



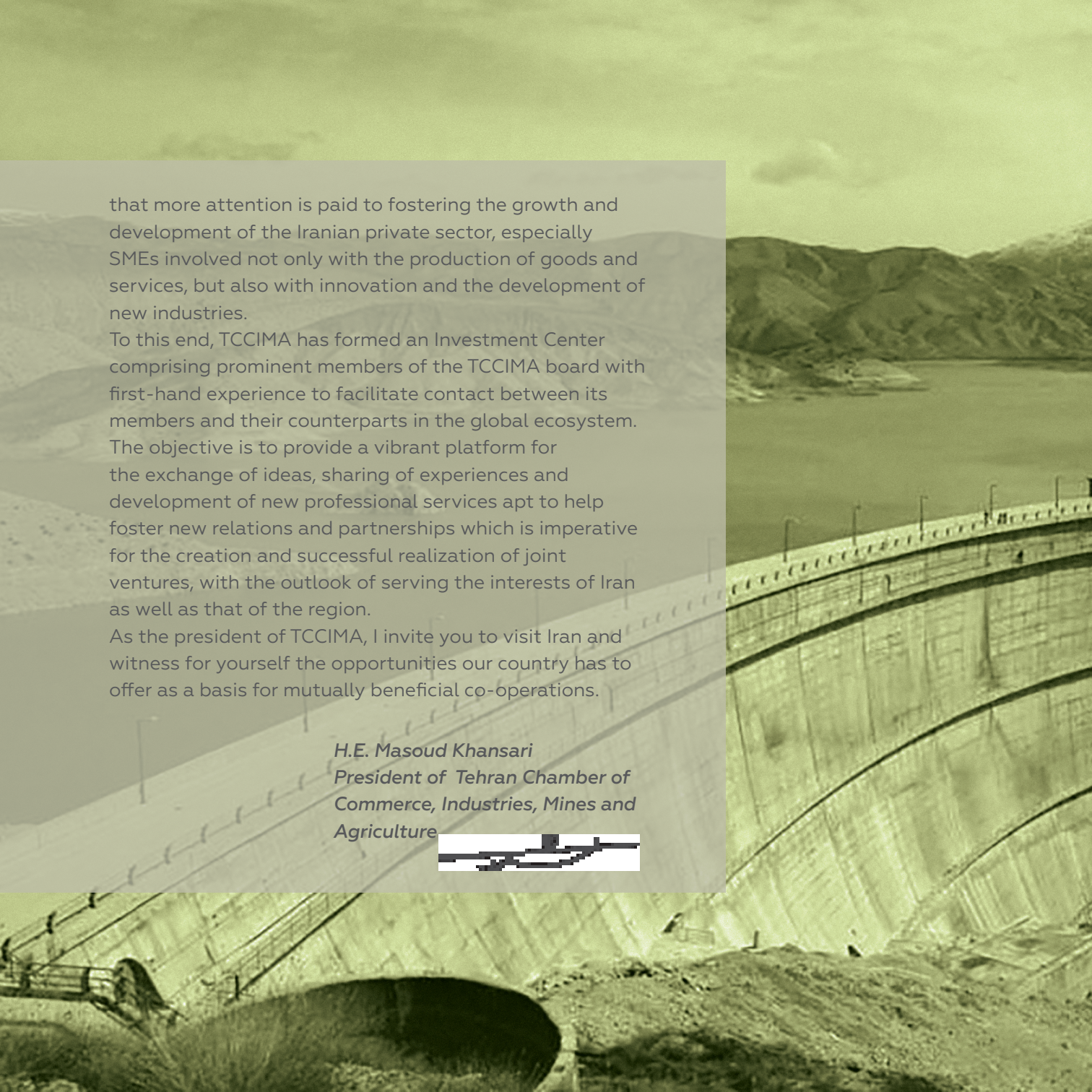
Message from the President of TCCIMA

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', on a white background.

Major Sectors



Overview





Overall Description of the Sector

Infrastructure is a major driver of any region's economic growth. Substantial resources for economic activity are power, highways, water systems, public utilities, airports, rail and telecommunication by trade and mobility. In developing countries, increasing urbanization will help boost infrastructure in transport and power industries. Economic prosperity should funnel funds towards the industrial and transport industries, which produce and export mainly product raw materials. Higher capital investments have a multiplier effect on overall economic growth because they need industrial growth and output. In addition, this raises aggregate demand by raising living standards.

