



## Message from the President of TCCIMA

Since the 2<sup>nd</sup> 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 18<sup>th</sup> 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 on a white rectangular background.

## Major Sectors



# Overview







## Overall Description of the Sector

The Islamic Republic of Iran's healthcare system has achieved the highest standards in the region approved by the World Health Organization. The healthcare system in Iran is equipped with very well-trained and capable care team, a vast healthcare network and infrastructure and high standard teaching programs to educate the next generation of healthcare workers. Iran is the leader and manufacture of over 96% of drugs and nearly 50% of its medical equipment are domestically produced. By May 2018 there were 1.6 hospital beds in Iran per 1,000 people, 62% out of date, with 21% in Tehran, with intensive care beds accounting only for 9.18% of total hospital beds. Also there are 981 functioning hospitals of which 79% belongs to the public sector, and 21% to the NGO business.

The priorities set by the Islamic Republic of Iran in its Vision 2025, are health initiatives approved by the president and government that are aimed at improving the use of health services and providing acceptable



healthcare services in the country. Since its implementation in 2015 the Health Transformation Program has improved the quality of public health services, particularly the hospital care, according to national and international reports.

## **GDP**

The Iranian health market produces a revenue of USD 28-25 billion every year and most health services in the areas such as stem cells, infertility and advanced operations are delivered with standards that meet that of the global ones. The domestic market provides more than 96-97% of Iran's healthcare needs. Current health expenditure as (GDP) (%) reached to 8.66 in 2017.









## Why to Invest



## Recent Developments

● As of February 27<sup>th</sup>, 2020 the United States and Switzerland formally launched a humanitarian trade channel that would allow Swiss companies to trade food, medicine and other critical supplies with Iran. The channel had started its pilot operation in January 2020 after a shipment consisting of cancer and organ transplant drugs worth 2.3 million euros was delivered to Iran.

● Upon spread of the Covid-19 pandemic and Iran's urgent need to medical supplies and goods the three European countries involved with establishment of the mechanism that would allow trade with Iran upon reimposing of the US sanctions, namely INSTEX, were able to conclude the first successful transaction with Iran in April 2020 and maintain export of medical goods worth 500,000 euros from a private company in Germany to a firm in Iran.







## Diversified Investment Capacities

### Medical Equipment

There are currently approximately 500 manufacturers of medical equipment operating in Iran, 70 to 80 of which also export their products. Even though Iran is not considered a major foreign exporter of medical devices, over recent decades, the volume of export of these devices has steadily been growing. USD 21.8 million worth of medical equipment was exported by the year ended March 2017 which registered a significant 43% year-on-year growth rate. Although the growth of imports has fluctuated, it has remained promising over the last few years. Indeed the expansion of import volumes appears to have led to an increase in the medical equipment market size in recent years as a result of which the inflow of new foreign investments is expected to increase.





## Medical Plants

With its valuable resources, medicinal plants in Iran will play an important role in education, health care and non-oil exports if properly developed and used. There are about 8,000 to 10,000 types of plants in Iran of which about 2,300 are medicinal. Moreover, 1,728 species are domestically cultivated and considered as monopolistic capacity of Iranian native plants. By the end of February 2020, the export of Iranian medicinal plants in terms of volume has increased by about 9.9 percent and in terms of currency value by about 20.75 percent compared to the amount of exports last year.









## Health Tourism

Approximately 98 hospitals and 14 travel companies have been licensed across the country to deliver healthcare services to foreign citizens. In addition, a council was founded by the Iran Tourism Development Association, with the goal of raising investment and receiving support from government bodies to boost health tourism. The mentioned association is also responsible to promote and introduce authorized centers to Iranians and foreigners seeking medical treatment.

According to the Ministry of Health and Medical Education's Health Tourism Bureau statistics between 500,000 and 550,000 travelers from neighboring countries visited Iran for medical reasons in the year ended March 2019.

