



Message from the President of TCCIMA

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 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.

To this end, TCCIMA has formed an Investment Center comprising prominent members of the TCCIMA board with first-hand experience to facilitate contact between its members and their counterparts in the global ecosystem. The objective is to provide a vibrant platform for the exchange of ideas, sharing of experiences and development of new professional services apt to help foster new relations and partnerships which is imperative for the creation and successful realization of joint ventures, with the outlook of serving the interests of Iran as well as that of the region.

As the president of TCCIMA, I invite you to visit Iran and witness for yourself the opportunities our country has to offer as a basis for mutually beneficial co-operations.

*H.E. Masoud Khansari
President of Tehran Chamber of
Commerce, Industries, Mines and
Agriculture*



Head of Center's Message



Acknowledging the need to sustain joint collaboration between Iran and other countries in order to facilitate Iran's economic development, TCCIMA has been a key player in the private sector of Iran and been playing a central role in attracting foreign investment and sustaining economic development over the past few years.

In the Investment Center, It is our aim to provide foreign investors with top services to facilitate their investing process in Iran on the one hand, and on the other, offer a platform to Iranian companies that have a potential for global scale of growth to flourish and reach their real potentials.

Today is a critical phase in the country's economic history and it is our firm belief in the Investment Center that through sustainable investment, economic development of our country is not out of reach. Holding business meetings can help highlight Iran as a new market of global significance and provide insight into the best practices in extending its cooperation with the international community.

It is essential for Iran to move fast to identify gaps and provide recommendations for investment promotion and economic growth. It is essential that the private sector itself, and its chief arm, the Chamber of Commerce, adopt a leading role in defining the way forward.

Ferial Mostofi
President of Center of Investment &
Consultancy Services

A handwritten signature in black ink, appearing to read 'Ferial Mostofi', written over a light blue background.

Major Sectors



Overview



COUNTRY AREA

174515

(1000 ha)

FAO estimate, 2016



LAND AREA

162876

(1000 ha)

FAO estimate, 2016



AGRICULTURAL AREA

45954

(1000 ha)

FAO estimate, 2016



FOREST AREA

10691.98

(1000 ha)

FAO estimate, 2016



Overall Description of the Sector

Agriculture plays an important role in Iran's economy. Different climate zones create diverse ecological foundations for agriculture throughout the country. The Iranian climate varies considerably across the country. The Northwestern areas are among the coldest parts of the country, with the temperature in winter falling well below zero. On the other hand, in the Southern areas, the central plateau and the regions bordering the Persian Gulf, it is not unusual for the temperature to reach 50 °C in summer days. The majority of precipitation falls on the mountain areas in the North of Iran and along the Southern shores of the Caspian Sea. The main rainfall season in Iran is between October and March, leaving the land parched for the remaining periods of the year. Drawing on its diverse climate, natural resources and ecological foundations, Iran produces a long array of agricultural products, of which some, such as saffron, pistachios and caviar, hold worldwide reputations. Nonetheless, Iran's agricultural industry accounts for a mere 9% of the country's economy, with 4 mn (17.8% of the total jobs) people employed in this sector. Today according to FAO Iran and Turkey have jointly come in third following China and the United States in terms of the diversity of the agricultural products they produce. Also,





according to an estimation made by McKinsey & Company, a global management consulting firm, Iran's agricultural sector is going to grow by 4% annually and create an estimated of 250,000 jobs by 2035.

Agricultural sector in Iran comprises of mainly small privately-owned farms with private farmers and ranchers performing 90% of the cultivation activities.

GDP

The agriculture sector currently accounts for USD 40 billion or 8% of Iran's annual gross domestic product. 4.3 million farmers produce a total of 124 million tons of agricultural products per year on more than 18.5 million hectares

Employment

According to FAO report, the agricultural and food sectors account for 90% of the gaining income and 19% of the country's employment. The value added of agricultural sector in the year ended in March 2017, was estimated at IRR 441,972 bn (USD 14.08 bn) which registers an increase of 4.2% over the same period of the previous year.



Import and Export

Agriculture has a major share of Iran's non-oil export. The value of Iran's agricultural products export has risen 8.4 percent during the first ten months of the current Iranian calendar year (20 March 2020 to 19 January 2021), compared to the same period of time in the past year. Agrifood exports accounted for 5.9% and 14.4% of the total volume and value of Iran's non-oil exports of 117.22 mn tons worth USD 44.31 bn respectively over the period under review. According to the officials, about 7.104 mn tons of such products worth USD 5.821 bn were exported to foreign destinations last year.

