

The Post-Sanctions Iranian Market

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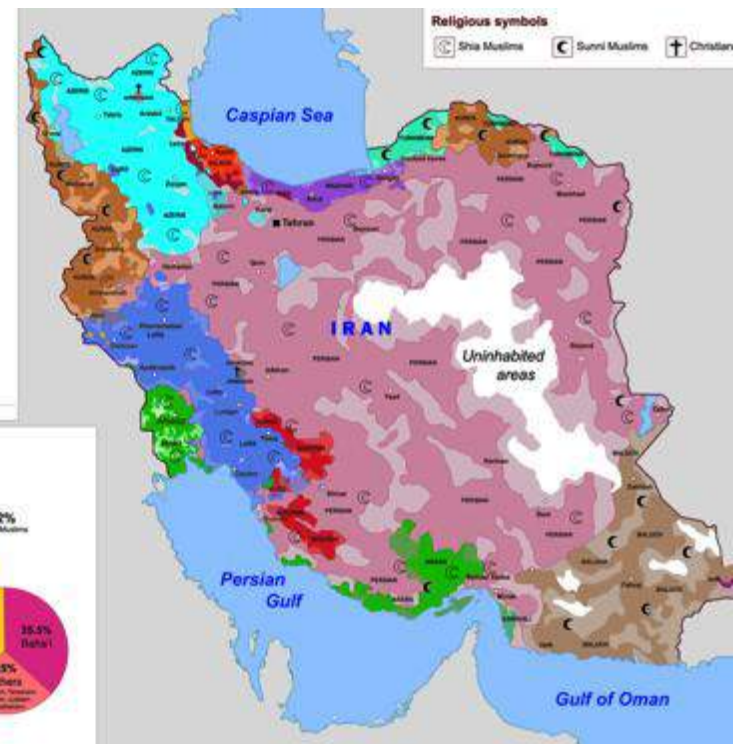
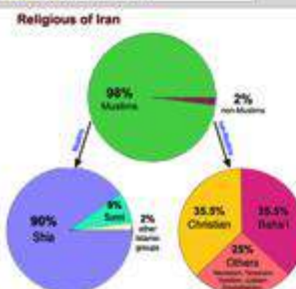
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1. Economic Date

Iran in Numbers – General Information

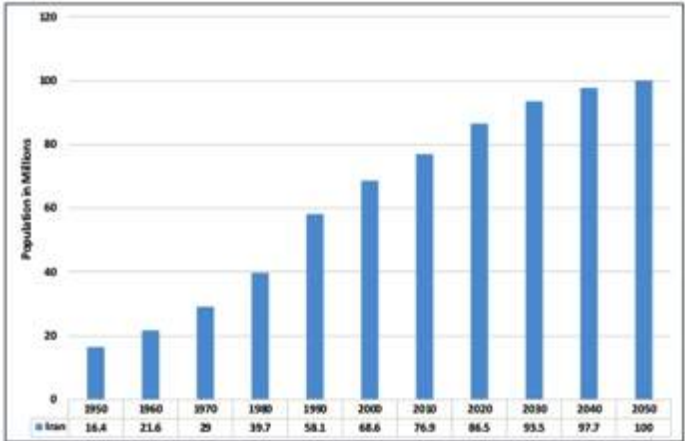
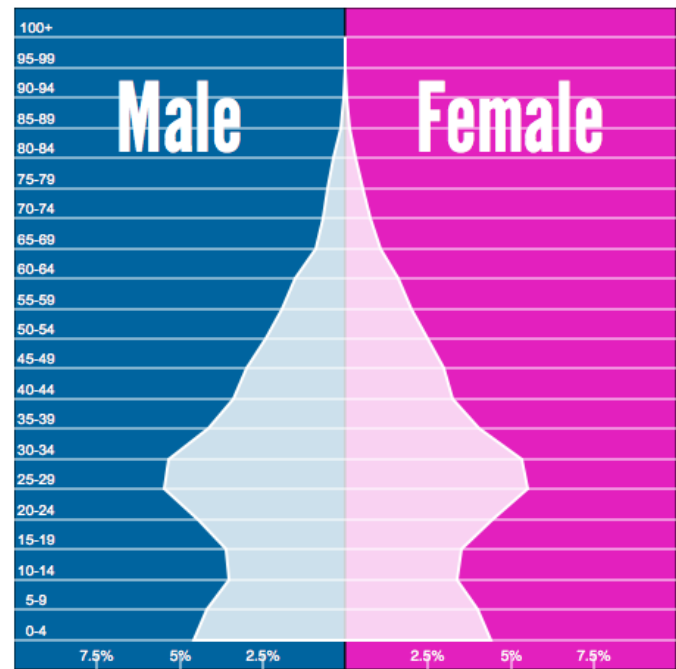
Country:	Iran, Islamic Republic
Capital:	Tehran
Area:	1.648.195 sqkm
Population:	78 Million
Provinces:	31
Language:	Farsi
Religion:	Moslem (Shia)
Currency:	Rial (Toman) 1€ = 3.600 Toman
Script:	Arabic

- Multi-ethnic population: Persian (about 53%), Azerbaijani, Gilani, Masandarani, Kurds, Arabs, Lurs, Beluchi und Turkmens.
- Part of the Middle East Region
- Neighbouring countries: Iraq, Turkey, Armenia, Azerbaijan, Turkmenistan, Afghanistan, Pakistan
- Access to Caspian Sea, Persian Gulf and Arabian Sea



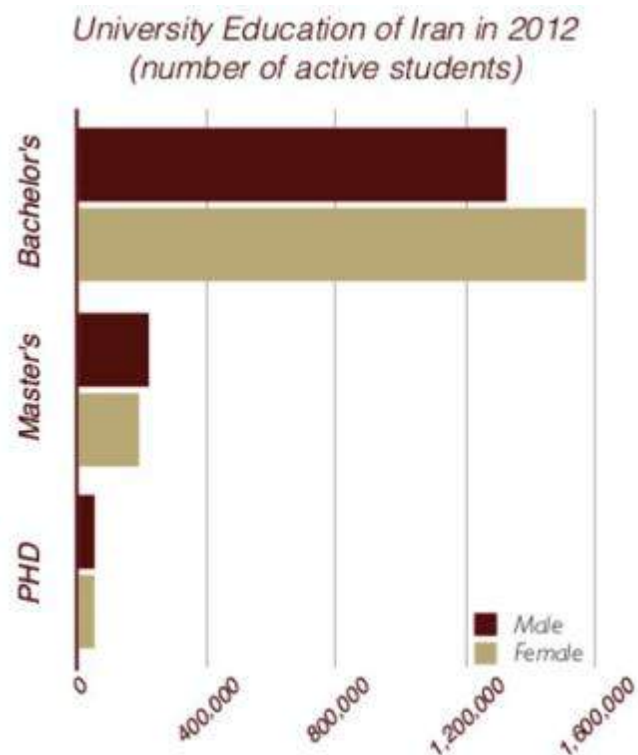
Iran in Numbers - Population

Iran (Islamic Republic of)
2015
Population: 79.476.000



Iran in Numbers - Education

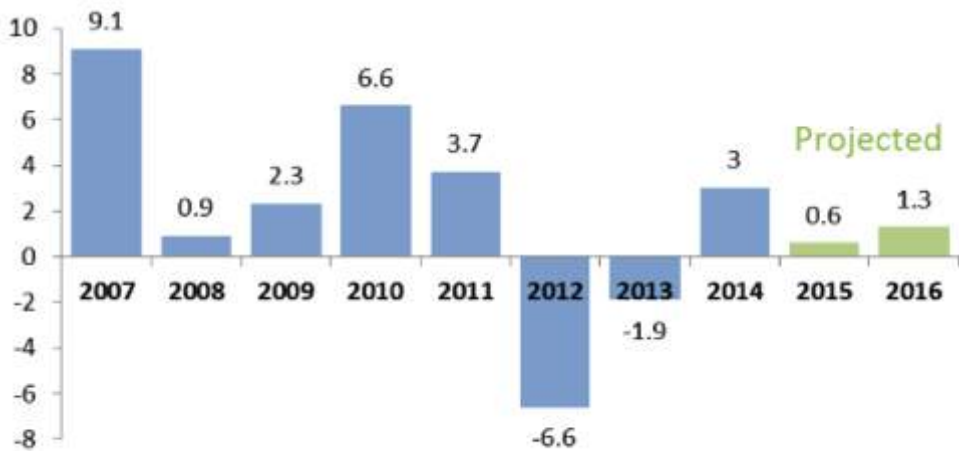
- Education has a significant cultural value
- Primarily school enrolments are at 95%
- Well developed school, high school and university system
- Competing public and private institutions
- 2013 almost 4 million students
- More than 50% of the students are female
- The overall academic level is quite low compared to international standards (judged by R&D results and academic publications)
- No chance of international development and scientific exchange with leading educational institutions
- Very high unemployment rate after graduation