Health tourism service providers are expected to be introduced through a comprehensive online portal. The ultimate goal of Iran is to gain a revenue of approximately USD 25 billion annually from its tourism industry by 2025, USD 2.5 billion of which is generated by medical tourism. The global medical tourism industry could hit USD 143 billion by 2022 according to a forecast from Big Market Research. Iran has an



experienced workforce and is a regional leader in the development of science and health and Iran is ranked 13<sup>th</sup> in the world in terms of production of scientific articles in this field. Most health tourists in Iran come from the Persian Gulf countries, as well as Iraq, Afghanistan, Pakistan, Turkmenistan and Central Asian countries. Medical tourists travel to Iran for organ transplants (especially liver), orthopedic treatments, knee arthroplasty, dentalcare, cosmetic surgeries and so on and so forth. The Razavi hospital in Mashhad (Khorasan Razavi), Namazi hospital in Shiraz (Fars Province) and two health centers in Tehran are frontier hospitals and are very well-known in this line of work.



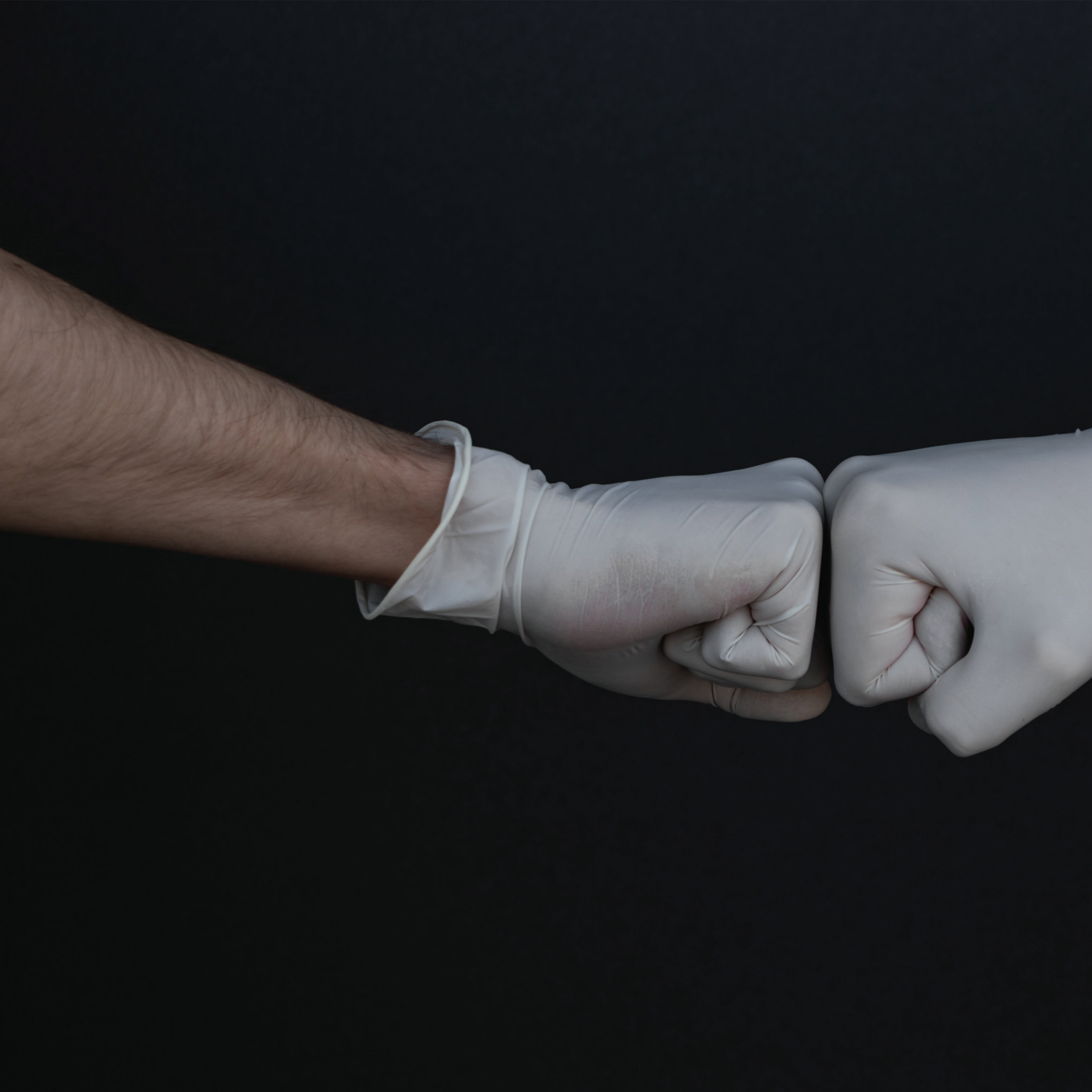




## Pharmaceutical Industry

Iran is a large pharmaceutical market in the region and has witnessed a massive growth in this industry in comparison with other developing countries and the pharma-emerging group. The market for this industry is expanding rapidly while a major share of it goes to biotechnology drugs, which implies the need for commercialization activities in novel fields like pharmaceutical biotechnology. The pharmaceutical spending is close to 20% of total treatment costs and the World Health Organization has predicted a growth of 15% in pharmaceutical industry's sales. The value of imported medicines accounts for about 32% of the value of the whole market and about 68% are produced locally.







# **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, "Foreign Investment in Iran Outlook of Iran Economy, Law, and Incentives<sup>1</sup>

How to Invest in Iran<sup>2</sup> ", there are different types of following incentives:

## Tax Incentives

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
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

