

Oct
2016



And a Rising Iran

JCPOA: however not completed yet, but the concept itself was enough to put all of Iran in a TGV!



Prepared By IRC Iran team

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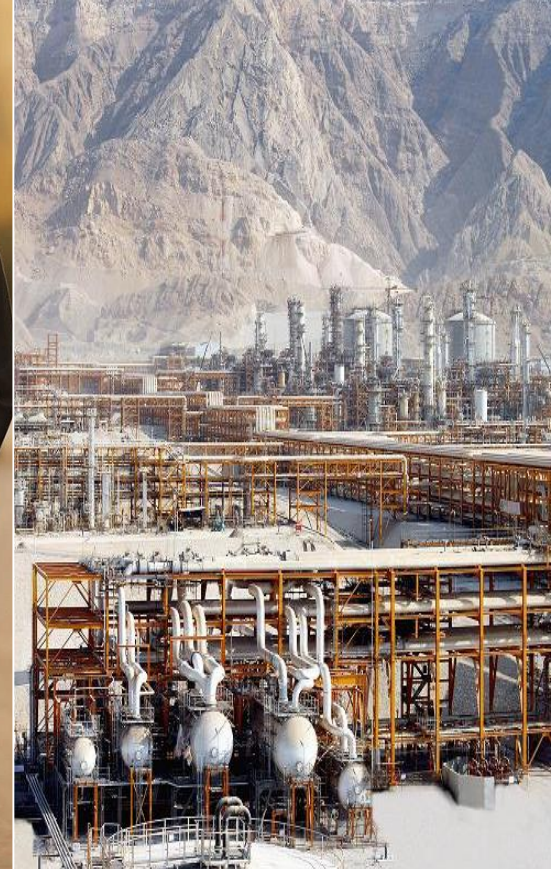


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You Can Review what is going on

Review Over Iran Capabilities



Iran is the second largest economy in the Middle East and North Africa (MENA) region after Saudi Arabia, with an estimated Gross Domestic Product (GDP) in 2015 of **US\$400 billion**.

Iran has the **second largest population** of the region after Egypt, with an estimated **78.8 million** people in 2015.

Iran is a young country with average age **29 years** (2014). One third of the population are between 15-30 years

Iran ranks **second** in the world in natural gas reserves and **fourth** in proven crude oil reserves.



You Can Hear Good News

“Everything is booming in Iran. Day by day, I see the demand is going up,”

“Sobhani” chairman of Iran’s Mobarakeh Steel Company

Oct 16, 2016

MSC will increase production by **more than 25%** next year to meet growing domestic demand **after the easing of international sanctions.**

Steel output will increase by 2 million tons next year from 7.5 million tons in 2016. Iran’s per capita steel consumption could grow to exceed 300 kilograms in the next few years from about 235 kilograms today



Some of the Recent Good News

“Iran has attracted nearly \$1.7 billion dollars in foreign investment during 5 months”

Seyed Hossein Mirshojaeen Hosseini
Iranian deputy minister of economic affairs and finance

Sep 2, 2016

During the first five months of the current Iranian year (which began on March 20), the administration has approved **\$7 billion** as foreign investment, **\$1.6bln to \$1.7bln** of which has been absorbed.



World's second-largest cell phone co. Vodafone enters Iran Market

Oct 18, 2016

Vodafone (VOD.L) has agreed a partnership with Iranian Internet firm HiWEB to help modernize its network, the companies said on Tuesday, making the British company the latest Western firm to enter Iran after sanctions were lifted.

Vodafone, the world's second largest carrier by subscribers after China Mobile Ltd., said the agreement to help modernize HiWEB's network and IT infrastructure would also benefit its multinational corporate clients when they travel to Iran.



Some of the Recent Good News

Oct 5, 2016

Germany's Siemens signed a contract to upgrade Iran's railway network, one of several deals agreed by German firms during a two-day visit to Tehran by Economy Minister Sigmar Gabriel



IMF: Iran Economy Improving Substantially

Oct 5, 2016

The International Monetary Fund is forecasting an improvement in sustainability for Iran in 2016-17 as better economic conditions herald more robust growth prospects for the country.
Iran's real GDP rebounded strongly over the first half of the year as sanctions eased **post-JCPOA** implementation. Iran's oil production and exports have rebounded quickly to pre-sanction levels, helping cushion the impact of low global oil prices. Increased activity in agriculture, auto production, trade and transport services has led the recovery in growth in the non-oil sector.