Iran in Numbers - GDP

GDP

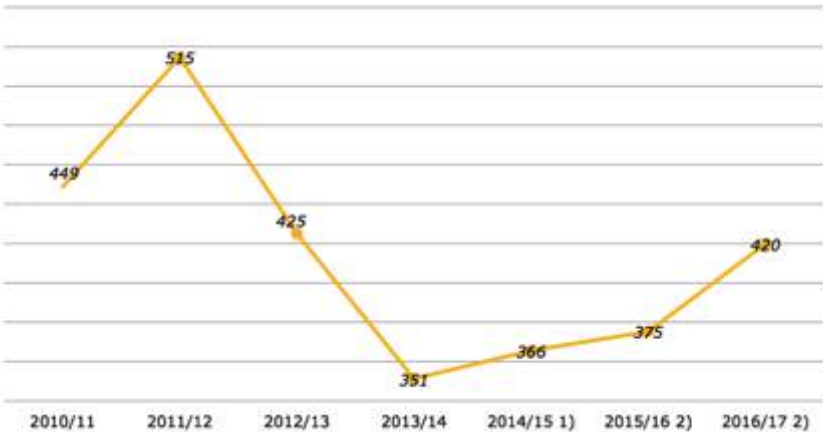
(annual growth rate in %)



Source: International Monetary Fund

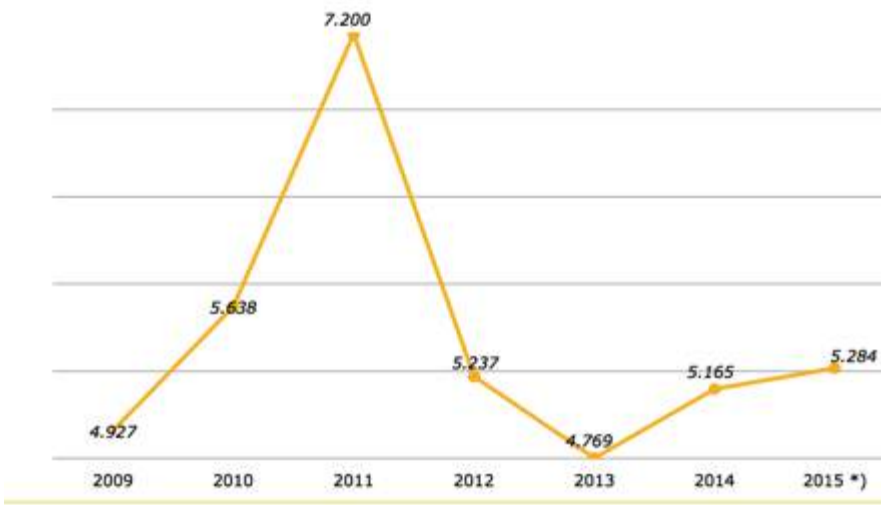
GDP

(in billion USD)



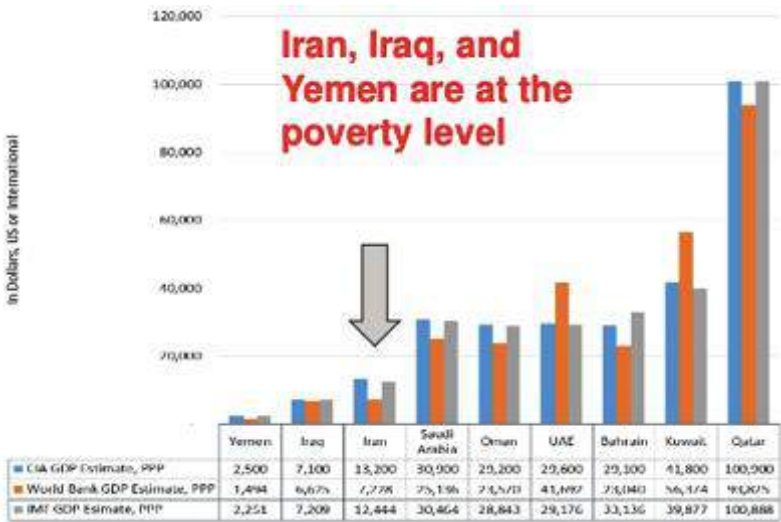
Iran in Numbers – GDP Per Capita

BSP pro Kopf
(Nominell in USD)

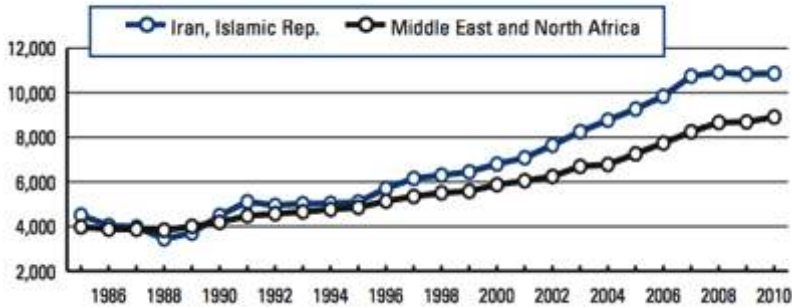


Source: IMF; *) estimate
23.04.2015
Germany Trade & Invest
www.gtai.com

BSP in Vergleich

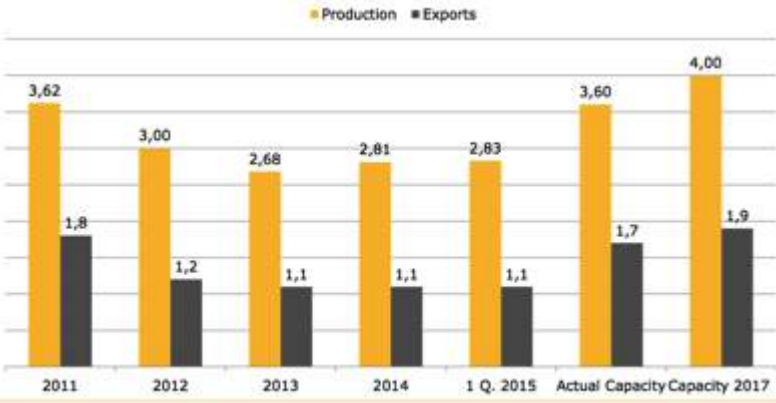
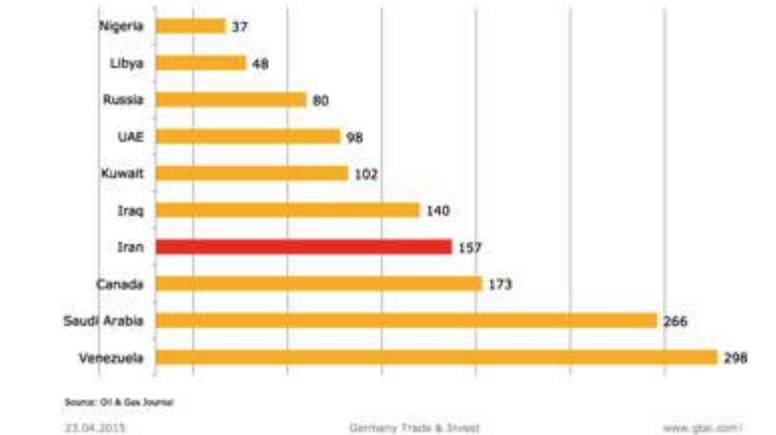