1.For further information, please contact: Ministry of Economic Affairs & Finance, Organization of Investment and Technical Assistance of Iran, Foreign Investment Department, Foreign Investment Office, Foreign Investment Services Centre (FISC)

2.This report has been presented by Dr. Ahmad Jamali, General Director for Foreign Investment Office of Organization of Investment and Technical Assistance of Iran in South Africa, October, 2017.







# Government Vision



Needs assessments within the health sector carried out by Ministry of Health and Medical Education have laid out the roadmap of the next five years which consists of seven main areas of focus for the health sector that are as follows:





## Hospital Complexes

The Islamic Republic of Iran's Sixth Development Plan aims for a ratio of 2.6 beds/1000 people to get closer to the world average. To achieve this goal, 115K new beds must be installed over five years, corresponding to about USD 15 billion dollars of expenditure. This figure includes 20 super general hospitals with rooms for 500 up to 1000 patients.

## Dialysis Centers

One of the facts indicating that Iranian health care status needs special attention is the continued growth of the End Stage Renal Disease (ESRD). In Iran it is predicted that this disease will have a growing upward trajectory owing to population, economic and cultural developments. However, the health care economy and treatment patterns are greatly impacted by ESRD patients in various directions, including overhead, adverse effect and hospitalization rates in hospitals.

In most of the hospital's healthcare centers, there are 474 permanent centers of hemodialysis, 86% being public, 8% private and 8% charitable. In the first step, due to the small number of dialysis centers in the country, as well as the limited profitability and poor service efficiency of many of them a USD 130 million investment in new centers for country dialysis is required.









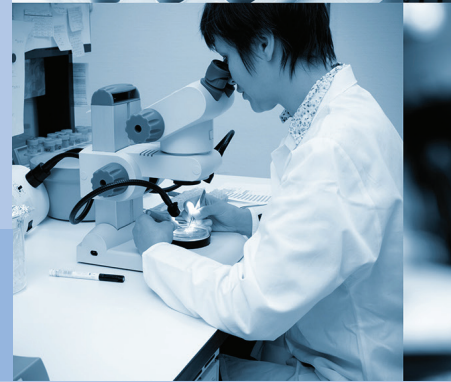
## Pharmaceutical Industry

Iranian pharmaceutical companies focus on the production of high-tech medicines which can be exported to emerging markets, in addition they are working hard to meet the demands and maintain the sector's growth rate.

