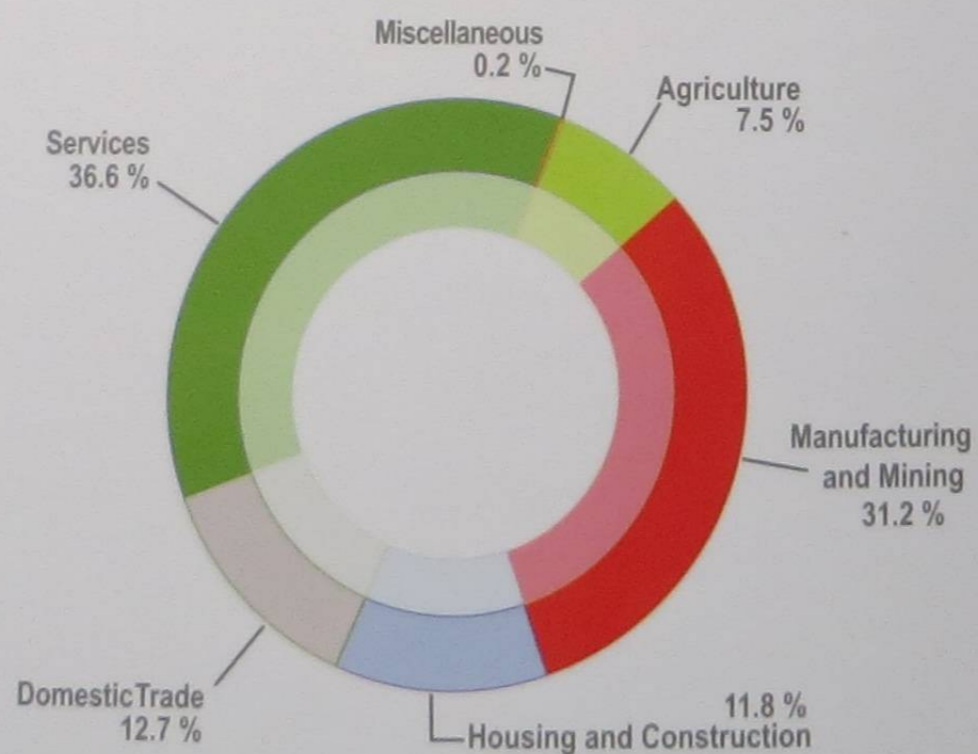
Types of Banks



The Largest Islamic Banking System in the World

2014 Banker

Share of Major Economic Sectors in the Facilities Extended by Banking System 2014



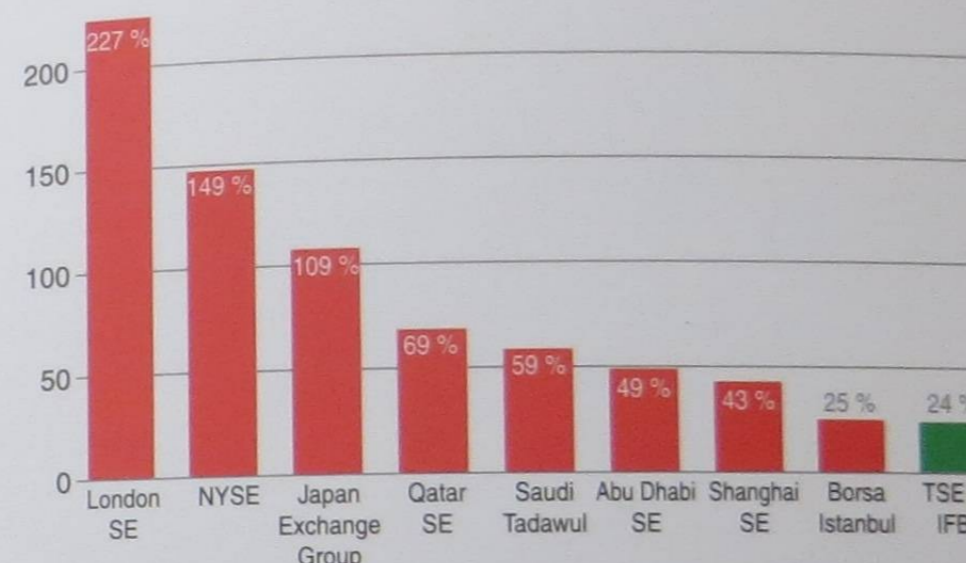
Average Number of Banking Transactions per Month in 2015 (Million)



