IRAN
Economic Advantages & Investment Opportunities

by
Ali Nazari
As Iran was negotiating over its nuclear program, Iran's government repeatedly stated that resolving the nuclear issue would pave the way for foreign investment, which in turn could play a crucial role in improving the economy. Iran's government believed that foreign investment is an important factor in growth and economic development. Through the use of direct foreign investment project financing, the transfer and promotion of technology and the quality of supply goods and services, develops management and skills, increases productivity and employment, develops export and improves general welfare. The continued attempt to attract foreign investment while maintaining local investment is an effective factor in economic growth and development of the country. Improvement in the business environment and promotion of the Islamic Republic of Iran is ranked as one of the main factors in attracting investment. Furthermore, presenting the capabilities and advantages of business and investment is one of the most effective factors in order to attract local and foreign investors. With regard to achieving Iran's economic goals and to facilitate the investment process in Iran, index Internet und Mediaforschung GmbH publishes the present research in order to present the opportunities and advantages of investment in Iran. Those who are interested in investing in Iran should have sufficient and complete information about the rules, regulations, government and legal guarantees, advantages, risks, facilities and opportunities in Iran. We hope you succeed in finding all of this information in this single package.

Ali Nazari
This report gives you general information about Iran’s economic condition, its labor market and Iran’s opportunities for foreign investors. In the first part of this report we will give you a complete overview of Iran’s important role in the world along with the new strategy of the Iranian government to attract foreign investors. In the following sections of this report, you will be given comprehensive information about Iran’s economic sectors and the employment market. In the end we will present important economic data.
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General Information

IRAN

The country of Iran is a very flexible and active economy, placed in the Middle East surrounded by a modern network connection and a special strategic situation. Iran is an important constituent of the ancient silk road for over 4000 years. The country has an extremely advantageous position between Asia and Europe. It plays an important role in the international trade lying between the Mediterranean Sea, the Caspian Sea and the Black Sea. With its young and qualified workforce, Iran is the best place and choice for investments.

Position

Iran, with an area of 1,641,966 sq km and nearly 80 million citizens, is located in South-West Asia. The country's neighbors are Turkey and Iraq to the west, Afghanistan and Pakistan to the east, Armenia, Azerbaijan, Russia, Kazakhstan and Turkmenistan to the north and Kuwait, Saudi Arabia, Qatar, Bahrain, United Arab Emirates and Oman to the south, separated by the Persian Gulf and the Sea of Oman. Moreover, Iran as a strategic country has got common borders with the states of ESCWA to the south and west, SAARC to the east and CIS and Caucasus as well as UNECE to the north. The country is regarded as one of the richest countries in hydrocarbon resources such as oil, gas, mines, etc. Thus it ranks second in the world in gas reserves and export as well as second in the export of crude oil. According to the reports of international institutions like the World Bank, Iran scores the eighteenth out of twenty outstanding economies with having more than 700 billion dollars as the GDP.

In conclusion, Iran is one of the most important and strategic countries in the world.

Source: OIETAI (Iran)
Iran’s Labor Market - Overview

The Iran Labor force Participation rate - From 10 years of age
According to Sex and Urban and Rural Areas

<table>
<thead>
<tr>
<th>Year</th>
<th>Area</th>
<th>Male &amp; Female</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Country</td>
<td>41.0 %</td>
<td>64.7 %</td>
<td>17.0 %</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>39.4 %</td>
<td>63.7 %</td>
<td>14.4 %</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>44.7 %</td>
<td>66.9 %</td>
<td>22.6 %</td>
</tr>
<tr>
<td>2015</td>
<td>Country</td>
<td>37.2 %</td>
<td>62.5 %</td>
<td>12.0 %</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>36.5 %</td>
<td>61.3 %</td>
<td>11.6 %</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>39.1 %</td>
<td>65.6 %</td>
<td>13.1 %</td>
</tr>
</tbody>
</table>

- Since 2006 to 2015 the female participation share in Iran’s labor market decreased by 5.0 % to 12.0 %.
- The female participation rate in rural areas is higher than in urban areas.

Source: amar.org.ir, amarkar.ir
The Iranian Labour Employment – Hours of Work Ratio
According to Sex and Weekly Working Hour

- 5.6% of the Iranian employees work less than 16 hours a week.
- 8.9% of the Iranian employees work between 33 and 40 hours a week.
- 70.7% of the Iranian employees work more than 40 hours.

- 4.0% of all males in Iran work less than 16 hours weekly.
- 30.4% of females in Iran work less than 16 hours a week.
- 75.7% of all males in Iran work more than 40 hours a week.

Source: amar.org.ir, amarkar.ir
Iran’s economic data - Overview

The Iranian GDP

The Gross Domestic Product (GDP) in Iran was worth 426 billion US dollars in 2014. The GDP value of Iran represents Around 0.60% of the world's economy. The GDP in Iran averaged 442.13 billion USD from 2006 until 2014, reaching an all time high of 593 billion USD in 2011. (The Iranian GDP reported by the Central Bank of Iran and extracted from Tradingeconomics.com and controlled with other sources).

The Iranian GDP – in Billion USD

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$ 259</td>
<td>$ 338</td>
<td>$ 397</td>
<td>$ 399</td>
<td>$ 468</td>
<td>$ 593</td>
<td>$ 588</td>
<td>$ 512</td>
<td>$ 426</td>
</tr>
</tbody>
</table>

Source: Central Bank of Iran.WB, TRADINGECONOMICS.com
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