Details of agricultural exports in the period under review show that 2.4 mn tons with a value of more than USD 2.1 bn are allocated to the 10 major agricultural products, which in terms of value pistachio is at the top of them. Of this figure, the share of pistachios with fresh or dried skin is 147,000 tons worth more than USD 920 mn, and the export of fresh or dried pistachio kernels is about 15,000 tons worth more than USD 170 mn.

The main imported agrifood products during the period included corn (USD 2.11 bn), rice (USD 1.63 bn), oilcake (USD 1.57 bn), vegetable oils (USD 1.43 bn), soybeans (USD 1.16 bn), red meat (USD 786.3 mn), barley (USD 603.4 mn) and fruits (USD 395.5 mn), which account for %5.6 , %7.3 , %10.7 , %13.8 , %14.5 , %15 , %19.5 and 3.7% of all agrifood imports during last year respectively.

India (USD 1.64 bn), Switzerland (USD 1.37 bn), the UAE (USD 1.02 bn), the UK (USD 789 mn), the Netherlands (USD 768), Singapore (USD 755 mn), Russia (USD 668 mn), Turkey (USD 631 mn), Brazil (USD 436 mn), Pakistan (USD 309 mn) and Germany (USD 246 mn) were the biggest exporters to Iran.

Iraq, Afghanistan, the UAE, Pakistan, Russia, India, Turkey, Vietnam, Turkmenistan and Germany were the biggest export destinations



in a descending order, as around 80% of Iran's agrifood exports went to these 10 countries.

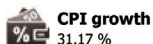
Iran imported USD 9.3 billion worth of agricultural products last year [ended Mar. 2020]. In the same period, some USD 14 billion was spent on importing basic goods and commodities, USD 9.3 billion of which were related to the agricultural sector.





GENERAL PROFILE: IRAN (ISLAMIC REPUBLIC OF)

GENERAL INFORMATION FOR 2018



INTERNATIONAL MERCHANDISE TRADE

Total merchandise trade

(millions of US\$)

| | 2005 | 2010 | 2015 | 2018 |
|---------------------------|--------|---------|--------|-------------|
| Merchandise exports | 56 252 | 101 316 | 70 275 | (e) 105 000 |
| Merchandise imports | 40 041 | 65 404 | 44 937 | 49 353 |
| Merchandise trade balance | 16 211 | 35 912 | 25 338 | (e) 55 647 |

+13.2 %

Merchandise exports
growth rate in 2018

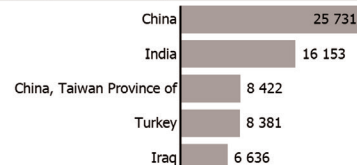
Export structure by product group in 2018

(as % of total exports)



Top 5 partners in 2018

(exports, millions of US\$)



FDI AND EXTERNAL FINANCIAL RESOURCES

Financial flows

(millions of US\$ unless otherwise specified)

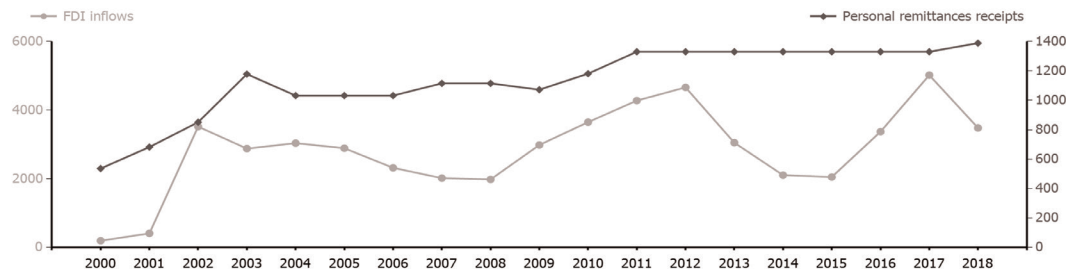
| | 2005 | 2010 | 2015 | 2018 |
|--------------------------------|----------|----------|----------|----------|
| FDI inflows | 2 889.19 | 3 648.97 | 2 050.00 | 3 480.33 |
| FDI outflows | 414.56 | 238.96 | 119.69 | 74.60 |
| Personal remittances, % of GDP | 0.46 | 0.24 | 0.34 | 0.28 |

0 %

FDI outflows as % of GDP
in 2018

Financial flows trends

(millions of US\$)



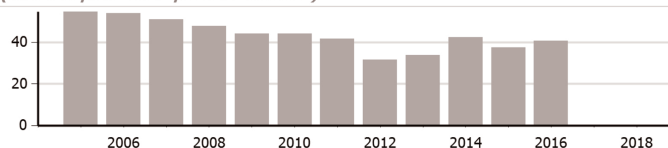
TRADE IN GOODS AND SERVICES

Trade balance indicators ²

| (as % and index) | 2005 | 2010 | 2015 | 2018 |
|-----------------------|-------|-------|-------|------|
| Balance, % of GDP | 6.76 | 5.56 | 0.14 | - |
| Balance, % of imports | 28.22 | 28.92 | 0.77 | - |
| Normalized balance | 0.124 | 0.126 | 0.004 | - |