Some of the Recent Good News

Oct 17, 2016

Oil minister: Iran close to pre-sanction level in oil production

Minister of Petroleum Bijan Zangeneh said on Monday that Iran is approaching the same level of its oil production as in the pre-sanctions years. Iran's Oil Minister Bijan Zangeneh said that Iran is currently producing 3.7 million barrels of oil per day



"10% increase in non-oil export"

Seyed Hossein Mirshojaeean Hosseini
Iranian deputy minister of economic affairs and finance

Sep 3, 2016

During the first five months of the current Iranian year (which began on March 20), non-oil exports jumped by 10.22 percent, reaching \$19.1 bln, he said, adding that the figure stood at \$17.3 bln in the first five months of last year

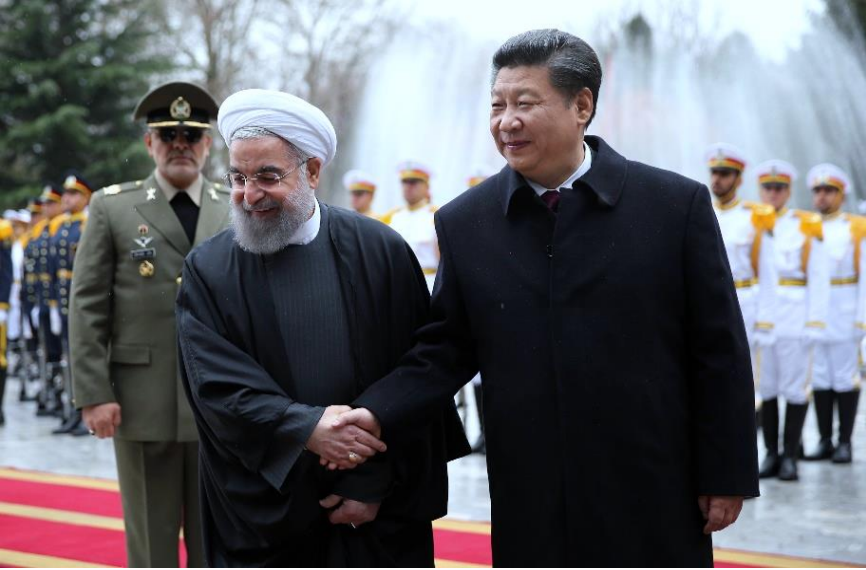
Some of the Recent Good News

Oct 11, 2016

"we have defined new framework of cooperation with Iran while including Tehran's stance and we hope that relations will rise soon from consultation level and technical assistance."

Kyle Peters, World Bank's Vice President for Operations Policy and Country Services (OPCS)





Good News

Development of Relations with different Countries

16 Oct 2016



<http://en.trend.az/iran/business/2673109.html>

EU interested in Iranian petrochemical products

14 Oct 2016



<http://www.irna.ir/en/News/82265871/?>

Bosnia calls for promotion of economic cooperation with Iran

12 Oct 2016



<http://en.mehrnews.com/news/120458/Iran-IMF-agree-on-technical-coop?>

Iran, IMF agree on technical coop

11 Oct 2016



<http://www.bernama.com/bernama/v8/wn/newsworld.php?id=1290664>

Thailand, Iran Revive Trade Ties

10 Oct 2016



<http://www.irna.ir/en/News/82263511/?>

Iran, China should accelerate implementation of mutual agreements

9 Oct 2016



<http://en.farsnews.com/newstext.aspx?nn=13950718001431>

Iran, Czech Republic Call for Boosting Economic Cooperation

9 Oct 2016



<http://www.tasnimnews.com/en/news/2016/10/09/1208579/iran-malaysia-to-boost-cooperation-in-islamic-banking-cbi-chief?>

Iran, Malaysia to Boost Cooperation in Islamic Banking

8 Oct 2016



<http://www.irna.ir/en/News/82261120/?>

Iran, Australia to broaden economic cooperation

8 Oct 2016



<http://www.tasnimnews.com/en/news/2016/10/08/1207920/italian-minister-calls-for-closer-trade-ties-between-tehran-rome?>

Italian Minister Calls for Closer Trade Ties between Tehran

8 Oct 2016



http://news.xinhuanet.com/english/2016-10/08/c_135738973.htm?

S. Korea to invest USD 820 million in Iran's renewable energy

7 Oct 2016



<https://www.thenews.com.pk/print/155374-Iran-Vietnam-pledge-2bln-trade-boost?>

Iran, Vietnam pledge \$2bln trade boost

4 Oct 2016



<http://en.farsnews.com/newstext.aspx?nn=13950713000592>

Iran, Germany Opt for Broadening Economic Ties



And also Iran-France Developing Relations

18 Oct 2016

Official: Airbus, Boeing Grant Iran Maintenance, Repair Rights

Member of Iranian Aviation Companies Association Maqsood Assadi Samani announced that Airbus and Boeing have granted permissions to Iran for maintenance, repair and spare parts operations of their airplanes. He said that the negotiations with Airbus and Boeing authorities had been underway with satisfactory pace.