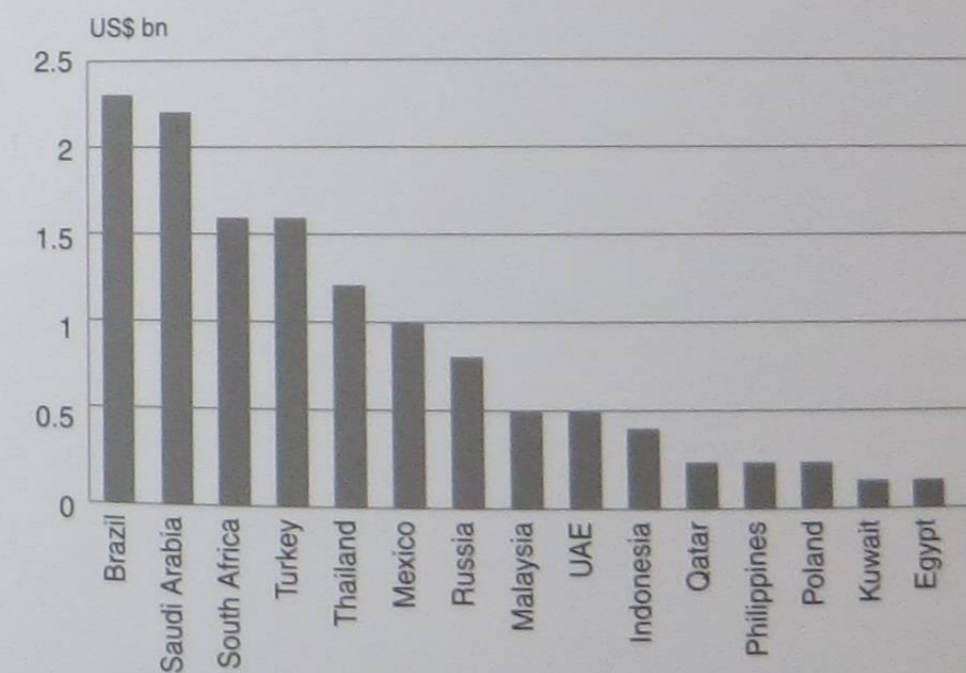
Comparison with Well-known Markets

Rank	Stock exchange	Country	Market capitalization (\$bn)
1	NYSE	U.S.	25933
2	London SE	U.K.	6796.75
3	Japan Exchange Group	Japan	5004.76
4	Shanghai SE	China	4459
5	Tadawul	Saudi Arabia	441
6	Borsa Istanbul	Turkey	196
7	Qatar SE	Qatar	146
8	Abu Dhabi SE	U.A.E.	197.3
9	TSE + IFB	I.R.Iran	104

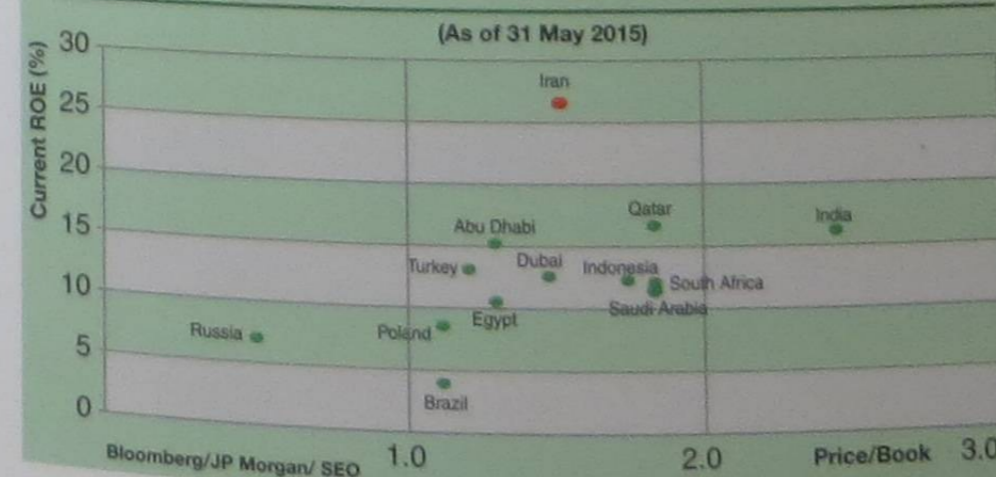
Market Cap/GDP Comparison with Well-known Markets, December 2015



Comparison of the ADVT of Emerging Markets



Current ROE vs Price/book



Iran Capital Market:

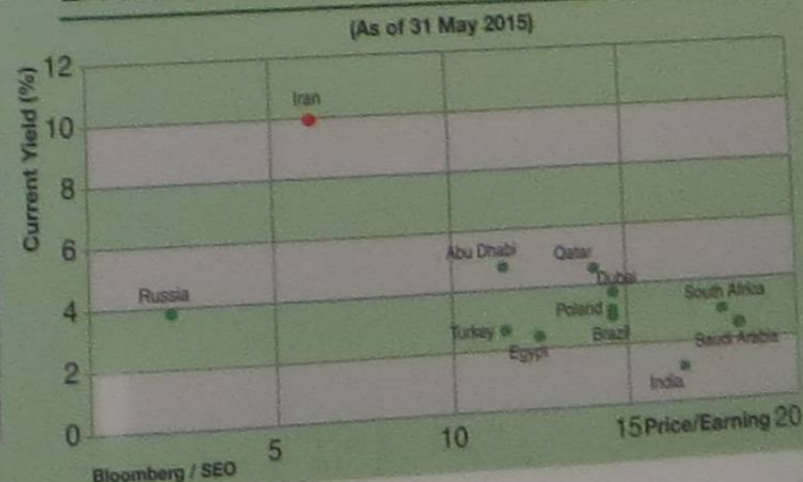
An Untapped Market

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).



2014 Market Value (\$B)	112	Listed Companies	386
Trades Value (\$B)	28	Trade Value to Market Value	25%
Trades Volume	218 (B Shares)	No. of Trades	20 M
No. of Traders	812,500	No. of Trading Days	241
Top 40 / Market Cap	75%	Top 40 / Trade Value	38%

Dividend Yield vs Price/Earning



Islamic Republic of Iran: Travel & Tourism

UNESCO World Heritage (19 Sites)



Shahr-e Sokhta
3200 BC



Tchoghazanbil
1250 BC



Susa, late 13th to
5th centuries 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 centuries BC



Takht-e Soleyman
6th Century

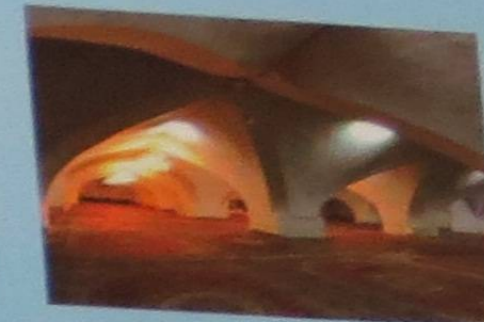
Attendance at Museums and Historical Monuments Managed by Iran Cultural Heritage and Tourism Organization



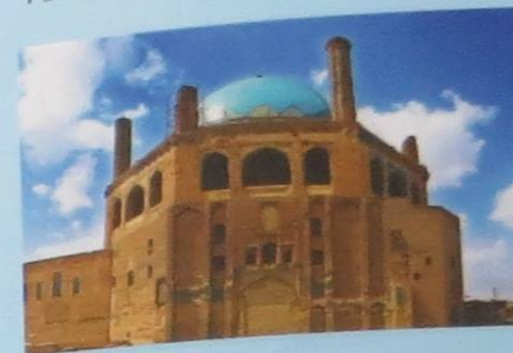
Armenian Monastery
7th Century



Gonbad-e Qabus
1006 AD



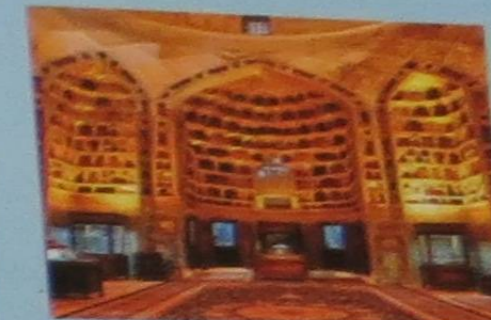
Masjed-e Jāmē of Isfahan
12th Century



Soltaniyeh
1302-12 AD



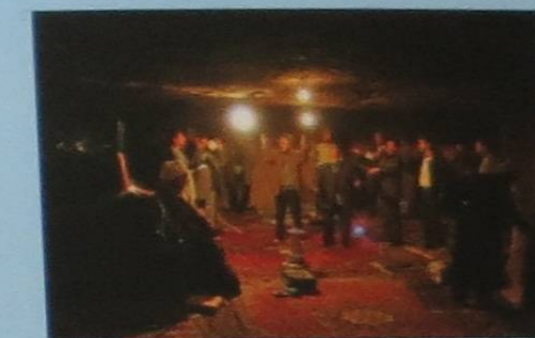
Tabriz Historic Bazaar
Complex 13th Century