Trade openness ²

(sum of imports and exports as % of GDP)



OTHER INDICATORS

Maritime transport indicators

| | 2005 | 2010 | 2015 | 2018 |
|--|-------|-----------|-----------|-----------|
| Merchant fleet, national flag (thousands of DWT) | 9 114 | 1 333 | 4 548 | 4 176 |
| Liner shipping connectivity index (maximum 2006 = 100 for China) | .. | 30.39 | 19.72 | 38.24 |
| Container port throughput (TEU) | .. | 3 045 500 | 2 165 250 | 2 378 600 |

Information economy indicators

| (as % of) | 2005 | 2010 | 2015 | 2018 |
|---|------|------|------|------|
| Share of ICT goods, % of total exports | 0.03 | 0.04 | .. | .. |
| Share of ICT goods, % of total imports | 4.57 | 3.63 | .. | .. |
| Share of workforce involved in the ICT sector | .. | .. | .. | .. |

0.217 %

Share of the total world
merchant fleet in 2018

Why to Invest

Agriculture Advantages & Potentials

- Iran ranked 4th in food export among West Asian Countries.
- Food industries account for 18.3% of total industries volume in Iran, 16.5% of employment, 13.2% of investment and 10.8% of value added.
- In 2016 Iran's wheat production had reached 13.5 million tons in a year and the country celebrated the first time it had become self-sufficient in production of a crucial agricultural product in 40 years.
- Iran is the world's largest producer of pistachio nuts, saffron and barberries more than 11.76 million tons of which, worth over USD 4 billion, were purchased by the government from local farmers at guaranteed prices.
- Being ranked the 1st producer of pistachio, saffron and caviar, the 2nd in cucurbits and the 3rd in dates
- Four-season climate enjoyment
- Being the world's 3rd country in food diversity
- Having access to export markets in the region
- Arable lands
- The potential to cultivate medicinal plants and forage



Products

Crops

The wide range of temperature fluctuation in different parts of the country and the multiplicity of climatic zones make it possible to cultivate a diverse variety of crops.

According to the country's ministry of Agriculture Iran meets 85% of its demand for agricultural products domestically and the remaining 15% are met through imports. According to the minister, USD 80 billion worth of agricultural products are annually produced in Iran, USD 75 billion of which are consumed inside the country. Currently, Iran is largely self-sufficient when it comes to vegetables and nuts, and Iran has the world's largest production of pistachio, nuts, saffron and barberries. According to the International Grains Council (IGC), Iran's total grains production in 20-2019 has come to 19 million tones, up from 18.5 million from the previous fiscal year. Of the total, wheat accounts for an unchanged 14.5 million tones. In the following section a more detailed description of some of Iran's main agriproducts are presented:

Wheat

Nearly six million hectares of land is expected to go under wheat cultivation in the current crop year (late September 2020 to mid August 2021). The mentioned cultivation is expected to meet the country's wheat





needs in the next Iranian calendar year (starts in March 2021). Based on the Agriculture Ministry's data, Iranian farmers produced nearly 14.5 million tons of wheat in the previous Iranian calendar year, 1.2 million tons more than the figure for its preceding year. Iran's use of improved seed varieties over the past five years has boosted the country's self-sufficiency in wheat by more than 30 percent. Iran's wheat harvest is enough to make the country self-sufficient in the production of this strategic crop for the fifth year in a row.

Barley

More than 3.8 million tons of barley will be produced in Iran in the current Iranian year (21 March 2020) to register an 8.57% growth compared with last year, according to the estimate of the director general of Agriculture Ministry's Grains and Essential Goods Department. Barley is cultivated on 600,000 to 700,000 hectares of rain-fed and 900,000 to 1 million hectares of irrigated land across the country which indicates a 10% increase compared with last year.

Rice

Iranian farmers produced 2.6 million tons of rice during the current Iranian calendar year (started on March 20), according to Director-General of the Agriculture Ministry's Grains and Essential Goods Department. Iran produced 2.9 million tons of rice during the past Iranian calendar year of 2019 (ended on March 19). The country's total annual demand for rice is about 3 million tons 85% of which is domestically met.



Saffron

Iran is one of the world's top saffron producers and over 90 percent of its production is exported to foreign destinations. The background of saffron agriculture goes back to 2,500 years ago, this plant seems to be native to Greece and the Mediterranean region, but some believe that the first habitat of Saffron was at the mountain range of Zagros and to be more precise at the Alvand region in Iran.