In mid-September, Deputy Managing Director of Boeing Company Martin Benturd underlined that the sales of the giant aviation firm's airplanes to Iran is on the right track. "There is no problem for selling airplanes to Iran and conditions are ripe for obtaining license from Office of Foreign Assets Control (OFAC),".

8 Oct 2016

Iran's IMIDRO, Renault Ink in Paris

Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO) and French carmaker Renault signed a cooperation pact on the second day of Paris Auto Show. The cooperation agreement was signed in the form of joint venture between Renault and IMIDRO. Renault agreed to produce two of its products Renault Symbol and Duster in Iran by 2018. The joint venture, in which Renault will hold a majority stake, includes a new production plant that is to raise Renault's production capacity in Iran to 350,000 vehicles per year from the current 200,000.

29 Sep 2016

Peugeot to Sell over 450,000 Vehicles in Iran in 2016, 2017: CEO

Iran's major car manufacturer Iran Khodro (IKCO) and the giant French automotive Peugeot Citroen officially launched a joint venture to turn Iran into a regional hub for the production of Peugeot vehicles and components.

There has been growing interest in ties with Iran since Tehran and the Group 5+1 (Russia, China, the US, Britain, France and Germany) on July 14, 2015 reached an agreement on Iran's peaceful nuclear program and started implementing it on January 16.

<http://en.farsnews.com/newstext.aspx?nn=13950727001516>

<http://en.farsnews.com/newstext.aspx?nn=13950710000887>

[http://www.tasnimnews.com/en/news/2016/09/29/1199625/peugeot-to-sell-over-450-000-vehicles-in-iran-in-2016-2017-ceo?](http://www.tasnimnews.com/en/news/2016/09/29/1199625/peugeot-to-sell-over-450-000-vehicles-in-iran-in-2016-2017-ceo)



You Can See Growing Indexes

4.6%

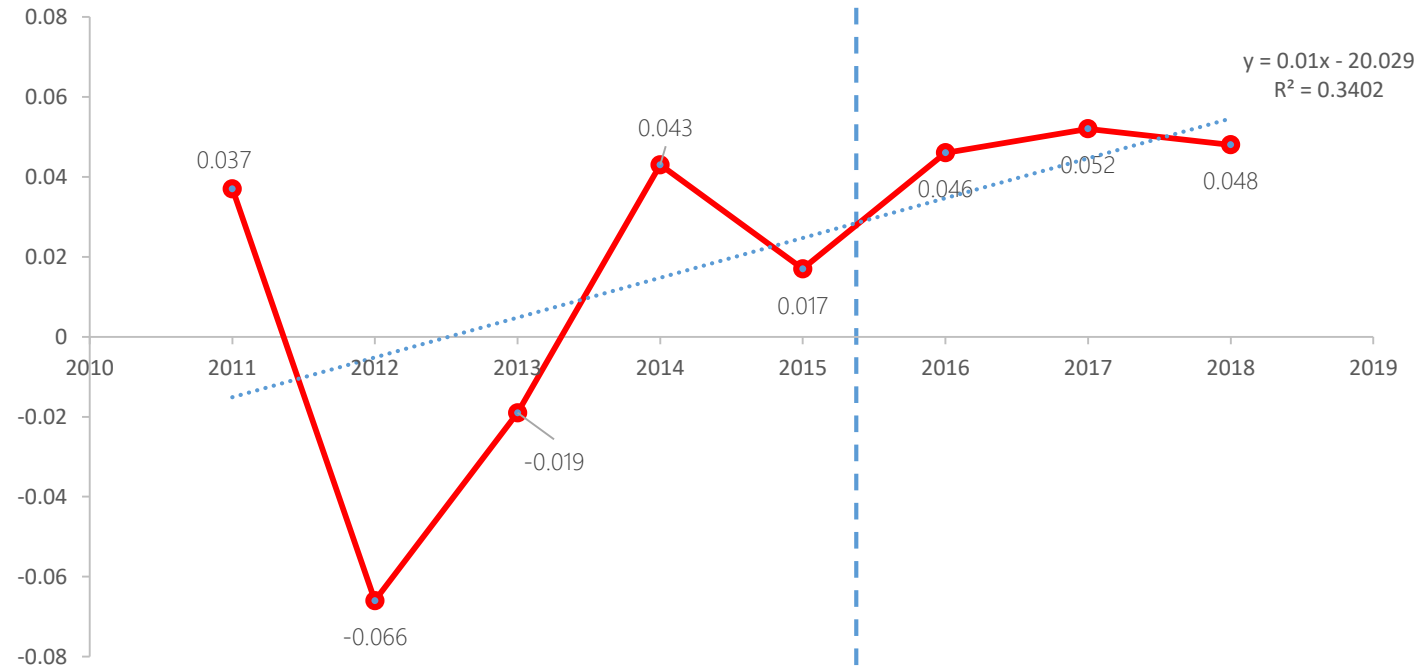
It is not a Simple Figure

GDP Growth Rate 4.6%

It is not a Simple Figure

For a Country passed the most intense sanctions recently

Real GDP Growth Rate at constant market prices



Before JCPOA

After JCPOA

Review Over Important index

Before JCPOA, the GDP growth rate in Iran has faced a lot of ups and downs. In the time of sanctions' intensification, this number reached -6 which was completely disappointing.