Growing urbanization in developing countries will help boost the infrastructure in sectors such as transport and power. Economic prosperity will channel finances towards manufacturing and transportation sectors, which primarily provide and distribute raw materials for the manufacture of consumer goods.

Increased spending on infrastructure has a multiplier effect on the overall economic growth, as it demands industrial growth and manufacturing. This, in turn, boosts the collective demand, by improving living conditions.

According to research, the current infrastructure spending at the global level is USD 4.3 trillion. A lot of emphasis has been laid on connecting institutional investors (banks, development banks, insurance companies, pension funds, hedge funds, REITs, endowments, mutual funds and a few others) with projects that need

the investors' capital, as well as creating an expanded role for public-private partnerships. However, a majority of infrastructure will most likely continue to be financed by the public and corporate sectors.

Infrastructure development in Iran is driven by certain social, economic and environmental factors, referred to as the enabling environment.



A detailed close-up photograph of a mechanical watch movement, showing various gears, levers, and screws. The image has a strong green tint. In the upper right, there is an orange rectangular box containing the text "Why to Invest".

Why to Invest



Why to Invest in Infrastructure Sector

In most of its sectors, Iran has a strong and extensive network. Iran has a large range of communication networks spanning over 214,000 kilometers of roads and almost 11,000 kilometers of trains. The description of different areas in infrastructure sector are as follows:

Transportation Sector

In the past two decades, Iran's transportation infrastructure has gone through major transformation and every year the country is advancing more in this area. Currently more than 80 percent of the country's roads are paved and the government is also hugely planning on expanding and developing the country's railway network.

Transport in Iran is inexpensive because of the government's subsidization of the price of gasoline. The downside is a huge draw on government coffers, economic inefficiency because of highly wasteful consumption patterns, contraband with neighboring countries and air pollution. In 2008, more than one million people worked in the transportation sector, accounting for 9% of GDP. The main areas in this sector are as follows:

Road Transport

Iran has a total area of 1,648,195 km² including 30 provinces. All provinces, capital and main cities, villages and urban areas are connected via roads. Iran roads are also connected to international roads via different borders at north, west and east of country. In total there are 83,485 km including main roads, highways, freeways



and access roads. Besides, there are about 140,000 km inner-town and suburb roads.

All freeways and highways are asphalted and surfaces are in good condition. Road marking and guard rails are under maintenance and supervision of Ministry of Roads & Construction. Other main roads are also asphalted, marking and guardrails are in good conditions as well as routine maintenances of surface and accessories. All roads are under control of Traffic Police and security-wise are under control of Security Police Force. Around 28,000 km of inner-town and suburb roads are not asphalted but the surface condition is good and all are accessible for small trucks and vehicles. In all highways, main roads and freeways the rules of speed control is under supervision of traffic police and all highways and freeways are equipped with speed cameras. All trucks, transit trailers are equipped to GPS so that it is possible for traffic police to control location and speed of transit trucks.

Classification	Administering Agency	Network Length
Freeway	Ministry of Road and Transportation	2,158 km
Highway	Ministry of Road and Transportation	13,519 km
Main Road	Ministry of Road and Transportation	24,285 km
Access Road	Ministry of Road and Transportation	43,513 km
Inner-town Road (Not Asphalted)	Ministry of Road and Transportation	27,867 km
Suburb Road (Asphalted)	Ministry of Road and Transportation	112,308 km

Rail Transport

Trains operate on 11,106 km (6,942 mi) of railroad track.

The country's major port of entry is Bandar-Abbas on the Strait of Hormuz. After arriving in Iran, imported goods are distributed throughout the country by trucks and freight trains. The Tehran–Bandar-Abbas railroad, opened in 1995, connects Bandar-Abbas to the railroad system of Central Asia via Tehran and Mashhad. Other major ports include Bandar-e Anzali and Bandar-e Torkeman on the Caspian Sea and Khorramshahr and Bandar-e Emam Khomeyni on the Persian Gulf.

The railway network expands by about 500 km per year according to the Ministry of R&T. According to plan, Iran's railway lines are to reach 15,000 kilometers by 2015 and 25,000 kilometers by the year 2025. The State Railways Company has 300 locomotives with an average lifespan of 40 years.

Iran is headed towards a self-sufficiency in railway sector and to that end, in total, since the beginning of the current year, 778 wagons and locomotives (all domestically-made) worth 12.7 trillion rials (over USD 302 million) have joined Iran's railway fleet.

Private investment in Iran's transportation infrastructures has grown 70% from the fiscal 16-20015 to reach 71 trillion rials (USD 1.9 billion) in the last Iranian year (ended 20 March 2017).