GDP (PPP) per capita (int'l \$), 1985–2010

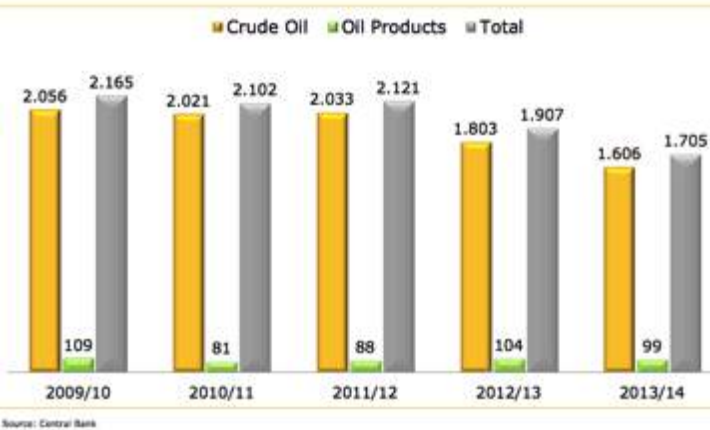


Quelle: World Economic Forum

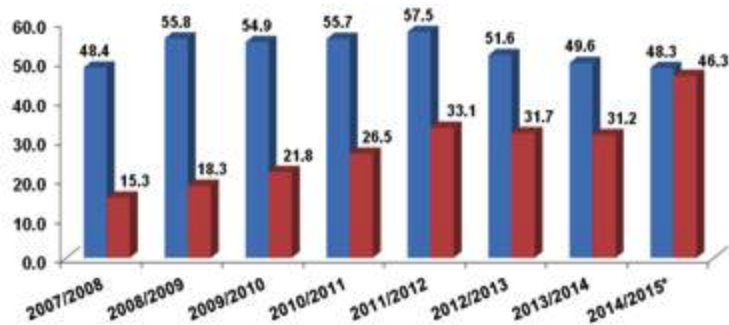
Iran in Numbers – Oil



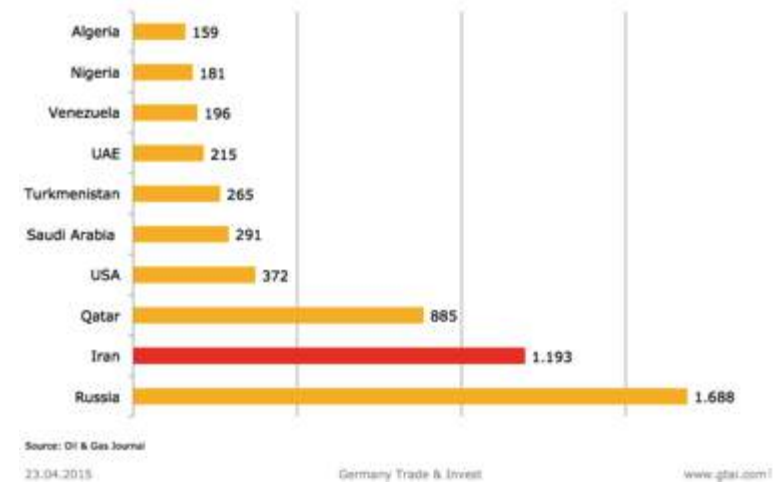
Oil Exports 2009 - 2013 (1.000 bpd)



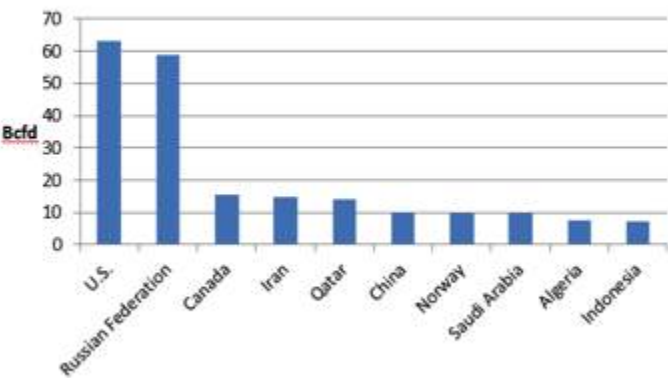
For years, Iran’s top trade priority has been to balance the non-crude oil export and imports. This goal has almost been achieved in the current Iranian year.



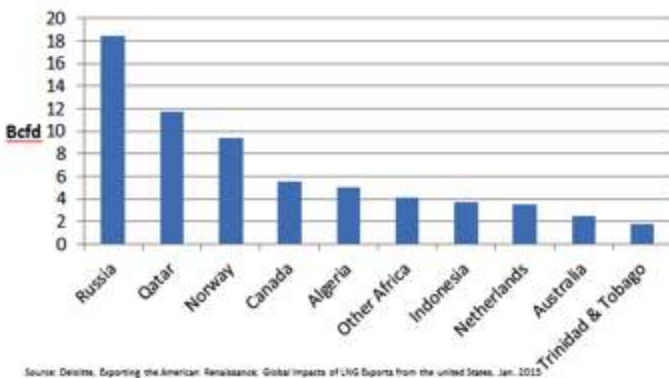
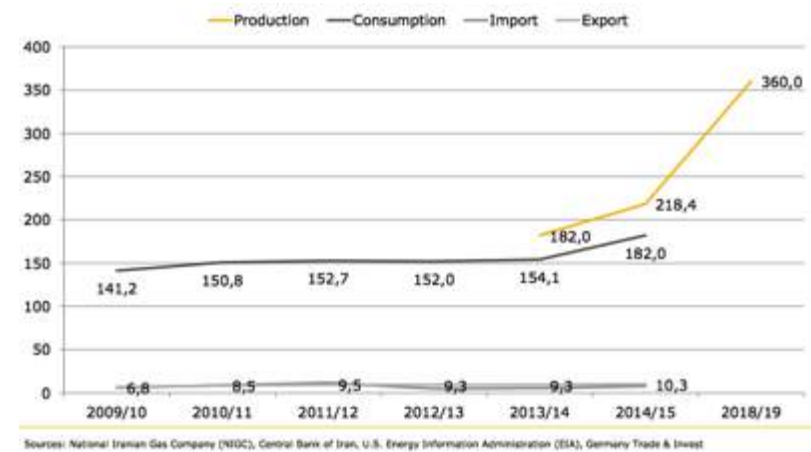
Iran in Numbers – Gas



Top Natural Gas Producing Countries, 2011



Top Gas Exporting Countries, 2011



Iran in Numbers – What else?



Potential – Tourism



- Before the Islamic Revolution Iran was a very popular among the tourists from the „Western“
- It has 4 seasons at the same time
- Great destination for cultural trips and tours
- Untouched nature offers unique possibilities for „eco tourism“
- Well developed ski resorts are well known and extremely popular among Iranian and international visitors
- The number of tourists has already doubled in the past 12 months
- The tourism authorities are targeting 20 million tourists by 2020



- Very low standards in the entire hospitality sector
- Restoration and expansion of hotel capacity urgently needed
- Very low training standards of the staff
- New F&B concepts needed
- Holistic strategy for the development of the hospitality and tourism sector necessary



Potential – Mining

- 68 different minerals and raw materials such as iron ore, copper, coal, zinc, silver and gold
- Estimated value of USD 700 billion
- Well developed mines with rare stones
- The industry has around 62,000 employees
- Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) is regulating the activities of the industry
- Goal is to reduce the export of raw materials and develop the relevant processing industry (aluminium and steel production)
- More than USD 10 billion has been invested in the last 15 years in 70 projects
- To achieve the 2025 goals another USD 40 billion is needed

Mineral resource	Iran Reserve	Unit	Iran Reserve as % of world
Iron Ore	2.7	Billion Ton	0.8%
Copper	2.6	Billion Ton	4%
Zinc	11	Million Ton	4%
Gold	250	MT	0.5%
Baillie	10	Million Ton	5%
Phosphate	16.5	Million Ton	0.05%

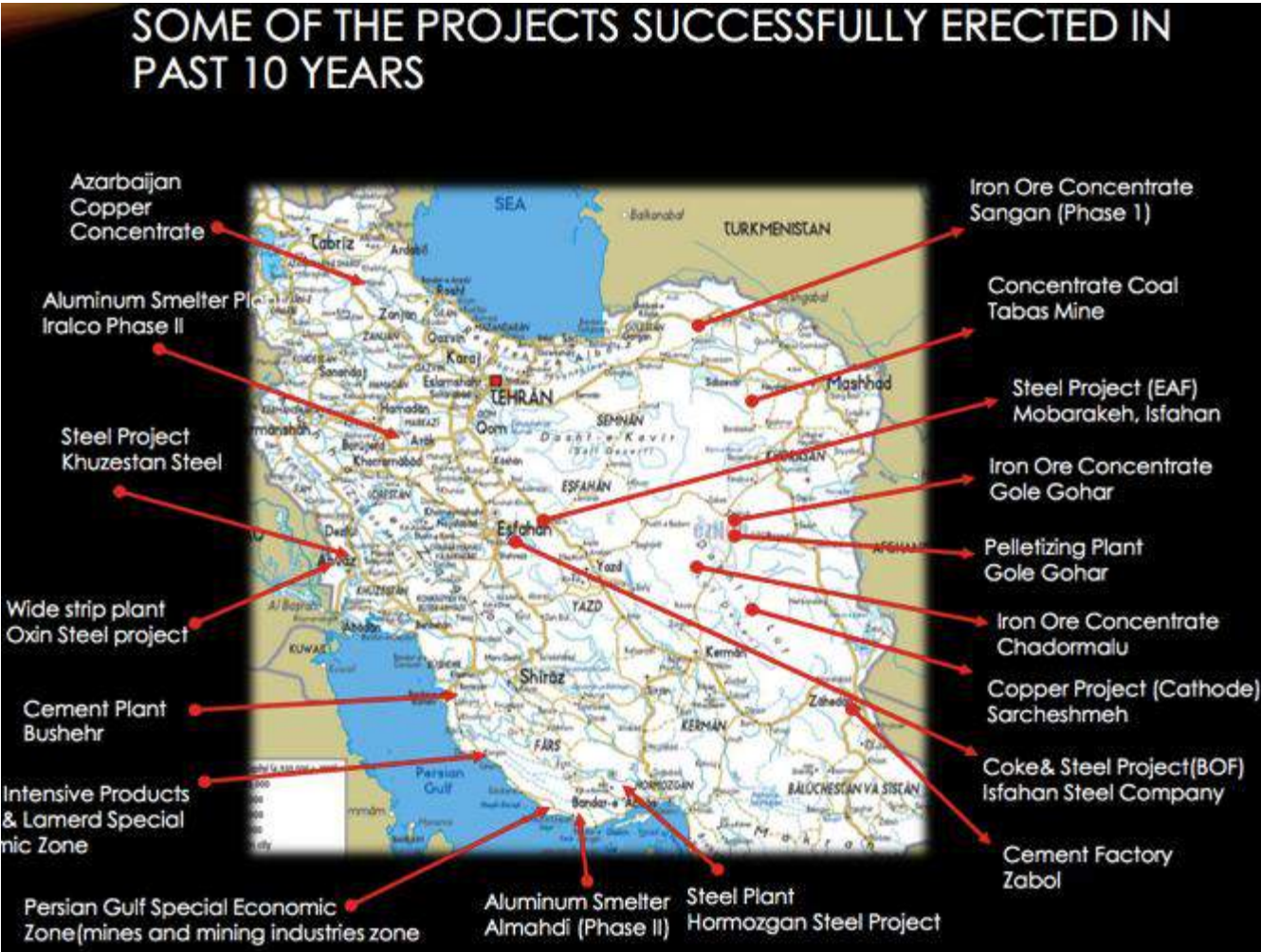
Product	2013(Million T)
Crude steel	14.308
Finished steel	11.916
Copper (cathode)	0.189
Aluminum	0.295
Coal (Concentrate)	0.858
Iron ore	32.789