## Central Laboratories

The private sector collaboration with the university laboratory network to help offer laboratory services seeks to fulfill the goals outlined in Article 44 of the Constitution, which is to reduce government spending, activities and public funds allocation and creating a development-related engagement in the delivery of lab services while seizing all available resources.

The diagnostic laboratory capacities of the Islamic Republic of Iran, which must be expanded in quantity and efficiency, are one of the key areas of interest. More than fifty mega laboratories are expected to be designed on the basis of geographical and national needs according to the National Plan, in order to help increase our network quality and efficiency.











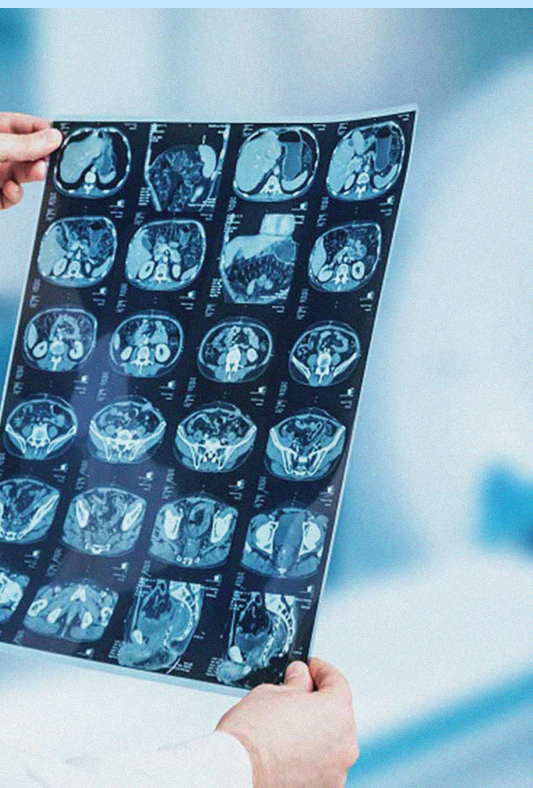




## Comprehensive Cancer Center

The number of patients suffering from cancer, and the need for cancer centers, is growing. The Ministry of Health and Medical Education has divided the country into 13 hubs and according to the plan, every hub must have its own PET scan; some regular Type 2 and Type 3 satellite centers, and one to four linear accelerators (LINACs).

## Imaging Centers



For diagnosis and treatment of illnesses, medical imaging devices and technologies currently play a crucial role. In different parts of the country, a vast number of public hospitals need to be equipped with multiple imaging systems or are in need of having their existing imaging centers upgraded.

With the new approach, The Ministry of Health and Medical Education has decided to change its policy from equipment purchases to the procurement of it. Under the new strategy, The Ministry of Health and Medical Education assures the sufficient volume of facilities and resources that service providers should be able to use on the basis of the mutual agreement.

The Iranian healthcare industry needs to increase the number of imaging equipment in the following areas: hearing imaging, mammography, CT scan, angiography, gamma camera, MRI and optical radiology, in order to improve the diagnostic capability in the health system.





## Dental and Oral Medicine Hospitals

In the Islamic Republic of Iran, the need to provide dentistry services is growing because of higher life expectancy and population growth. Due to the population ratio to the number of dental clinics, the condition in megacities is more severe. In Iran, the expansion of basic and supplementary dental insurance coverage and deeds requires new therapy centers. The need to establish new service centers in Iran is intensified by expanding insurance coverage through regular and complimentary plans on preventative and recovery dental procedures.