Iranian saffron farmers exported 192 tons of their products worth USD 117.5 million to foreign destinations during the first eight months of the current Iranian calendar year (20 March to 20 November 2020). Hong Kong with 53,147 kilograms (kg) worth USD 36.831 million of imports, Spain with 33,180 kg worth USD 21.528 million, the United Arab Emirates with 31,414 kg valued at USD 18.7 million, Afghanistan with 17,992 kg and a value of USD 11.270 million, and China with 18,598 kg and a value of USD 10.782 million were Iran's top saffron

Pistachio

Iran supplies more than 50% of the world's pistachio market and its main rival in pistachio production is the US state of California. The main customers of Iranian pistachios are Ukraine, the UAE, Italy, Bahrain, Brazil, Bulgaria, Turkey, Canada, Qatar, Switzerland, France, Poland, Sweden, Malaysia, Vietnam, the Netherlands, Thailand, Japan, Romania and Hong Kong. Buyers in the mentioned period.

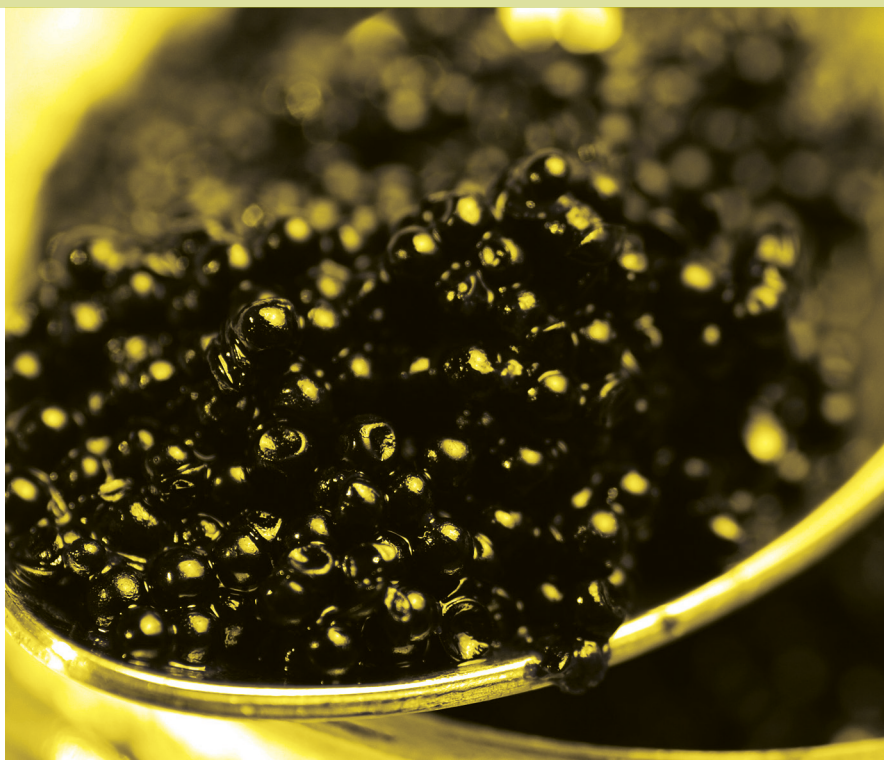




valued at USD 35.4 million. China was the first export destination of the Iranian product, while Germany, Iraq, Russia, and Kazakhstan came next through importing 2,982 tons, 1,866 tons, 1,455 tons, and 1,129 tons of pistachio, respectively, from Iran in the three-month period, the official stated.

Caviar

The Caspian Sea is home to a variety of fish and aquatic creatures, however, it is mostly known for its caviar. More than 90% of the world's caviar is obtained from the Caspian Sea. It is also considered a precious souvenir from Iran.



Aquaculture farms for caviar fishes have been set up in 22 out of 31 Iranian provinces as part of IFO's plans to increase output and exports of caviar. Recent government figures suggest that the country produced nearly six tons of eggs and around 3,000 tons of meat over the past calendar year ending 19 March 2020.

Iran exported 21,720 tons of pistachio worth more than USD 154 million during the first quarter of the current Iranian calendar year (20 March to 20 June) while importing 5,547 tons of pistachio.



Livestock and Poultry Products

Of the country's livestock, sheep are by far the most numerous, followed by goats, cattle, donkeys, horses, water buffalo, and mules. The raising of poultry for eggs and meat is prevalent. One area where production infrastructure has progressed rapidly is the poultry sector. The face of the industry has now been transformed dramatically so that the entire supply chain process can take place domestically. In 2018 there was an 18% rise in the production of livestock and poultry products; compared to the year in 2017 and more than USD 1.2 billion worth of livestock and poultry products were exported, registering a USD 554.7 million trade surplus in the sector.