Construction Sector

The construction industry of Iran is divided into two main sections. The first is government infrastructure projects, which are central for the cement industry. The second is the housing industry. In recent years, the construction industry has been thriving due to an increase in national and international





investment to the extent that it is now the largest in the Middle East region.

The housing sector plays an important role in the economy; the housing industry is one of the few segments of the Iranian economy where state capital shares as little as 2% of the market, and the remaining 98% is private sector investment.

After a recovery in 2017, the Iranian construction industry suffered a downturn in 2018, where it contracted by 4.2% in real terms; it was preceded by an annual growth of 4.3% in 2017 and an annual decline of 12.7% in 2016. This decline can be attributed to economic slowdown due to the US sanctions and low oil prices.

In August 2019, the housing sector registered the lowest volume of sales in six years while prices rose by around 78% year-on-year. On the supply side, these developments, among other shocks such as floods and earthquakes, are likely to result in further stagnation in the services sector, the largest production component of GDP (56% share in 18-2017).

In other words, the building sector and affiliated industries currently have great potential to attract funds and capital. In the year ended March 2017, the share of building industry in GDP was 4.5%.

Restoration of old buildings is one of the priorities for the Government of Iran. Estimates show that about USD 143 billion needs to be allocated in the next 10 years for restoration of 14,000 meters of critically decaying buildings.

In addition to housing projects, there are widespread opportunities for investors who can capitalize on opportunities which exist in Iranian construction sector, particularly in construction of dams, tunnels, industrial projects, etc.

Communications Sector

Telecommunication Infrastructure Company is responsible for telecommunication networks infrastructure in Iran, it is working as the governmental body of ICT Ministry with the aim of creating, developing, managing, organizing, supervising, maintaining and implementing the main communication backbone of the country and continuous its infrastructural activities. The share of information and communication technology (ICT) in the gross domestic product (GDP) is less than 2 percent while for digital transformation telecommunications industry is almost entirely state-owned, dominated by the Telecommunication Company of Iran (TCI).



Iran is among the first five countries which have had a growth rate of over 20 percent and the highest level of development in telecommunication. Iran has been awarded the UNESCO special certificate for providing telecommunication services to rural areas. By the end of 2009, Iran's telecom market was the fourth-largest market in the region at USD 9.2 billion and is expected to grow to USD 12.9 billion by 2014 at a CAGR of 6.9 percent.

Iran has developed (or is in the process of developing) IT/technology parks, infrastructures for local emails, instant messaging (such as «TD Messenger» produced by Tehran Data), domestic search engines.

Operators in Iran are focused on driving up mobile broadband adoption and growing this important revenue stream. The infrastructure is in place for this growth, with Iran increasing its deployment of networks based on 4G considerably in recent years. 4G LTE population coverage has reached around 90%.

Iran is also looking towards a future based on 5G. The government is proactively preparing regulations for 5G deployment and considering suitable bandwidth allocation. It aims to launch services in the next couple of years.

Iran is keen to grow its digital economy and the National Internet Network (NIN) is pivotal to Iran's fixed broadband infrastructure plans and overall Smart City progress.

Looking at Iran from a broad perspective; it appears to offer significant opportunities for telecoms growth. Its population is one of the largest in the Middle East, it has a youthful, tech savvy demographic and there is an unmet demand for both fixed and mobile telecoms services. With 4G networks in place - mobile broadband adoption should grow over the next few years, especially as current mobile broadband penetration levels indicate there is room for subscriber growth.



Fixed Corporate Income Tax at a Flat Rate of 25%

Income Tax with Rate of 0.0%	Duration of Exemption
Industry, Mining & Services (Hospital & Hotels)	5 Years
Industry, Mining & Services (Hospital & Hotels) in Industrial Parks and Especial Economic Zones	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



Investment Incentives

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.

According to the 2017 report of Foreign Investment Office of Organization of Investment and Technical Assistance of Iran, there are different types of following incentives:



Government Vision

There are 3 defining elements of the 6th Five-Year Development Plan: the creation of a sustainable economy; scientific and technical progress; and the pursuit of cultural excellence. The development plan foresees an average 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.

According to Article 4 of the 6th Five-Year Development Plan, the three pillars that form the foundation of industry and mining sectors include improving technology & know-how, developing export-orientated investment, attracting international and regional companies. Also, in the 6th Five-Year Development Plan has envisioned an FDI of USD 15 billion, cooperative agreement of USD 20 billion and USD 30 billion worth of credit lines for international financial institutions.