From 2015T along with the serious negotiations and finally nuclear deal, the GDP growth rate has a uprising trend and reached 1.7% in 2015.

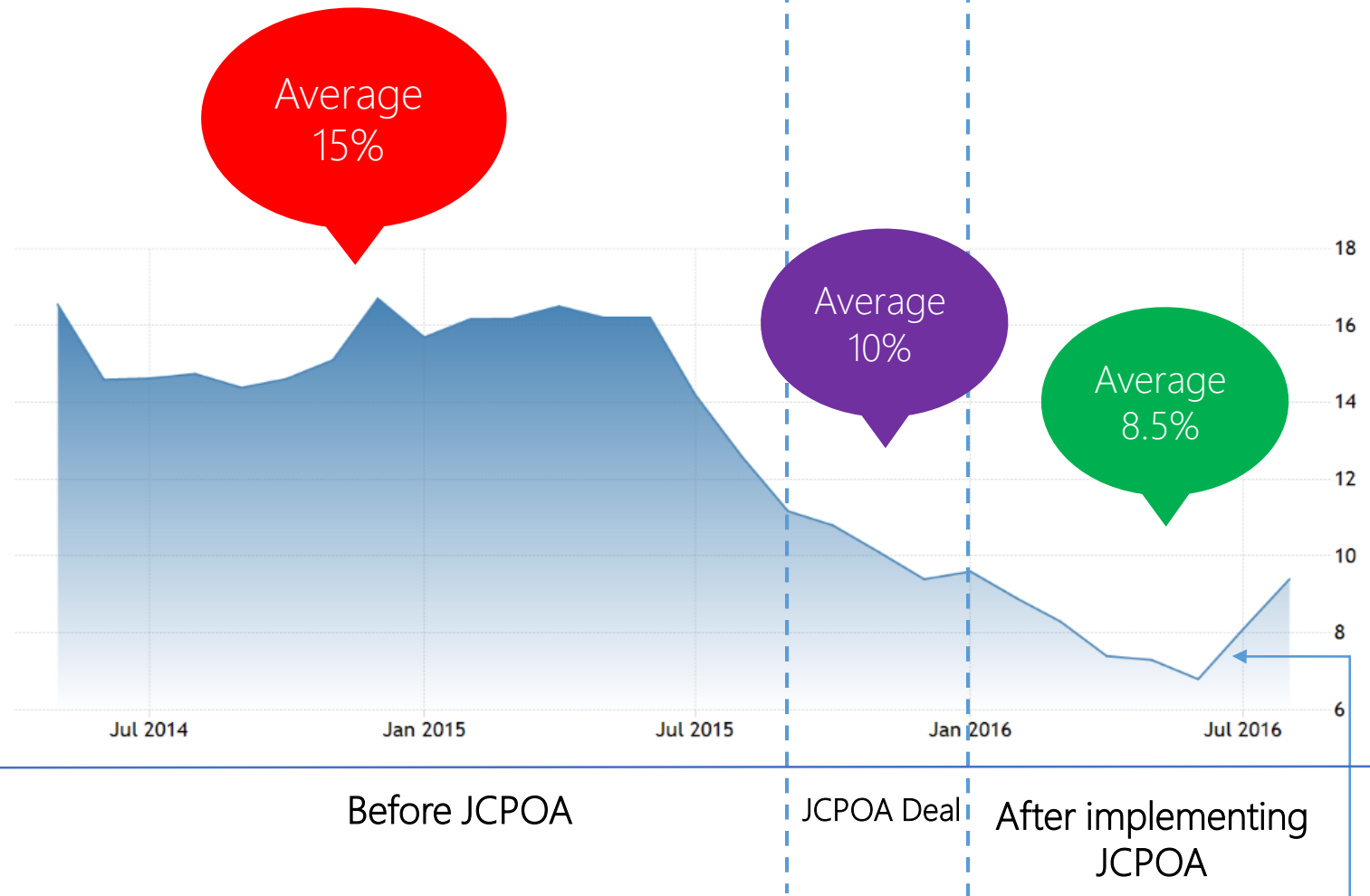
Along with the nuclear deal, running economical reformation programs and the oil production increase, the GDP growth rate has been accelerated. Based on the latest report presented by the WB Iran's growth rate has been predicted 4.6% by the end of 2016.