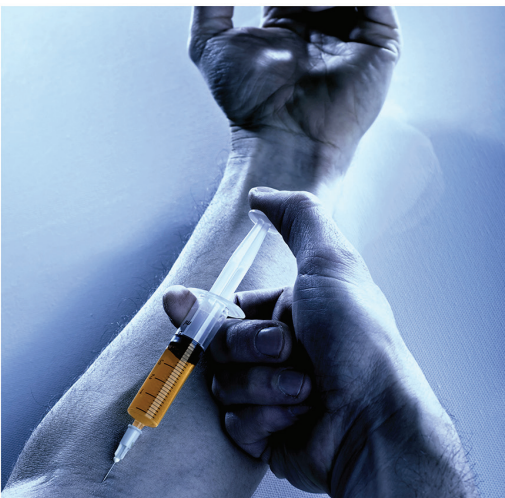


Each province has at least one medical university. The president of a university of medicine is the regional top health official and reports to the Health and Medical Education Minister. The president of the University of Medicine is accountable for public health, public healthcare and health education. Medical care and facilities in public health are delivered by a national network. This network consists of a referral system, beginning with primary health center in the suburbs of the provincial capital and tertiary hospitals in major cities by secondary hospitals. Primary, secondary and tertiary health services are provided by the public sector. Over the last two decades, the Government's focus on primary care has made the public sector as the country's main provider of primary health services. Within public facilities, some primary health services are offered for free, such as prenatal care and vaccines.



A significant part of the secondary and tertiary health services in the province are provided by the public sector. In Iran, the private sector plays an important role in the provision of healthcare. The private sector focuses mainly on secondary and tertiary public healthcare. Several organizations are involved in the area of health issues in Iran. In keeping with government policies to promote and exhort the private sector to take part in health services, the Ministry of Health and Medical Education (MOHME) does not seek to expand government services. The MOHME invites foreign investment in the construction of a health system encouraging Iranians diaspora to get increasingly more involved in this system. The main policy of MOHME is to buy services by acquiring renewable capital, in order to meet international health service standards.





Public Private Partnership (PPP) is one of the most popular large-scale investment methods to achieve win-win solutions for all parties involved while achieving their common objectives. PPP would be the first option for mutual cooperation in the Ministry of Health and Medical Education, although other modes of cooperation, such as EPCF, leases or else, may also be adopted in some situations. The Foreign Investment Act has provided an appropriate external funding mechanism to insure that foreign investors in healthcare have various methods of setting up business and maintaining their operations here in Iran using business arrangements including the PPP, BOT, BLT and other specific methods.



# Health Prioritized Divisions for FDI













## Human Health Activities

This division includes activities of short or long-term hospitals, general or specialty medical, surgical, psychiatric and substance abuse hospitals, sanatoria, preventoria, medical nursing homes, asylums, mental hospital institutions, rehabilitation centers, leprosaria and other human health institutions which have accommodation facilities and which engage in providing diagnostic and medical treatment to inpatients with any of a wide variety of medical conditions. It also includes medical consultation and treatment in the field of general and specialized medicine by general practitioners and medical specialists and surgeons. It includes dental practice activities of a general or specialized nature and orthodontic activities. Additionally, this division includes activities for human health not performed by hospitals or by practicing medical doctors but by paramedical practitioners legally recognized to treat patients.



## Hospital Activities

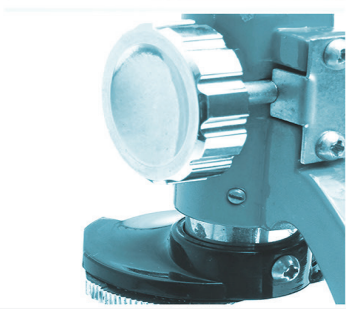
This class includes short or long-term hospital activities, i.e. medical, diagnostic and treatment activities of general hospitals (e.g. community and regional hospitals, hospitals of non-profit organizations, university hospitals, military-based and prison hospitals) and specialized hospitals (e.g. mental health and substance abuse hospitals, hospitals for infectious diseases, maternity hospitals, specialized sanatoriums). The activities are chiefly directed to inpatients, are carried out under the direct supervision of medical doctors and include:

- Services of medical and paramedical staff
- Services of laboratory and technical facilities, including radiologic and anesthesiologist services
- Emergency room services
- Provision of operating room services, pharmacy services, food and other hospital services
- Services of family planning centers providing medical treatment such as sterilization and termination of pregnancy, with accommodation.