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



Golestan Palace
18th Century



Cultural Landscape of Maymand

International Rankings 2013



Tourist Attraction Ranking

48th



Ecotourism Ranking

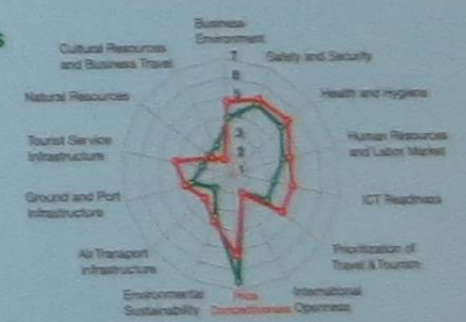
7th



World Heritage Sites Ranking

11th

World Economic Forum, The Travel & Tourism Competitiveness Index (2015)



Price Competitiveness
1st



Number of the Nation's Accommodations 2014

3,343



Number of 4-Star & 5-Star Hotels

113



Number of Rooms

84,499



Number of Beds

231,647

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

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

Direct Investment (Equity Participation) in All Areas Open to the Iranian Private Sector without Any Limitations on Percentage of Foreign Shareholdings

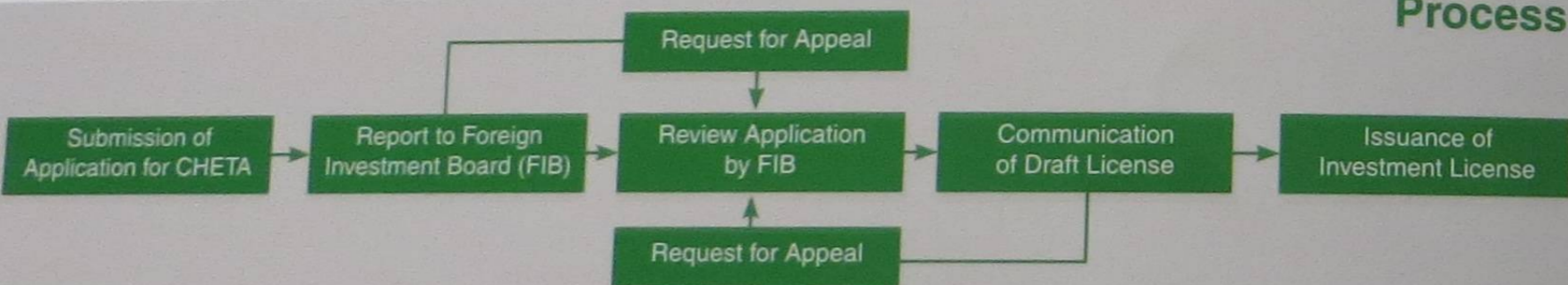
Issuing a **3-year** residence license for foreign experts

Quick approval of foreign investment applications and granting protection coverage for all foreign investment schemes

Expropriation and Nationalization

Unlimited Transfer of Capital and dividend

Investment Licensing Process



Iran Tax System



Foreign investors in Iran enjoy 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.

Taxable Entities

- 1 All proprietors, whether natural or legal, for their properties inside Iran
- 2 Any natural person residing in Iran for income earned inside and outside of the country
- 3 Any Iranian natural person residing abroad for all incomes earned in Iran.
- 4 Any Iranian legal entity for the incomes earned inside and outside of the country.
- 5 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.

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, Having 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)

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

Free and Special Economic Zones



Investment Facilities In Free Zones

- A 20-year-tax exemption
 - No visa for the entrance of 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

Islamic Republic of Iran: Political Structure & History

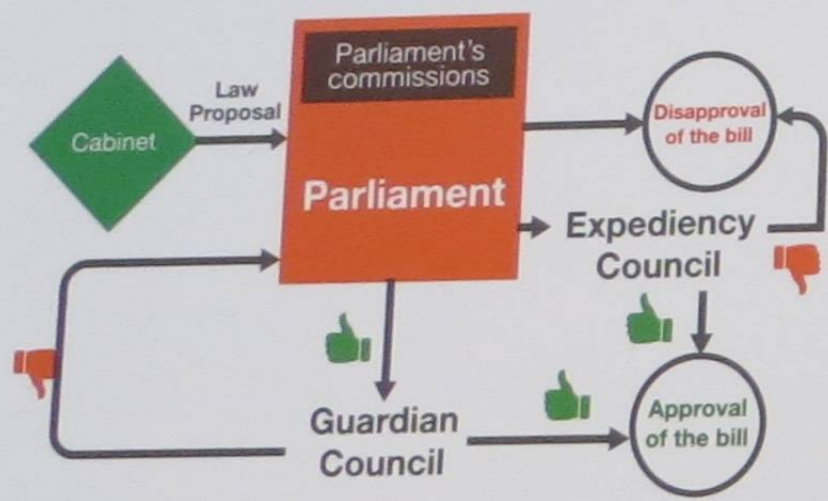
In a region faced with instability, the Islamic Republic of Iran has been a stable and thriving state despite a plethora of domestic problems, international crises and sanctions imposed over the past 37 years, and confrontations designed to bring about regime change and the Iranian nation to its knees,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