Product's Name	Our Vision (year 2025)
Steel	55 Million MT
Copper cathode	800.000 MT
Aluminum	1.5 Million MT
Zinc	300.000 MT
Mineral Products	200 Million MT
Gold	5 MT

Quelle: IMIDRO

- Outstanding investment opportunities for foreign investors
- Atkins Know-how and experience very suitable for this sector

Potential – Mining



Quelle: IMIDRO

Potential – Logistics



- Crucial part of the New Silk Road
- Hub for business in Caucasus, Iraq and Afghanistan

Potential – Construction

- Related to the development of all other industries
- Can be seen as the economic barometer in Iran
- Almost entire value chain can be covered by the domestic market, therefore great importance for the labour market
- Golden years in 1995-2007
- 475 construction tenders valued USD 88.3 billion which were awarded during 2014
- **Approximately one million housing units** are needed each year to address a crippling shortage of homes – current capacity is at 400.000 units
- 2016 is projected to see a market size in construction of USD 154.4 billion
- Government has introduced a comprehensive financial plan for private real estate investors

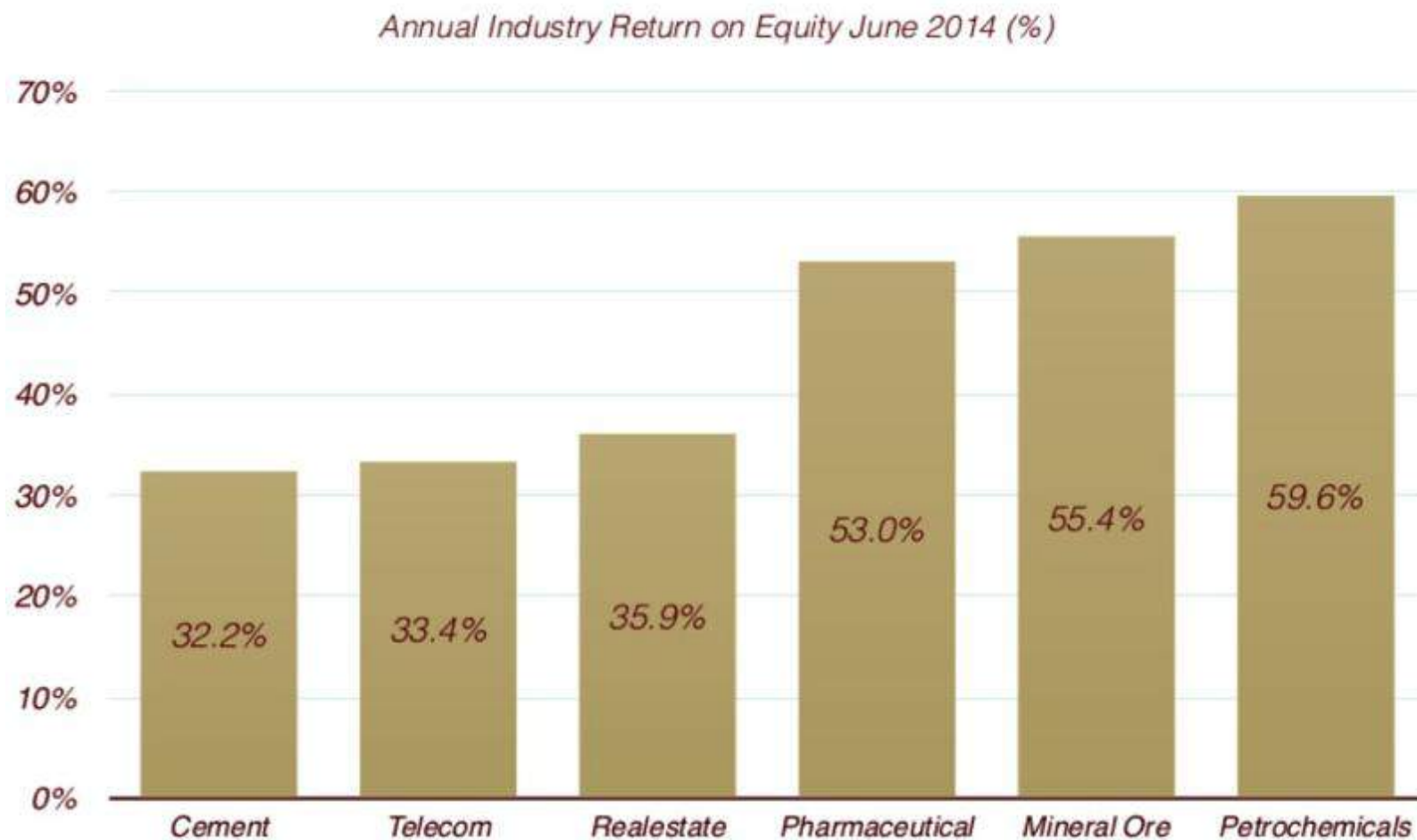


- Great importance for the development of labour market
- Foreign investment crucial

Other economic sectors with high investment potential...