Chicken

According to the Islamic Republic of Iran Customs Administration, Iran exported over 7,000 tons of chicken worth USD 13.28 million in the first three months of the current Iranian calendar year (20 March to 20 June). Afghanistan, Iraq, and Venezuela were the top three export destinations for the export of the mentioned commodity in the first three months of the current year with USD 8.185 million, USD 3.599 million, and USD 585,287 of exports, respectively. Also according to the latest data released by the officials about 62,600 tons of chicken worth USD 77.3 million were exported during the eleven-month period in 2018.

Red Meat

Iran is among the leading consumers of red meat in the West Asia region with lamb being the most sought after. Statistical Center of Iran (SCI) announced that production of red meat in Iran stood at 40,400 tons in the tenth month of the current Iranian calendar year



(21 December, 2020 to 19 January 2021), showing 38 percent growth compared to the same month in the past year.

The SCI's report said that beef and veal had the lion's share in the country's red meat output during the tenth month with 23,500 tons, followed by lamb and mutton with 13,600 tons, goat meat with 2,500 tons, and red meat from other livestock with 775 tons. According to the officials 900,000 tons of red meat, including beef and mutton, is needed annually of which up to 860,000 tons of red meat is produced in the country every year.



Fishery Products

Fishes

According to the officials the fishery production has increased noticeably in the country in the recent years. Iran's annual fishery output was at 1.28 million tons in the past Iranian calendar year (ended on 20 March 2020) which is anticipated to reach 1.37 million tons in this year, and surpass 1.5 million tons in the year to come.

According to the deputy head of Fishery Organization, some 12 aquatic species are already bred in Iran and the figure is planned to reach 17 by the end of the Sixth Five-Year National Development Plan (March 2021). Meanwhile, Managing Director of Iran's Agricultural Parks Company (APC), has recently announced that some 1,500 hectares of fishery parks are planned to be inaugurated in the country in the current year.

The country's fishery export stood at 146,000 tons worth USD 538.9 million in the past Iranian year, while the import was 29,000 tons valued at USD 98.9 million, so Iran's fishery trade balance was USD 440 million in the previous year.

The share of the Caspian Sea from last year's 773,000 tons of fishery cultivation was 42,000 tons which constitute for 5.4% of the whole country's fishery, more than 94 percent of which is related to the Oman Sea and the Persian Gulf.







استوریو پی
شیر تازه



Dairy Products

Iran is currently the second exporter of milk and dairy products in the region, after Turkey. 750,000 tons of milk worth USD 683 million and 800,000 tons of eggs worth USD 53.5 million were exported during the eleven-month period in 2018. Chicken meat output is expected to reach 2.7 million tons.

Iranian dairy products have been exported to 30 countries including Canada, Germany, Britain, Russia, Malaysia, United Arab Emirates, Iraq, Bahrain, Afghanistan, Pakistan, Kazakhstan, and New Zealand during the mentioned time span.

Through importing USD 75.99 million of the mentioned goods, Iraq was the major export destination of Iranian dairy products in the first four months of the present year, while Afghanistan and Pakistan came as the second and third export markets, through importing USD 18.82 million, and USD 13.41 million of the products, respectively.



Dates

Iran exports seven varieties of dates, about 40% of which are Mazafati dates, in both fresh and dried forms. Kerman, Sistan-Baluchestan, Bushehr, Hormozgan, Fars, Khuzestan and Yazd are major date cultivating provinces of Iran.

About 1.2 million tons of different types of dates have been produced so far in Iran in the current fiscal year (started March 2020), almost as much as that of last year, according to the chairman of the National Association of Iranian Dates. North American and European Union countries, as well as Russia, India and China, are the main destinations for Iranian dates.

Sugar Beet

The annual production of sugar beet anticipated to rise 50 percent in the current crop year (late September 2020 to mid August 2021), according to an Agriculture Ministry official.

In the year 2018 production of sugar beet reached 7.5 million tons from which 1.9 million tons of sugar was produced. Iranians consume 2.2 million tons of sugar annually.





Forestry

The great difference between the two latitudes of the north and south of the country and the existence of different plains, altitudes, and climates have given a very diverse view to the vast land so that a variety of vegetation and plant species are grown across it.

The Hyrcanian ecological zone covers the green belt, the southern margin of the Caspian Sea, and the northern profile of the Alborz mountain range. The forested areas of the region stretch to 2.4 million hectares covering Astara in Guilan province to Glidaghi in Golestan province.