The outlook for the main areas in the infrastructure sector are as follows:



Transportation Outlook

Since the country has numerous neighbors with which it has close trade ties, the expansion of land export routes including railway and roads in the border regions of the country have become the Transport and Urban Development Ministry's top priority in the transportation area. In November 2018, the government announced its plan to spend IRR 911.6 trillion (USD 22.3 billion) to build, repair and modernize 7,800 km of highway,



freeways and other roads over the next three years. Iran's Deputy Transport Minister for Resource Planning and Management says the county needs over 1.8 quadrillion rials (about USD 42.8 billion) of financial resources for completing its transportation infrastructure projects.

Some of the government's envisioned agendas as outlined in the 6th Five-Year Development Plan are as follows:

- To reinforce and equip transport links accommodating population growth and economic expansion; and considering the increase of the railway portion of cargo, passenger transport, among the priorities;
- To complete and increase the efficiency of international corridors (crossing the country);
- To increase freeway and highway network role portion among road transportation network;
- Providing the suitable context for encouraging private investment both at local and global scale;
- Construction of high speed railways;
- To connect provincial capitals to freeway, railway and network;
- To link provincial capitals with the railway, freeway and highway networks;
- The country's Sixth Five-Year National Development Plan (2016-2021) has envisaged that the railway will account for at least 30 percent of cargo transportation and 20 percent of passenger transportation in Iran. Such a target requires at least 850 trillion Rials (about USD 20.238 billion) of investment.



Construction Outlook

According to the Housing Comprehensive Plan (March 27-2017), the Iranian population will reach 88.2 million in the year ending March 2027. Projections show that by then, 68.2 million would be living in urban areas and 20 million in rural areas. The number of households will hit 28.7 million, of whom 22.1 million will inhabit cities and 6.15 million will live in villages. Newly-formed families will need 4,076,000 homes over 10 years old by March 2027 (including 3,997,000 urban households and 79,000 rural households). The country will be short of 1,370,000 homes (including 673,000 units in cities and 697,000 in villages). A total of 5,313,000 homes, including 3,003,000 in cities and 2,310,000 in villages, have to be repaired or rebuilt by then.

Over the forecast period, the residential construction market is expected to recover supported by the government's plan to bridge the gap between housing demand and supply in the country. According to government estimates, the country needs 800,000 housing units annually to meet rising housing demand. In June 2019, the government announced its plan to build 400,000 housing units by the end of 2021.



Communication Outlook

According to the 6th Five-Year Development Plan, the Information and Communication Technology (ICT) market is projected to expand by 2.5 times.





The background is a composite image. At the top, a world map is visible, with the Americas on the left and Europe/Africa on the right. Below the map, a white truck is shown from a high angle, carrying several large, rectangular cargo units on its flatbed. The entire image is overlaid with a complex, light-colored network of lines that form a web-like pattern, suggesting global connectivity or infrastructure. The right side of the image is a solid dark green vertical band.

Infrastructure Prioritized Divisions for FDI



Land transport except railways (non-tourism)

This division includes the transport of passengers and freight via road, with non-tourism targets.

- Urban and suburban passenger land transport

Land transport of passengers by urban or suburban transport systems may include different modes of land transport, such as by motorbus, tramway, streetcar, trolley bus etc. The transport is carried out on scheduled routes normally following a fixed time schedule, entailing the picking up and setting down of passengers at normally fixed stops.

This class also includes town-to-airport or town-to-station lines and operation of funicular railways, aerial cableways etc. if part of urban or suburban transit systems.

- Freight transport by road

This class includes all freight transport operations by road:

- Stock haulage
- Refrigerated haulage
- Heavy haulage
- Bulk haulage, including haulage in tanker trucks
- Haulage of automobiles
- Transport of waste and waste materials, without collection or disposal
- Furniture removal



Table of affected divisions from prioritized division (direct impact), shows the top ten divisions (and their normalized scores) that the division directly supplies materials and services to these divisions to use in their production process.