## Medical and Dental Practice Activities

This class includes: medical consultation and treatment in the field of general and specialized medicine by general practitioners and medical specialists and surgeons, dental practice activities of a general or specialized nature, e.g. dentistry, endodontic and pediatric dentistry; oral pathology orthodontic activities, family planning centers providing medical treatment, such as sterilization and termination of pregnancy, without accommodation, dental activities in operating rooms, private consultants' services to inpatients. These activities can be carried out in private practice, group practices and in hospital outpatient clinics, and in clinics such as those attached to firms, schools, homes for the aged, labor organizations and fraternal organizations, as well as in patients' homes.







## Other Human Health Activities

This class includes: activities for human health not performed by hospitals or by medical doctors or dentists:

- Activities of nurses, midwives, physiotherapists or other paramedical practitioners in the field of optometry, hydrotherapy, medical massage, occupational therapy, speech therapy, chiropody, homeopathy, chiropractic, acupuncture, etc.
- These activities may be carried out in health clinics such as those attached to firms, schools, homes for the aged, labor organizations and fraternal organizations and in residential health facilities other than hospitals, as well as in own consulting rooms, patients' homes or elsewhere. These activities do not involve medical treatment.
- Activities of dental paramedical personnel such as dental therapists, school dental nurses and dental hygienists, who may work remote from, but are periodically supervised by, the dentist.
- Activities of medical laboratories such as:
  - X-ray laboratories and other diagnostic imaging centers
  - Blood analysis laboratories
- Activities of blood banks, sperm banks, transplant organ banks, etc.
- Ambulance transport of patients by any mode of transport including airplanes. These services are often provided during a medical emergency.



## Social Work Activities

This division includes the provision of a variety of social assistance services directly to clients. The activities in this division do not include accommodation services, except on a temporary basis.

Social work activities without accommodation for the elderly and disabled:

This class includes social, counselling, welfare, referral and similar services which are aimed at the elderly and disabled in their homes or elsewhere and carried out by public or by private organizations, national or local self-help organizations and by specialists providing counselling services:

- Visiting of the elderly and disabled
- Day-care activities for the elderly or for handicapped adult
- Vocational rehabilitation and habilitation activities for disabled persons provided that the education component is limited.















## Other Social Work Activities

This class includes social, counselling, welfare, refugee, referral and similar services which are delivered to individuals and families in their homes or elsewhere and carried out by public or by private organizations, disaster relief organizations and national or local self-help organizations and by specialists providing counselling services:

- Welfare and guidance activities for children and adolescents
- Adoption activities, activities for the prevention of cruelty to children and others
- Household budget counselling, marriage and family guidance, credit and debt counselling services
- Community and neighborhood activities
- Activities for disaster victims, refugees, immigrants, etc., including temporary or extended shelter for them
- Vocational rehabilitation and habilitation activities for unemployed persons provided that the education component is limited
- Eligibility determination in connection with welfare aid, rent supplements or food stamps
- Child day-care activities, including for handicapped children
- Day facilities for the homeless and other socially weak groups
- Charitable activities like fund-raising or other supporting activities aimed at social work





## Veterinary Activities

This division includes the provision of animal health care and control activities for farm animals or pet animals. These activities are carried out by qualified veterinarians in veterinary hospitals as well as when visiting farms, kennels or homes, in own consulting and surgery rooms or elsewhere. It also includes animal ambulance activities. This class includes:

- Animal healthcare and control activities for farm animals
- Animal healthcare and control activities for pet animals
- Activities of veterinary assistants or other auxiliary veterinary personnel
- Clinic-pathological and other diagnostic activities pertaining to animals
- Animal ambulance activities

These activities are carried out by qualified veterinarians when working in veterinary hospitals as well as when visiting farms, kennels or homes, in own consulting and surgery rooms or elsewhere.