Outstanding profitability in any sector



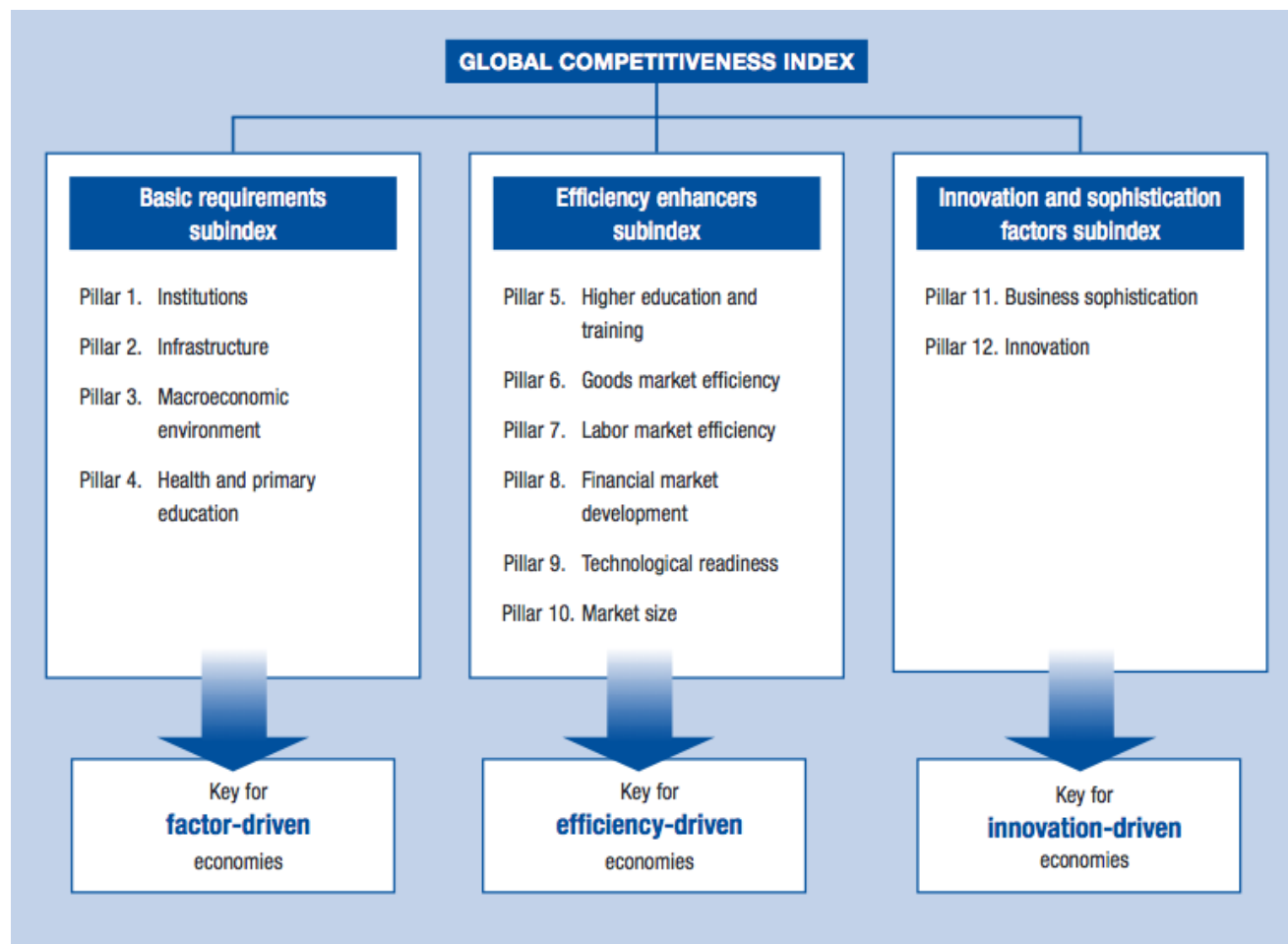
Source: TaylorWessing

2. The Business Environment

2.1. Intelligence through surveys and ratings



The Global Competitiveness Index (CGI) Framework



Iran # 83 on GCI 2014-2015

- CGI is a yearly assessment of The World Economic Forum (WEF)
- 144 countries were benchmarked by 12 key factors
- Iran is #11 in the MENA Region
- Due to problems (mainly caused by strict sanctions) Iran's overall competitiveness suffered dramatically in last 3 years
- Positive:
 - “Solid macroeconomic positioning”
 - “Large market size”
 - “Fairly well educated population”
- Negative:
 - “Institutional Framework”
 - “Labor and goods efficiency”
 - “Financial Market”

→ Iran ranking at #76 on GCI 2016-2017

	Middle East and North Africa Top 10	
	The Global Competitiveness Index 2014-2015	Global rank
	United Arab Emirates	12
	Qatar	16
	Saudi Arabia	24
	Israel	27
	Kuwait	40
	Bahrain	44
	Oman	46
	Jordan	64
	Morocco	72
	Algeria	79
Source: The Global Competitiveness Report 2014-2015.		
Note: * 2014-2015 rank out of 144 economies		

Iran's GCI results

	Rank (out of 144)	Score (1–7)
GCI 2014–2015	83	4.0
GCI 2013–2014 (out of 148).....	82.....	4.1
GCI 2012–2013 (out of 144).....	66.....	4.2
GCI 2011–2012 (out of 142).....	62.....	4.3
Basic requirements (41.8%)	71	4.6
Institutions.....	108.....	3.4
Infrastructure.....	69.....	4.1
Macroeconomic environment.....	62.....	4.8
Health and primary education.....	52.....	6.0
Efficiency enhancers (48.6%)	98	3.7
Higher education and training.....	78.....	4.2
Goods market efficiency.....	120.....	3.9
Labor market efficiency.....	142.....	3.0
Financial market development.....	128.....	3.0
Technological readiness.....	107.....	3.0
Market size.....	21.....	5.1
Innovation and sophistication factors (9.5%)	102	3.3
Business sophistication.....	110.....	3.5
Innovation.....	86.....	3.1

Stage of development



Source: WEF Competitiveness Report 2014-2015

Iran's GCI results

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Stage of development



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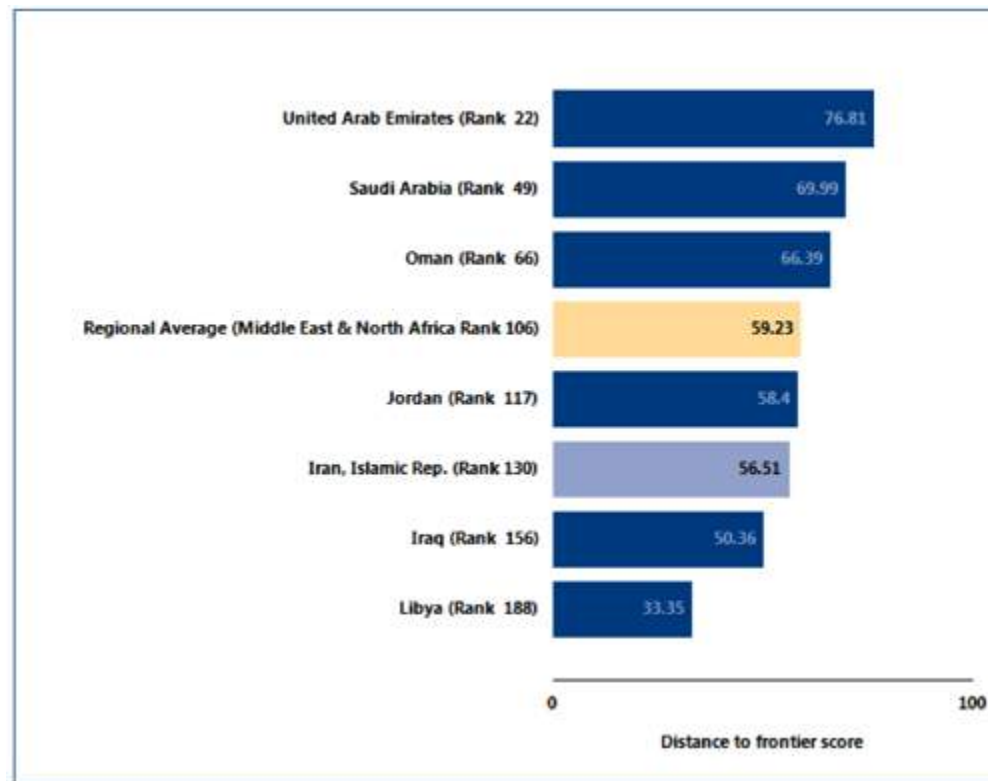
Iran's Institutions – Crucial for starting business

INDICATOR		VALUE	RANK/144
1st pillar: Institutions			
1.01	Property rights	3.9	86
1.02	Intellectual property protection	2.7	127
1.03	Diversion of public funds	3.0	84
1.04	Public trust in politicians.....	3.1	65
1.05	Irregular payments and bribes.....	3.4	97
1.06	Judicial independence.....	3.4	89
1.07	Favoritism in decisions of government officials	3.1	68
1.08	Wastefulness of government spending.....	2.9	82
1.09	Burden of government regulation	2.8	125
1.10	Efficiency of legal framework in settling disputes	3.4	94
1.11	Efficiency of legal framework in challenging regs. ...	2.3	130
1.12	Transparency of government policymaking.....	3.2	127
1.13	Business costs of terrorism.....	3.9	127
1.14	Business costs of crime and violence.....	3.6	112
1.15	Organized crime.....	3.8	121
1.16	Reliability of police services	4.0	80
1.17	Ethical behavior of firms	3.4	121
1.18	Strength of auditing and reporting standards	3.7	125
1.19	Efficacy of corporate boards	3.9	122
1.20	Protection of minority shareholders' interests	3.2	128
1.21	Strength of investor protection, 0–10 (best)*	3.7	117



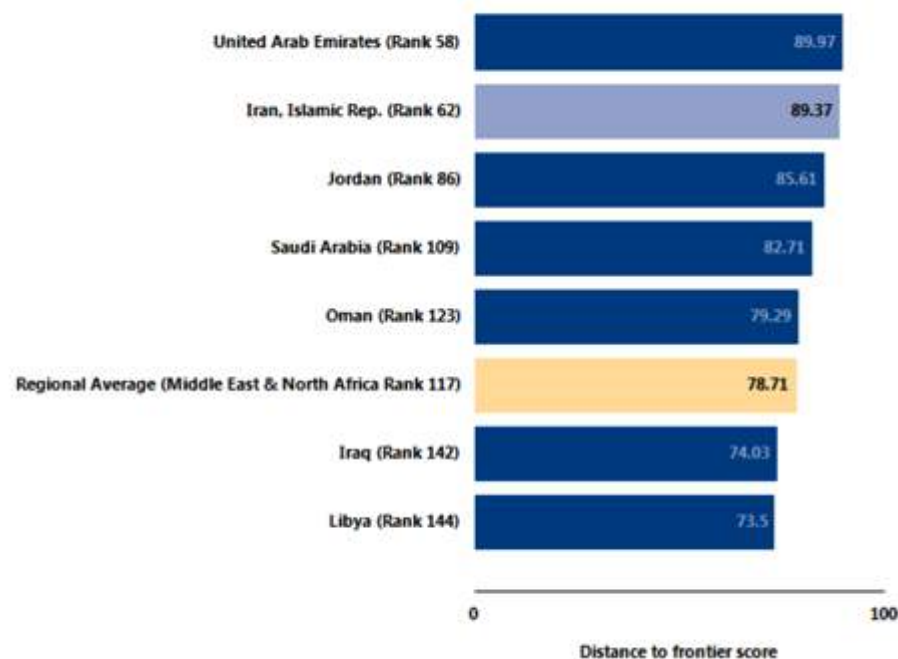
Iran # 130 on World Bank's Doing Business Report 2015