Ranking	State	Share in National Production (%)
1	Tehran	30.40
2	Esfahan	7.80
3	Khorasan Razavi	6.61
4	Khuzestan	5.55
5	Fars	5.43
6	Mazandaran	4.98
7	Azarbaijan Sharghi	3.31
8	Azerbaijan Gharbi	3.16
9	Guilan	2.86
10	Kerman	2.63

- Renting of trucks with driver
 - Freight transport by man or animal-drawn vehicles
 - Other passenger land transport
- This class includes other passenger road transport:
- Scheduled long-distance bus services
 - Charters, excursions and other occasional coach services
 - Taxi operation
 - Airport shuttles
 - Operation of telfers (téléphériques), funiculars, ski and cable lifts if not part of urban or suburban transit systems
 - Other renting of private cars with driver
 - Operation of school buses and buses for transport of employees
 - Passenger transport by man or animal-drawn vehicles



Communication

This division includes the production and distribution of information, the provision of the means to transmit or distribute information products, as well as data or communications, information technology activities and the processing of data and other information service activities.

Telecommunications (-61ISIC Code)

This class includes the activities of providing telecommunications and related service activities, i.e. transmitting voice, data, text, sound and video. The breakdown in this division is based on the type of infrastructure operated.

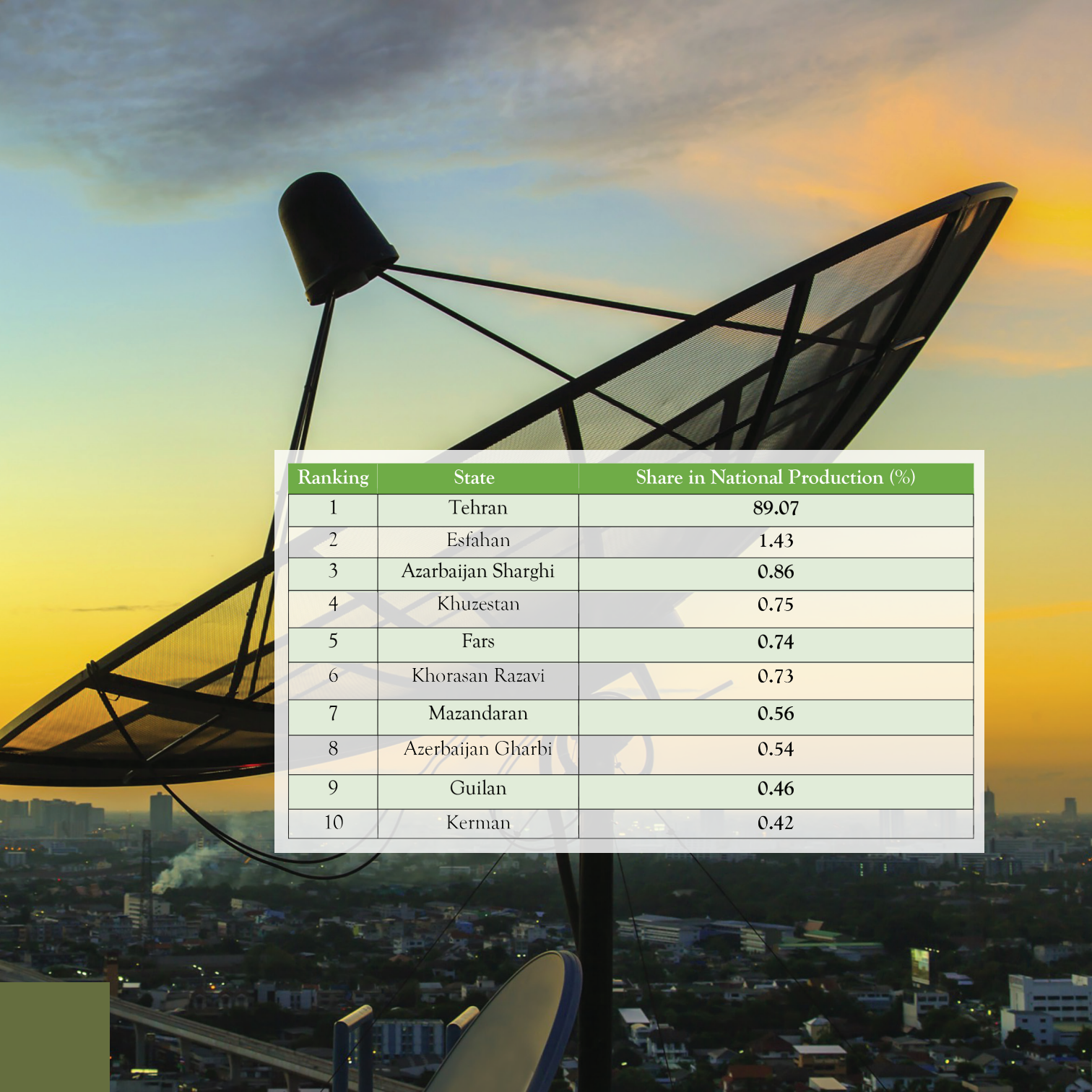
Wired telecommunications activities

This group includes operating, maintaining or providing access to facilities for the transmission of voice, data, text, sound and video using a wired telecommunications infrastructure, including operating and maintaining switching and transmission facilities to provide point-to-point communications via landlines, microwave or a combination of landlines and satellite linkups operating of cable distribution systems (e.g. for distribution of data and television signals).