It can be predicted that if the sanctions lifting process and oil production growth continues, Iran's GDP becomes stable in a 4-5% period up to 2020.



IR : < 10% ↓

Inflation Rate



Review Over Important index

One of the primary goals of the new government in Iran was the reduction of the inflation rate. From the very beginning, serious programs about inflation reduction has been taken into consideration. .

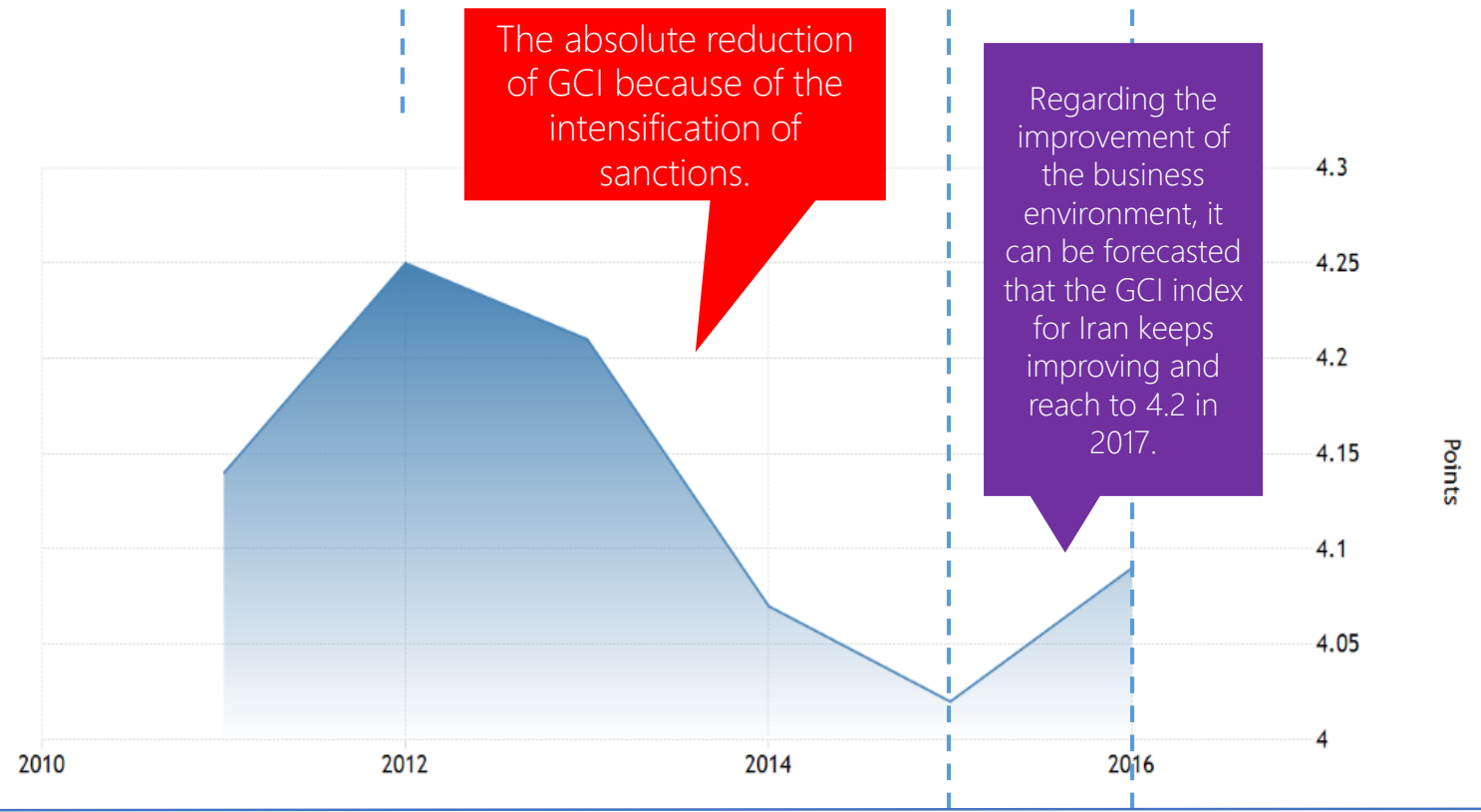
However, the JCPOA deal has accelerated the inflation rate reduction process in Iran. In the first place, the nuclear deal, had a positive influence on economical indexes mentally in Iran. In the second place, ease of import, the supply growth and reduction of production obstacles specially technical obstacles because of interaction with international companies, helped the inflation reduction in Iran.

In recent months, inflation rate has reached the targeted point and the government started anti stagnation proceedings. Which led to a little increase in the inflation rate.