- Doing Business report of World Bank assesses doing business for SMEs in their domestic markets
- 189 countries were tested by 12 key factors
- The report also monitors the development of the business framework in the economies
- Iran “under average” overall score among peers in MENA Region
- Best rankings in:
 - Starting a business (62)
 - Enforcing a Contract (66)
 - Getting Credits (89)
- Worst ranking in:
 - Dealing with construction permits (172)
 - Registering Property (161)
 - Protecting Minority Investors (154)



Source: Doing Business Group 2015, World Bank Group

Starting a business – rank 62



Source: Doing Business Group 2015, World Bank Group

Table 2.1 How has Iran, Islamic Rep. made starting a business easier—or not? By *Doing Business* report year from DB2010 to DB2015

DB year	Reform
DB2010	The Islamic Republic of Iran simplified business start-up by introducing an electronic registration system.
DB2011	The Islamic Republic of Iran eased business start-up by installing a web portal allowing entrepreneurs to search for and reserve a unique company name.
DB2013	The Islamic Republic of Iran made starting a business more difficult by requiring company founders to obtain a criminal record clearance to register a new company.
DB2015	The Islamic Republic of Iran made starting a business easier by streamlining the name reservation and company registration procedures.

Note: For information on reforms in earlier years (back to DB2005), see the *Doing Business* report for these years, available at <http://www.doingbusiness.org>.

Dealing with construction permits— rank 172

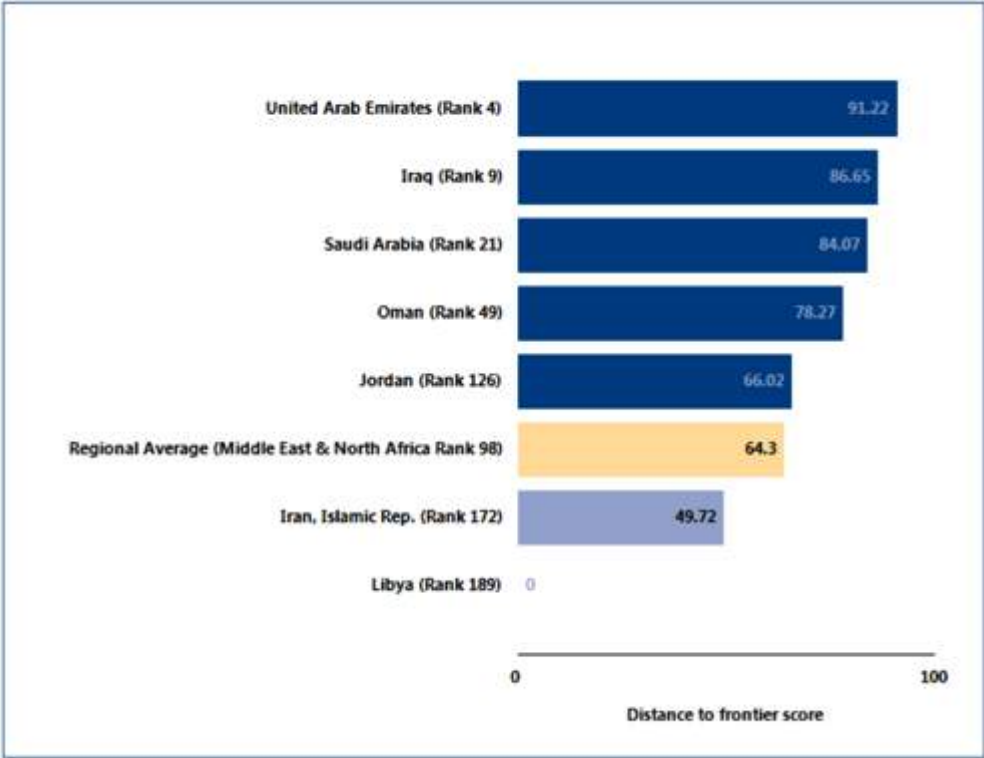


Table 3.1 How has Iran, Islamic Rep. made dealing with construction permits easier—or
By *Doing Business* report year from DB2010 to DB2015

DB year	Reform
DB2010	The Islamic Republic of Iran made dealing with construction permits easier by introducing electronic service offices in Tehran; streamlining the process of obtaining location approvals, building permits and building completion certificates; and reducing the time needed to obtain water and electricity connections.

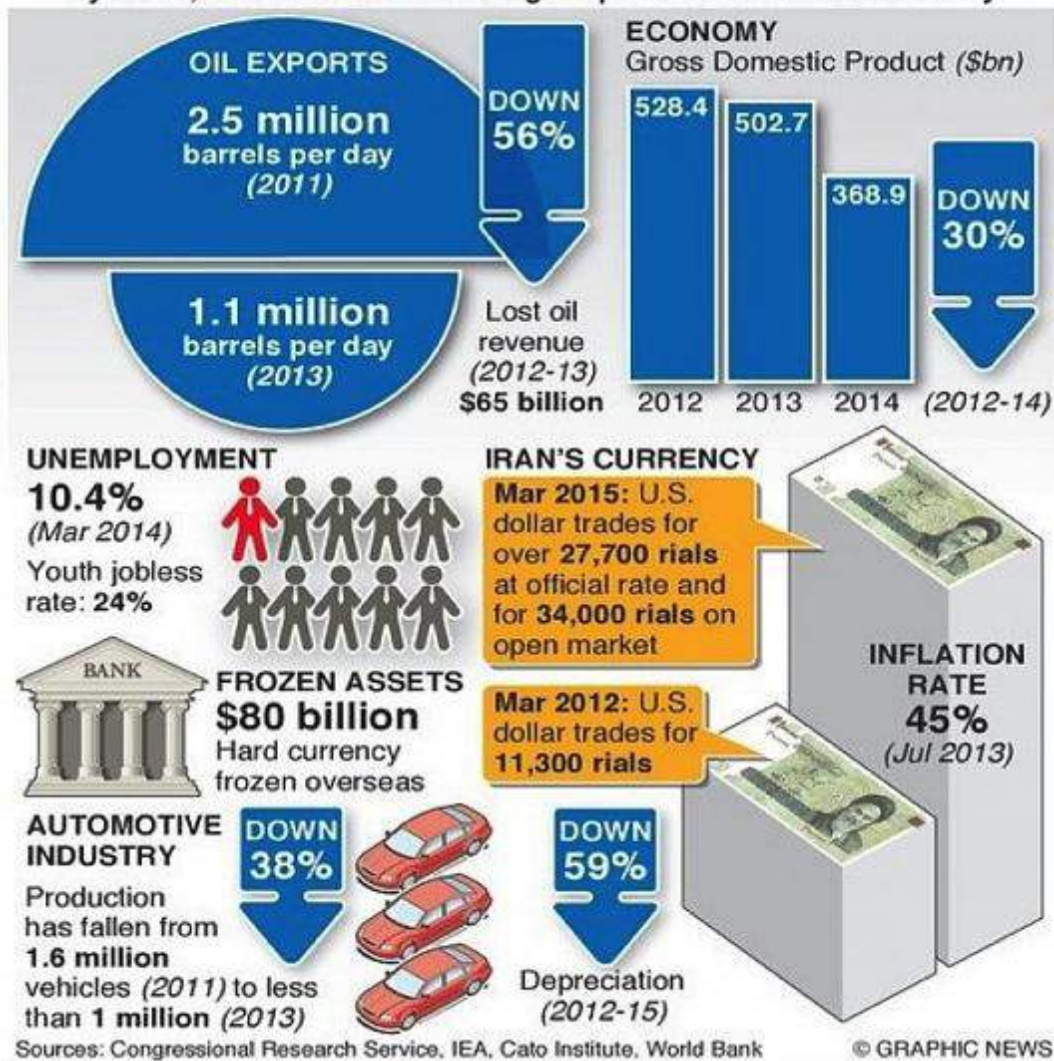
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Source: Doing Business Group 2015, World Bank Group