Wireless telecommunications activities


This group includes operating, maintaining or providing access to facilities for the transmission of voice, data, text, sound, and video using a wireless telecommunications infrastructure maintaining and operating paging as well as cellular and other wireless telecommunications networks. The transmission facilities provide omni-directional





Ranking	State	Share in National Production (%)
1	Tehran	89.07
2	Esfahan	1.43
3	Azarbaijan Sharghi	0.86
4	Khuzestan	0.75
5	Fars	0.74
6	Khorasan Razavi	0.73
7	Mazandaran	0.56
8	Azerbaijan Gharbi	0.54
9	Guilan	0.46
10	Kerman	0.42





transmission via airwaves and may be based on a single technology or a combination of technologies. Purchasing access and network capacity from owners and operators of networks and providing wireless telecommunications services (except satellite) using this capacity to businesses and households provision of Internet access by the operator of the wireless infrastructure.

Satellite telecommunications activities

This group includes operating, maintaining or providing access to facilities for the transmission of voice, data, text, sound and video using a satellite telecommunications infrastructure delivery of visual, aural or textual programming received from cable networks, local television stations or radio networks to consumers via direct-to-home satellite systems (the units classified here do not generally originate programming material.provision of Internet access by the operator of the satellite infrastructure.)

Other telecommunications activities

This group includes provision of specialized telecommunications applications, such as satellite tracking, communications telemetry, and radar station operations operation of satellite terminal stations and associated facilities operationally connected with one or more terrestrial communications systems and capable of transmitting telecommunications to or receiving telecommunications from satellite systems provision of Internet access over networks between the client and the ISP not owned or controlled by the ISP, such as dial-up Internet access etc.



Computer programming, consultancy and related activities (-62ISIC Code)

This class includes the following activities of providing expertise in the field of information technologies: writing, modifying, testing and supporting software; planning and designing computer systems that integrate computer hardware, software and communication technologies; on-site management and operation of clients' computer systems and/or data processing facilities; and other professional and technical computer-related activities.

Computer programming activities

This class includes the writing, modifying, testing and supporting of software. This class includes designing the structure and content of, and/or writing the computer code necessary to create and implement systems software (including updates and patches), software applications (including updates and patches), databases, web pages, customizing of software, i.e. modifying and configuring an existing application so that it is functional within the clients' information system environment.

Computer consultancy and computer facilities management activities

This class includes planning and designing of computer systems that integrate computer hardware, software and communication technologies. The units classified in this class may provide the hardware and software components of the system as part of their integrated services or these components may be provided by third parties or vendors. The units classified in this class often install the system and train and support the users of the system, provision of on-site management and operation of clients' computer systems and/or data processing facilities, as well as related support services.

Other information technology and computer service activities

This class includes other information technology and computer-related activities not elsewhere classified, such as computer disaster recovery, installation (setting-up) of personal computers and software installation.





Construction of Buildings

This division includes general construction of buildings of all kinds. It includes new work, repair, additions and alterations, the erection of pre-fabricated buildings or structures on the site and also construction of temporary nature. Included is the construction of entire dwellings, office buildings, stores and other public and utility buildings, farm buildings, etc.

This division also includes the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis. Outsourcing parts or even the whole construction process is possible.

- Construction of all types of residential buildings
- Single-family houses
- Multi-family buildings, including high-rise buildings
- Construction of all types of non-residential buildings
- Buildings for industrial production, e.g. factories, workshops, assembly plants etc.
- Hospitals, schools, office buildings
- Hotels, stores, shopping malls, restaurants
- Airport buildings
- Indoor sports facilities
- Parking garages, including underground parking garages
- Warehouses
- Religious buildings
- Assembly and erection of prefabricated constructions on the site
- Remodeling or renovating existing residential structures







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1	Tehran	30.57
2	Esfahan	8.96
3	Fars	8.43
4	Alborz	4.89
5	Azarbaijan Sharghi	4.81
6	Khorasan Razavi	4.64
7	Mazandaran	4.29
8	Khuzestan	3.93
9	Azerbaijan Gharbi	3.56
10	Yazd	2.87