Due to soil fertility, temperature changes, and numerous rainfalls, this ecological area is rich in plant species, so that more than 80 species of broadleaf trees, 4 species of conifers, and 50 species of shrubs have been identified so far, most of which are beech, hornbeam, oak, maple, and alder. The forests of this region, as an intact and healthy generation, form a belt of deciduous trees of the third geological period. These forests, which are called wet or Caspian forests, have high environmental and economic values, which are considered as world natural heritage. The area of forests in the Iran-Turani ecological region, which covers most of the central plateau of Iran, is 4,666,941 hectares. Based on topographic and altitude conditions, this region is divided into two mountainous regions with a cold climate and a desert with a hot and dry climate.



Investment Incentives

- “ ● All income gained from agricultural activities, livestock.
- Farming, fishing and bee breeding, poultry breeding, fodder, heraliding and forests, gardens are exempted from taxes for Iranian and foreign investors.
- 100% of income gained from export of industrial and agricultural goods (including agricultural, gardening, livestock and poultry, fish and forests) and its transformative and supplementary industries and 50% of income from the export of other goods that are exported to other countries abroad are exempt from the tax.
- ”



Territorially large and densely populated, Iran offers great opportunities in many business divisions as well as tax incentives aimed at attracting foreign investment. Below is a brief outline of certain tax incentives available to foreign investors:

Tax Incentives

| Fixed Corporate Income Tax at a Flat Rate of 25% | |
|---|-----------------------------|
| Income Tax with Rate of 0.0% | Duration of ExemptionKerman |
| Industry, Mining & Services (Hospital & Hotels) in Industrial Parks and Especial Economic Zones | 5 Years 7 Years |
| Industry, Mining & Services (Hospital & Hotels) in Less Developed Areas | 10 Years |
| Industry, Mining & Services (Hospital & Hotels) in Less Developed Areas located at Industrial Parks and Especial Economic Zones | 13 Years |
| 100% of Income Derived Agricultural Activities | Perpetual |
| 100% of Income Derived From Export of Services, Non-oil goods, Agricultural Products and 20% of Income Derived from Export of Non-Processed goods | Perpetual |

Tax incentives (Employment and JV)

In companies with more than 50 employees, in case of increasing the employment volume up to 50% in comparison to last year, one-year exemption can be added to the duration of exemptions (mentioned in previous slide).

Investment Incentives in Special Economic Zones

- Salafchegan special economic zone
- Shiraz special economic zone
- Assaluye special economic zone
- Arg-e Jadid special economic zone
- Lorestan special economic zone
- Sarakhs special economic zone
- Sirjan special economic zone
- Yazd special economic zone
- Bushehr special economic zone


The investment incentives for above-mentioned economic zones are as follows:

- Import of goods from the above mentioned zones for domestic consumption would be subordinate to export and import regulations, and export of goods from these areas will be carried out without any formalities.

Import of goods from abroad or free trade zones or industrial area-would be carried out with minimal customs formalities and good internal transit cases would be performed in accordance with the relevant regulations.

- If the processing of imported goods is to some extent that changes the tariff of goods, the rate commercial benefit of the goods would be calculated equal the commercial benefit of raw materials and spare parts of the country.




- 
- Importers of goods are allowed to hand over to others part or all of their products against warehouse receipt to be issued by the district administration, in this case the breakdown warehouse receipt holder would be the owner of the goods.
 - The management of each district is authorized to issue certificated of origin for goods per applicant out of the area with the approval of the customs.
 - All the goods imported to the region for the required production or services are exempted from the general import-export laws. Imports of goods to other parts of the country will be subordinated to export and import regulations.



Government Vision



A photograph of a vast agricultural field with rows of young green plants under a clear sky. The plants are in the foreground, and the field extends to the horizon. The sky is a pale blue, and there are some trees in the distance.

There are 3 defining elements of the 6th Five-Year Development Plan: creation of a sustainable economy; scientific and technical progress; and the pursuit of cultural excellence. The development plan foresees an average of 8% economic growth rate and a five-year restructuring of state-owned companies, the Financial and Banking Division and the allotment and allocation of oil revenue among the Government's main goals.

Despite its promising features and potentials to shine in agriculture market, Iran's agriculture sector is currently operating at a very low standard that has resulted in vast misuse and exploitation of the country's energy and water supplies to the extent that its water resources are in great risk of running out in the near future. Therefore, the awareness of the old-fashioned ways of cultivation and farming are now more than just a wish and the country's officials and other stakeholders that are currently active in the agriculture sector are determined to take the necessary measures to address the existing issues.



● Production of agricultural products will have reached 200 million tons a year by 2023 if agriculture sector is provided with necessary facilities.