The Guardian Council (Shoray-e Negahban)

12 members (6 Theologians, 6 Jurists)
Membership made up of 6 theologians selected by the Supreme Leader and 6 jurists elected by the Majles from a list of jurists nominated by the Chief Justice.

- Supervises elections for the Assembly of Experts, the President and Parliament and vets candidates.

- Power to examine the compatibility of legislation with Islam and the constitution and to veto legislation.

- Power to approve/reject political appointments and electoral candidate

Expediency Council

Appointed by Supreme Leader (5-year term)
Expediency Council plays a mediating role between the Parliament and the Guardian Council

Chief Justice

Appointed by Supreme leader (5-year term)

Managing the affairs of the judiciary, Preparing judicial bills, Recruiting, and appointing and dismissing judges.

Assembly of Experts (Majles-e Khobregan)

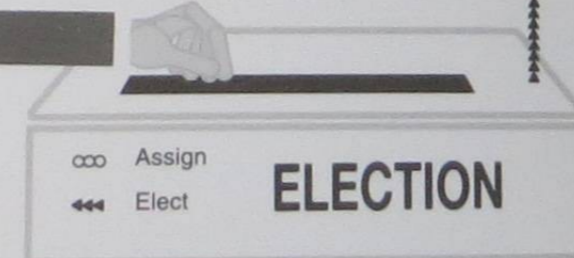
88 Seats, Elected by public vote (8-year term)

Selection and dismissal of, and supervision over, the Supreme Leader

Islamic Parliament of Iran (IPI)

290 Seats
Elected by public vote (4-year term)

- Supervision over president and the delegation of ministers
- Approval of Foreign contracts
- Ordaining the laws



Determining the country's general policies and supervision over accuracy of executing general policies.
Commander-in-chief of 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:

Management and Planning Organization (MPO)

Iran Cultural Heritage, Handicrafts and Tourism Organization (ICHTO)

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 (MEFA)

Ministry of Industry, Mine and Trade (MIMT)

Ministry of Petroleum (MOP)

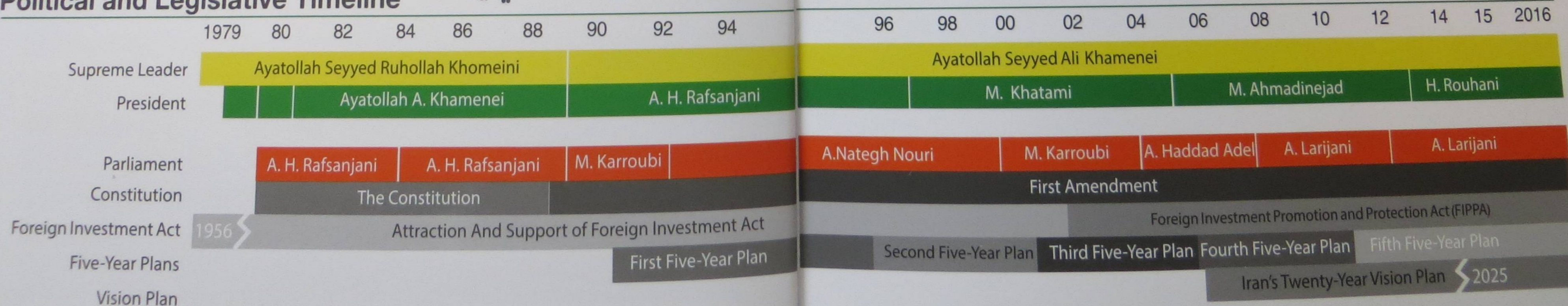
Ministry of Energy (MOE)

Ministry of Roads & Urban Development (MRUD)

Ministry of Information and Communications Technology (MICT)

Ministry of Agriculture Jihad (MAJ)

Political and Legislative Timeline



An art work used in Holly Quran, 16th century, Shiraz, Iran



Iran Chamber of Commerce, Industries,
Mines & Agriculture
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