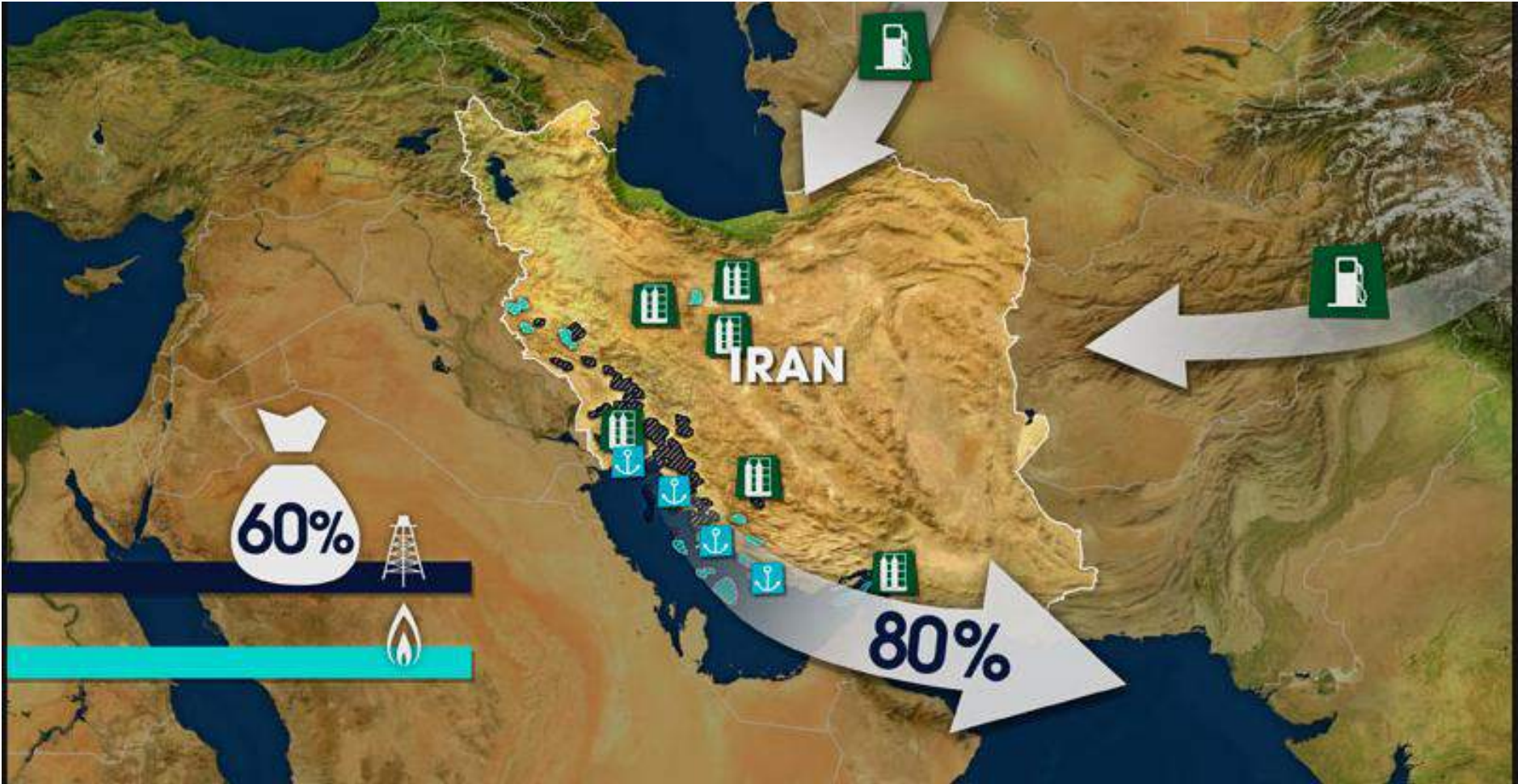
3.2. Intelligence through experience and direct connection to the market

Iran pays heavy price for sanctions

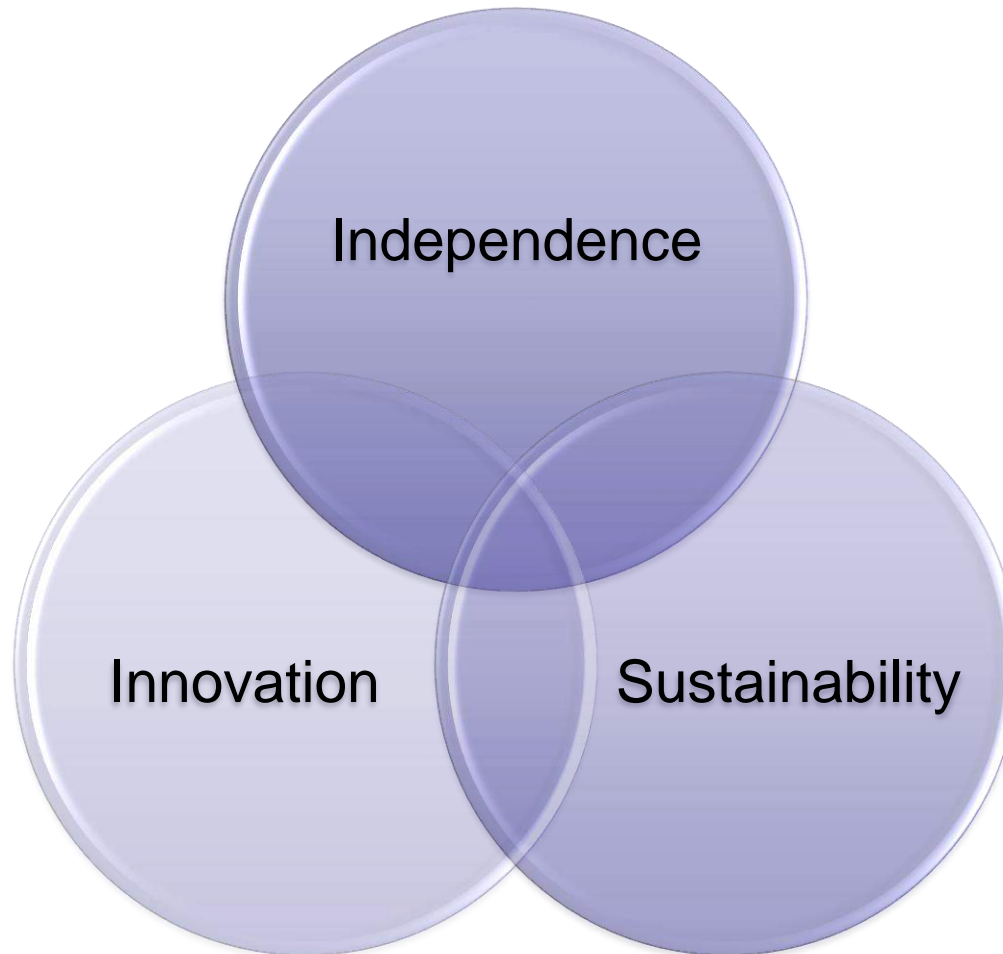
Sanctions imposed by the West over Iran's nuclear programme have sharply cut back oil exports, isolated Iran from international banking systems, and contributed to a big drop in the value of its currency