Below is an example of some of agricultural products the production of which is expected to grow according to the 6th Five Year Economic Development Plan (22-2017):

● Increase wheat production from 10576 in 2017 to 14500 thousand tons by the year 2021.

● Increase barley production from 2955 in 2017 to 3588 thousand tons by the year 2021.

● Increase maize production from 1659 in 2017 to 3000 thousand tons by the year 2021.

● Increase sugar Cane production from 6732 in 2017 to 7500 thousand tons by the year 2021.

● Special attention to the important issue of financing (investors) for the purpose of renovation of farms and gardens, including completion of new watering grids, watering systems of farms and gardens, modernization of equipments and enhancing technologies of breeding, husbandry and aquatics as well as protection and revival of natural resources.

● Implementation of health and bio-environmental standards in accordance with the latest world scientific developments in production and processing of agro-products, reduction of waste during production stages, cropping, transport and storage and delivery.

● Time to Issue related Licenses has been reduced from an average of 150 days to 20 days, which must be issued within 2 weeks, in accordance with Article 27 of 6th Development Plan.





Consequently, and in order to be able to last in this industry and also not run out of water and other vital natural resources, agriculture sector in Iran needs to be modernized and updated especially when it comes to its use of water resources. To this end USD 2.658 billion was allocated to the ministries of agriculture and energy by the National Development Fund of Iran for improvement of water supply infrastructures. Further to that, another USD 1.3 billion worth of investments have gone into the mechanization of different fields of agriculture in order to upgrade the country's agriculture facilities and infrastructure. In order to help achieve the goals set for this sector the government is going to increase its investment in agriculture sector infrastructure and move towards correction of business environment of the sector which can help growth of private investment. Hence, the government will now pay special attention to the important issue of financing (investors) for the purpose of renovation of farms and gardens, including completion of new watering grids, importance of farms and gardens watering systems, modernization of equipments



and enhancing technologies of breeding, husbandry and aquatics as well as protection and revival of natural resources. Further, Implementation of health and bio-environmental standards in accordance with the latest world scientific developments in production and processing of agro-products, reduction of waste during production stages, cropping, transport and storage and delivery has now become a major priority of the government.



**Agriculture
Prioritized Divisions
for FDI**







MICMAC analysis involves the development of a graph that classifies factors based on driving power and dependence power. MICMAC analysis is used to classify the factors and validate the interpretive structural model factors in the study to reach desired results and conclusions. Based on the outlined economic analysis, the below sectors are the priorities sectors in Iran's agriculture and the ranking of each sectors in the top 10 states are as follows:

Agriculture and Gardening

This division includes basic activities, namely the production of crop products, covering also the forms of organic agriculture and the growing of genetically-modified crops. Including:

● Growing of Non-Perennial Crops

This group includes the growing of non-perennial crops, i.e. plants that do not last for more than two growing seasons. Included is the growing of these plants for the purpose of seed production.

● Growing of Perennial Crops

This group includes the growing of perennial crops, i.e. plants that lasts for more than two growing seasons, either dying back after each season or growing continuously. Included is the growing of these plants for the purpose of seed production.

● Plant Propagation

This group includes the production of all vegetative planting materials including cuttings, suckers and seedlings for direct plant propagation or to create plant grafting stock into which selected scion is grafted for eventual planting to produce crops.



● Support Activities to Agriculture and Post-Harvest Crop Activities

This group includes activities incidental to agricultural production and activities similar to agriculture not undertaken for production purposes (in the sense of harvesting agricultural products), done on a fee or contract basis. Also included are post-harvest crop activities, aimed at preparing agricultural products for the primary market.

| Ranking | State | Share in National Production (%) |
|---------|--------------------|----------------------------------|
| 1 | Fars | 10.43 |
| 2 | Khorasan Razavi | 8.31 |
| 3 | Kerman | 8.02 |
| 4 | Mazandaran | 6.76 |
| 5 | Khuzestan | 5.73 |
| 6 | Hamedan | 4.06 |
| 7 | Azerbaijan Gharbi | 3.94 |
| 8 | Tehran | 3.81 |
| 9 | Esfahan | 3.76 |
| 10 | Azarbaijan Sharghi | 3.67 |

| Ranking | State | Share in National Total Demand (%) |
|---------|--------------------|------------------------------------|
| 1 | Fars | 11.07 |
| 2 | Kerman | 8.54 |
| 3 | Khorasan Razavi | 8.00 |
| 4 | Mazandaran | 6.46 |
| 5 | Khuzestan | 5.18 |
| 6 | Hamedan | 4.00 |
| 7 | Azerbaijan Gharbi | 3.82 |
| 8 | Tehran | 3.69 |
| 9 | Azarbaijan Sharghi | 3.69 |
| 10 | Esfahan | 3.47 |



Animal Production, Hunting and Related Service Activities

This division includes activities, related to the raising of genetically modified animals, as well as hunting, trapping and related activities. Including:

● **Animal Production**

This group includes raising (farming) and breeding of all animals, except aquatic animals.