Global Competitiveness Index



GCI : 4.1 ↑
Rank : 74 ↑



Review Over Important index

Before intensification of sanctions

The GCI is made up of over 110 variables. The variables are organized into twelve pillars with the most important including: institutions, infrastructure, macroeconomic framework, health and primary education and higher education and training. The GCI score varies between 1 and 7 scale, higher average score means higher degree of competitiveness.

Intensification of sanctions

JCPOA Deal

After implementing JCPOA

Nuclear deals, has been the underlie to improve the competitive environment in Iran and the score achieved for GCI index, which is one of the most important indexes reflecting the business environment in a country, has been improved and Iran with a 9 step rise has placed 74th in the world based on this index.

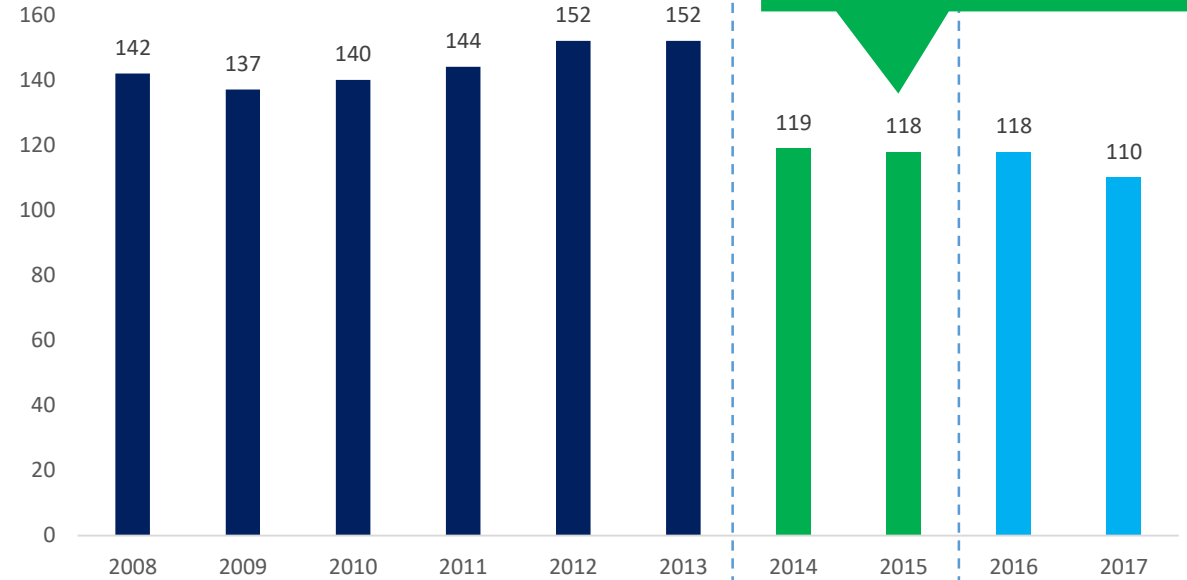
Ease of Doing Business Index



Last Rank : 118

Review Over Important index

Iran rank



Business environment improvement in Iran along with nuclear deal, facilitated the entrance of different companies to Iran's market

Before serious negotiations

The Ease of doing business index ranks countries against each other based on how the regulatory environment is conducive to business operation stronger protections of property rights.

This index, is less related with the nuclear negotiations, but shows the government determination for economical and commercial growth after the nuclear deal. In fact, the Iran government put a lot of effort in business environment development inside the country along with the nuclear negotiations and this led to facilitation of conditions to enter the Iran's market as well.