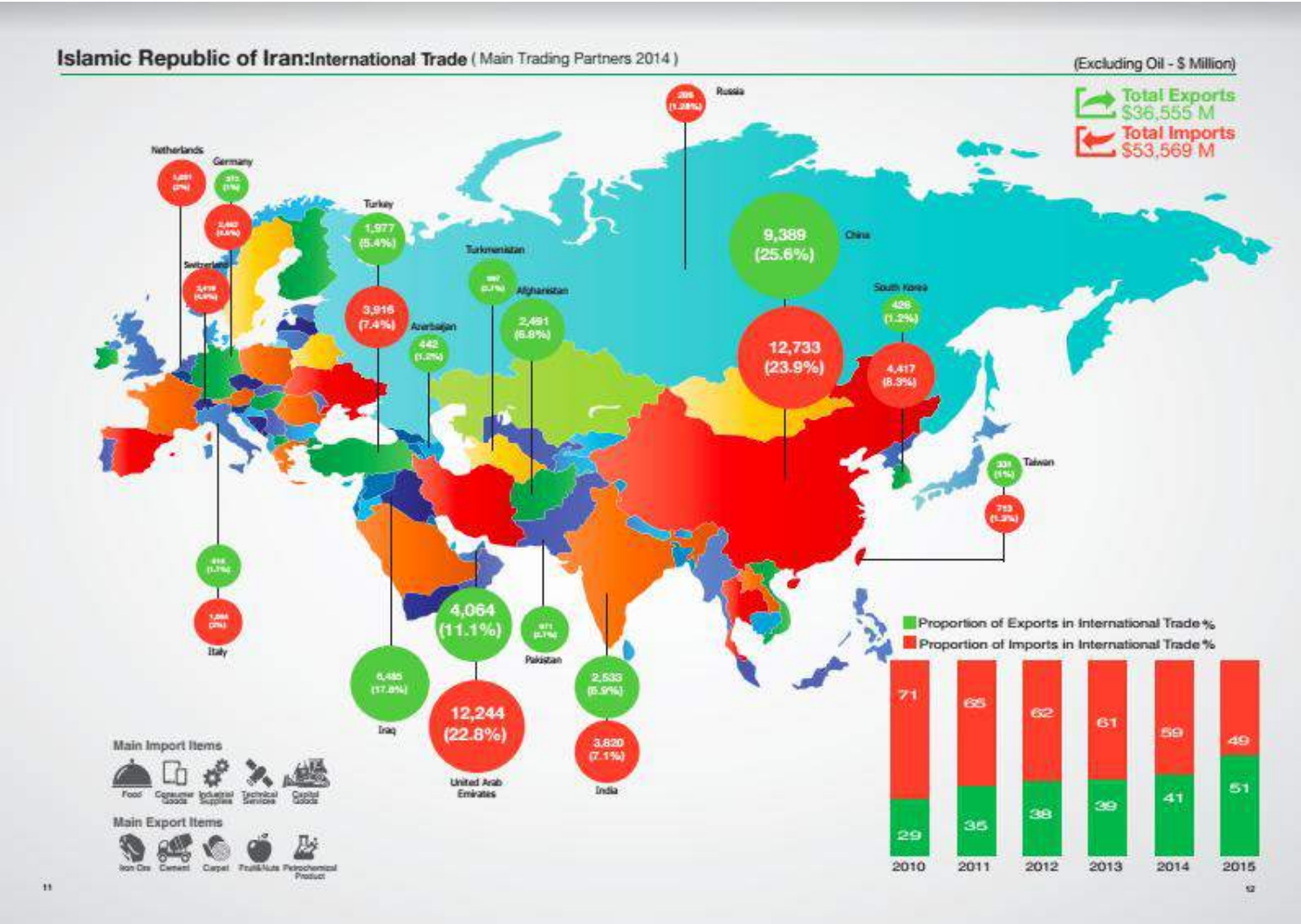
National Aspirations in Post-Sanction Iran



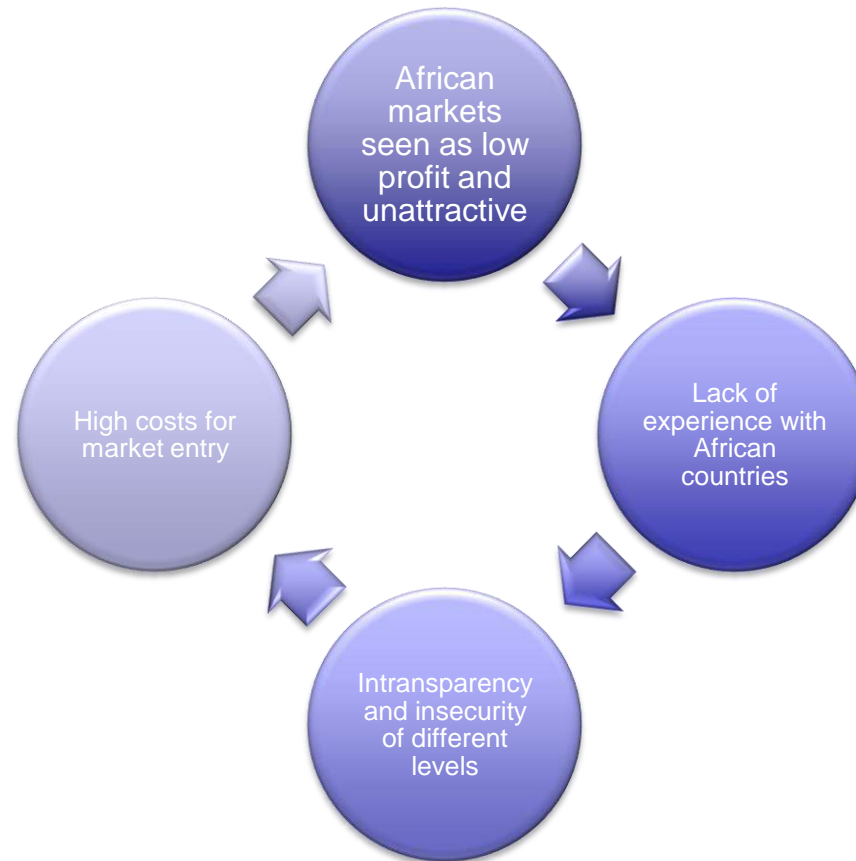
Attributes for successful business in Iran



3. Mauritius – Iran Business Opportunities

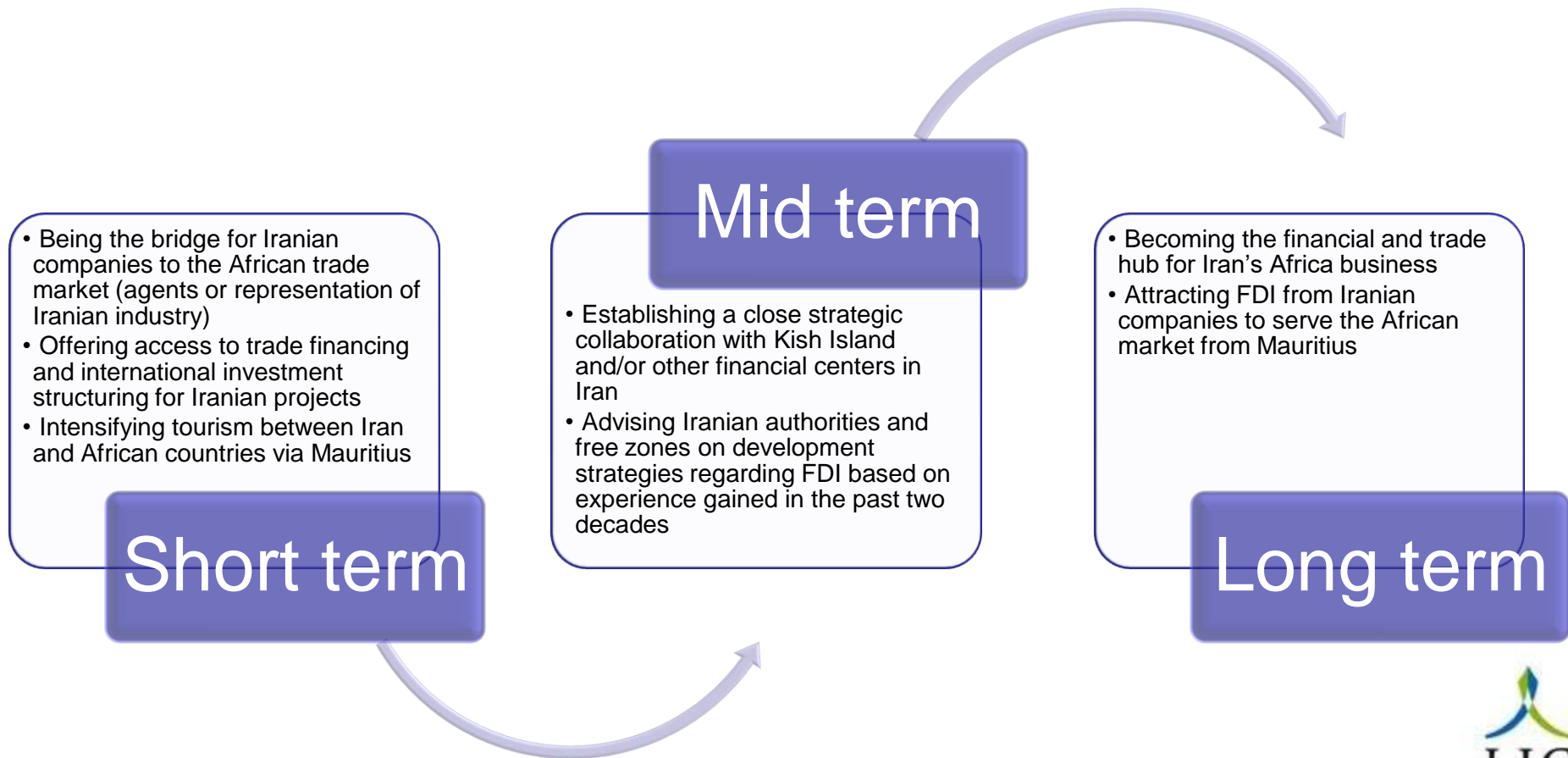


Low interest because of misconception and high trade barriers



→ The Iranian economy is more focused on technology providers then on new markets!

Mauritius as the Hub for Iranian trade and finance into the Africa continent



→ Generating new ideas for future collaboration on social, economic and cultural level.



Kheili mamnoon az vaghte shoma!
Thank you for your time!

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