● **Mixed Farming**

This group includes the combined production of crops and animals without a specialized production of crops or animals. The size of the overall farming operation is not a determining factor. If either production of crops or animals in a given unit exceeds 66 percent or more of standard gross margins, the combined activity should not be included here, but allocated to crop or animal farming.

● Hunting, Trapping and Related Service Activities

This class includes: hunting and trapping on a commercial basis, taking of animals (dead or alive) for food, fur, skin, or for use in research, in zoos or as pets, production of fur skins, reptile or bird skins from hunting or trapping activities, land-based catching of sea mammals such as walrus and seal.

| Ranking | State | Share in National Production (%) |
|---------|--------------------|----------------------------------|
| 1 | Mazandaran | 7.73 |
| 2 | Esfahan | 7.26 |
| 3 | Tehran | 6.80 |
| 4 | Khuzestan | 6.55 |
| 5 | Khorasan Razavi | 6.49 |
| 6 | Azarbaijan Sharghi | 6.03 |
| 7 | Azerbaijan Gharbi | 5.37 |
| 8 | Ardabil | 4.70 |
| 9 | Kerman | 4.65 |
| 10 | Golestan | 4.31 |

| Ranking | State | Share in National Total Demand (%) |
|---------|--------------------|------------------------------------|
| 1 | Esfahan | 9.24 |
| 2 | Khorasan Razavi | 7.80 |
| 3 | Tehran | 6.99 |
| 4 | Mazandaran | 6.60 |
| 5 | Fars | 5.80 |
| 6 | Azarbaijan Sharghi | 5.49 |
| 7 | Azerbaijan Gharbi | 4.68 |
| 8 | Khuzestan | 4.31 |
| 9 | Guilan | 4.17 |
| 10 | Golestan | 3.82 |



● Forestry and Logging

This division includes the production of roundwood for the forest-based manufacturing industries (ISIC divisions 16 and 17) as well as the extraction and gathering of wild growing non-wood forest products. Besides the production of timber, forestry activities result in products that undergo little processing, such as fire wood, charcoal, wood chips and roundwood used in an unprocessed form (e.g. pit-props, pulpwood etc.). These activities can be carried out in natural or planted forests.

● Silviculture and other Forestry Activities

This class includes: growing of standing timber: planting, replanting, transplanting, thinning and conserving of forests and timber tracts, Growing of coppice, pulpwood and fire wood, operation of forest tree nurseries.

● Logging

This class includes: oroduction of roundwood for forest-based manufacturing industries, production of roundwood used in an unprocessed form such as pit-props, fence posts and utility poles, gathering and production of fire wood, production of charcoal in the forest (using traditional methods).

● Gathering of Non-Wood Forest Products

This class includes the gathering of non-wood forest products and other plants growing in the wild. This class includes gathering of wild growing materials: mushrooms, truffles, berries, nuts, balata and other rubber-like gums, cork, lac and resins, balsams, vegetable hair, eelgrass, acorns, horse chestnuts, mosses and lichens.



● Support Services to Forestry

This class includes carrying out part of the forestry operation on a fee or contract basis. This class includes: forestry service activities, forestry inventories, forest management consulting services, timber evaluation, forest fire fighting and protection, forest pest control, logging service activities: transport of logs within the forest.

| Ranking | State | Share in National Production (%) |
|---------|---------------------------|----------------------------------|
| 1 | Mazandaran | 22.18 |
| 2 | Guilan | 7.47 |
| 3 | Fars | 5.62 |
| 4 | Kerman | 4.92 |
| 5 | Sistan and Baluchistan | 4.51 |
| 6 | Khorasan Razavi | 4.38 |
| 7 | Lorestan | 4.28 |
| 8 | Kohiluyeh and Boyer-Ahmad | 3.90 |
| 9 | Kermanshah | 3.89 |
| 10 | Golestan | 3.79 |

| Ranking | State | Share in National Total Demand (%) |
|---------|------------------------|------------------------------------|
| 1 | Mazandaran | 20.70 |
| 2 | Guilan | 7.16 |
| 3 | Fars | 5.68 |
| 4 | Kerman | 5.02 |
| 5 | Khuzestan | 4.66 |
| 6 | Sistan and Baluchistan | 4.48 |
| 7 | Khorasan Razavi | 4.45 |
| 8 | Lorestan | 3.87 |