Negotiations became serious

The last rank reported for Iran was 118 in the world till the end of 2015

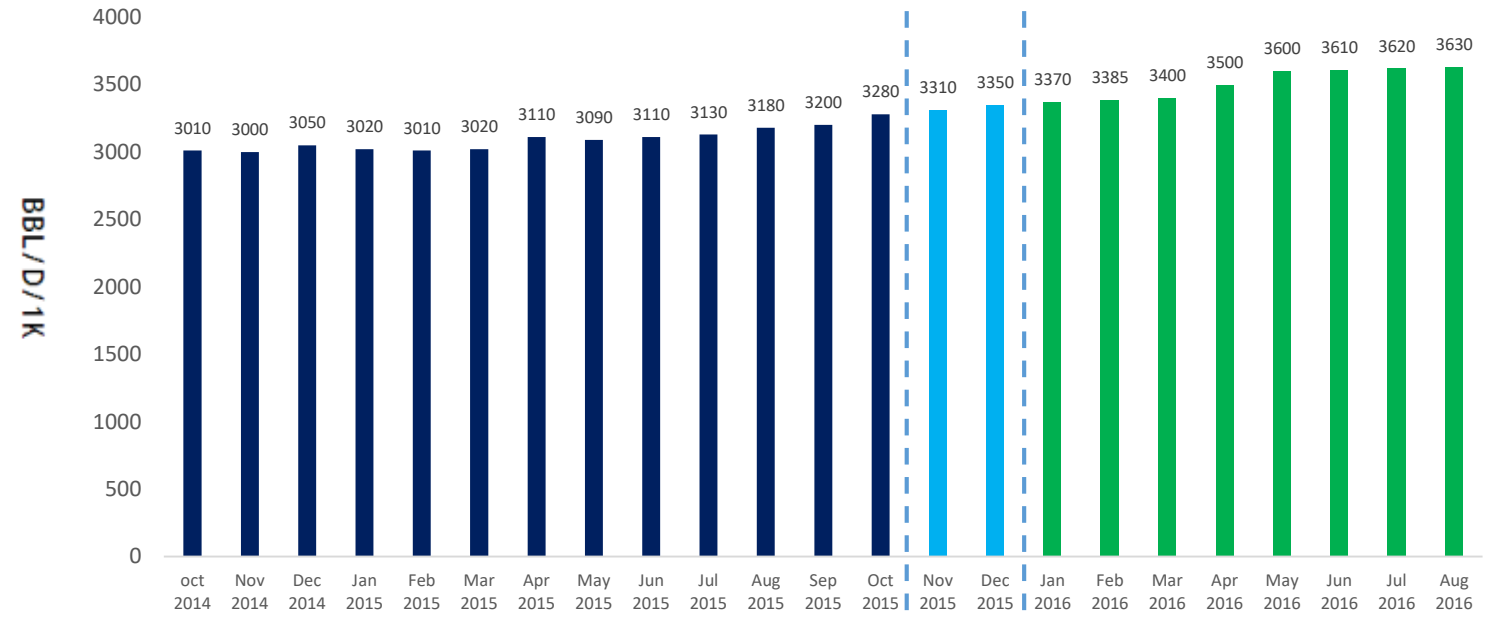
After JCPOA

It is predicted that the improvement process of Iran for this index goes on and Iran reaches the 110th place in the world.

Crude Oil Production



Production:
3630 BBL/D



Before JCPOA

After JCPOA

Review Over Important index

More than 30% of Iran's GDP, 60% of government incomes and 80% of Iran's export is of oil. In other words; the most income resource of Iran's government is from selling oil. Also oil incomes can be considered as the most important resource for internal investment and the most important motif to attract foreign funds.

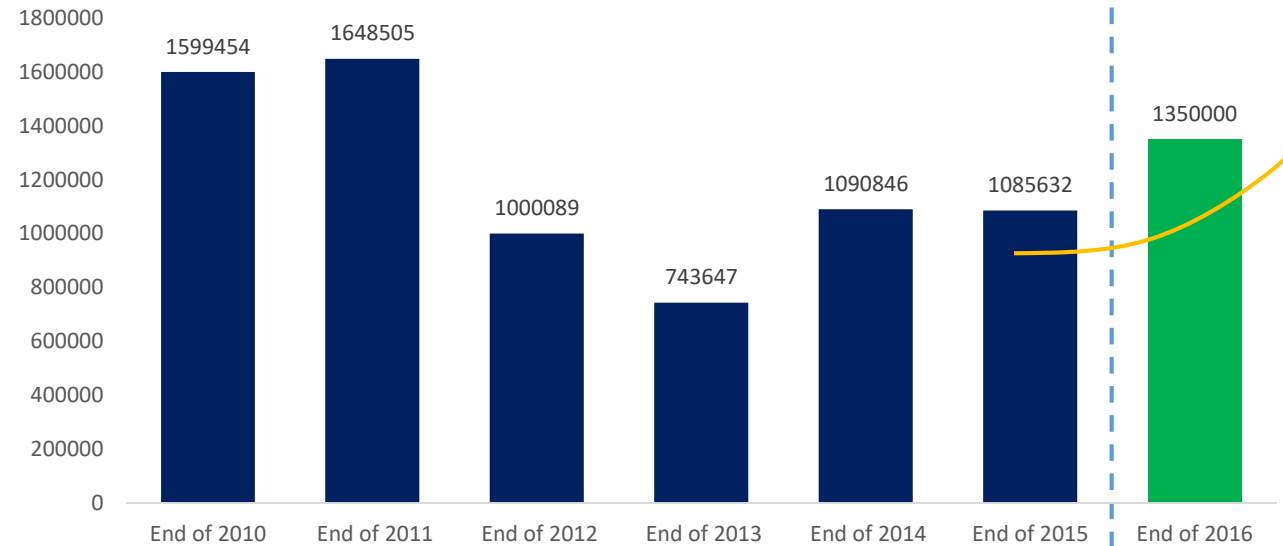
Before the JCPOA Iran has faced a lot of problems in selling oil and receiving the funds of selling it. Thanks to the JCPOA these problems has decreased a lot and the production rate of oil has increased very quickly in Iran.

One of the most important results of JCPOA was the increase in oil production in Iran. Oil production in Iran has reached to 3630 k barrels a day from 3300 k barrels in less than a year. This increased rate would be continued in upcoming years and the production will reach to more 1.5 billion barrels a year in near future.

Industrial Production



Car Production:
Its predicted by end of 2016 :
1,350,000 ↑



Before JCPOA

After JCPOA

Review Over Important index

Production capacity improvements in industry is one of the other results of the JCPOA. For example, automotive industry which is the second big industry in Iran, and Iran has the biggest automotive industry in the middle east, has faced with a remarkable growth in the production rate.

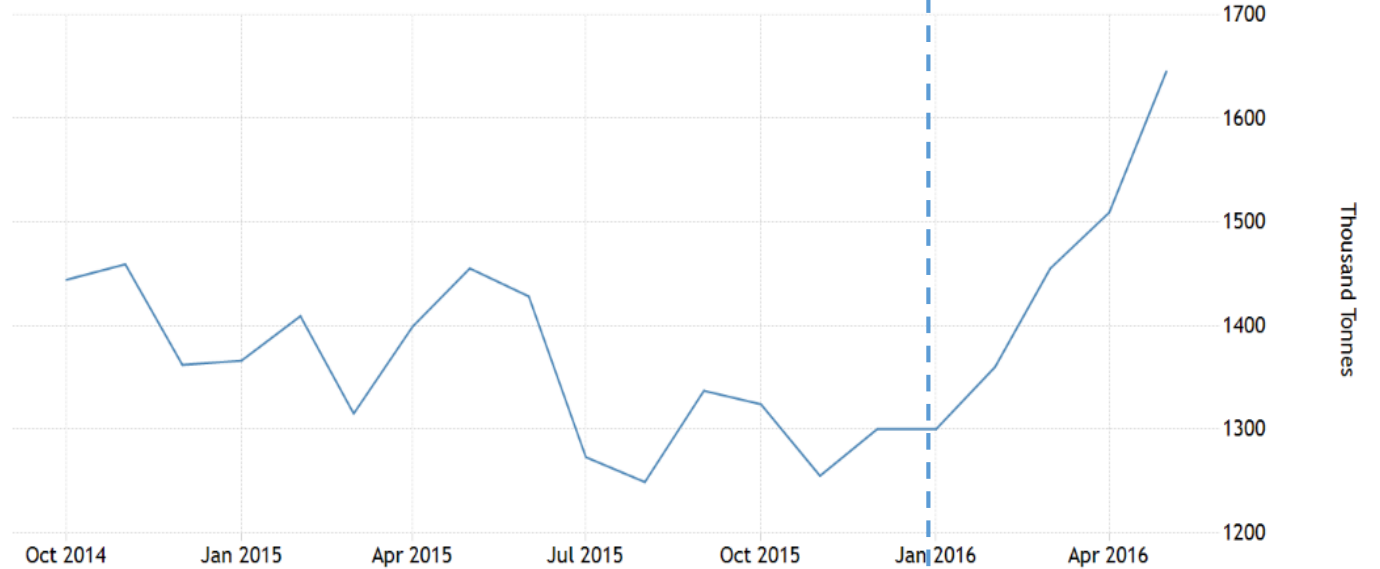
Iran has the 13th global rank having more than 1/6 million cars in 2011. Due to the increasing the sanctions against Iran, the manufacturing rate decrease a lot in 2013 and the rank decrease to the 18th and this rank decrease to the 20th in 2014; this rank changed to the 18th in 2015 again

In addition to the sales increase, many different companies from all over the world have announced that they are ready to invest in different industrial sections such as automotive section in Iran. Because it is considered as one of the most potential markets in the world.

Industrial Production



Steel Production:
on April 2016: 1650 K Tons



Before JCPOA

After JCPOA

Review Over Important index

Industries related to the minerals such as Iron and Steel, are considered as some of the main industries, and the stock of companies which are active in this field is always a part of everyday deals in stock market. JCPOA has improved the production condition of these kind of products in Iran. For example, steel industry has faced a very remarkable growth during the recent months.

JCPOA made it easier for those companies to achieve technical knowledge and other facilities. Sanctions reduction also facilitated export and all of these factors led to a total improvement for these industries.

In addition to the production growth, stock of many active companies related to the mineral industries sections has raised remarkably in comparison to the Before JCPOA period.

We are waiting to receive
your **RFQ** about the
required market research
projects in
Iran



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The End

