



Iran Industry Sector Guide

3rd Edition

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Message from the President of Tehran Chamber of Commerce, Industry, Mines and Agriculture (TCCIMA)



For centuries, Iran has been a central player in the Silk Road, fostering trade, commerce, and the interchange of ideas and knowledge between the East and West. Despite being a large economy, Iran has yet to fully tap into its potential in the global market by actively engaging with the international community.

At the **Tehran Chamber of Commerce**, our objective is to ensure the utilization of Iran's vast potential, including its valuable human resources, to drive robust economic growth. We achieve this by providing enticing investment opportunities that generate job prospects and contribute to high economic expansion.

To this end, TCCIMA has established an Investment Center comprising esteemed members of the TCCIMA board, who bring firsthand experience to facilitate connections between our members and their counterparts in the global ecosystem. The primary aim of this initiative is to provide a dynamic platform for exchanging ideas, sharing experiences, and developing new professional services. This platform is crucial for fostering new relationships and partnerships, which are imperative for creating and successfully realizing joint ventures that serve the interests of Iran and the region.

As the president of TCCIMA, I extend a warm invitation to you to visit Iran and witness the abundant opportunities our country has to offer as a foundation for mutually beneficial collaborations.

H.E. Dr. Mahmoud Najafi Arab
President of Tehran Chamber of
Commerce, Industries, Mines and Agriculture



Message from the President of Organization for Investment, Economic & Technical Assistance of Iran

Iran, as the world's oldest civilization situated at the crossroads of East and West, embodies millennia of trade, knowledge, and creativity. Today, endowed with valuable natural resources, a highly skilled workforce, developing infrastructure, and a unique geopolitical position, the country has become one of the most attractive investment destinations in the region.

Iran's strategic location has made it a natural bridge connecting major global economic centers, including Central Asia, Eurasia, the Middle East, and Europe. The country also maintains effective engagement with regional and international alliances such as BRICS, the Shanghai Cooperation Organisation, and ECO, providing a secure platform for attracting investors and fostering the development of shared value chains.

With this foundation—and through a forward-looking, partnership-oriented approach—Iran is striving to create a stable and predictable environment for foreign investors. Supportive legislation, including the Foreign Investment Promotion and Protection Act (FIPPA), fully safeguards investors' capital and returns. These legal frameworks, together with strategic programs, facilitate financing and investment in major and priority projects.

Opportunities for cooperation in Iran are rapidly expanding across sectors such as energy, advanced technologies, tourism, healthcare, high-tech industries, agriculture, transportation, financial services, and the digital economy. With a large domestic market, a young workforce, and access to regional markets, Iran is well positioned to become a strategic partner for foreign investors.

We invite you to experience Iran not merely as an investment destination, but as a strategic partner for the future—a land with an inspiring history, a hardworking people, and a bright, opportunity-rich future.

H.E. Dr. Mahdi Heidari
President of Organization for
Investment, Economic & Technical Assistance of Iran





Message from the Head of Investment Center



TCCIMA has been a key player in the private sector of Iran and plays a central role in attracting foreign investment and sustaining economic development. The Chamber effectively communicates with the competent official and private authorities and helps the private sector by all facilities aiming at creating a better climate for business in the country. To boost the country's economic growth, there is need for a joint collaboration between Iran and other countries. In the **Investment Center**, it is our aim to provide foreign and also domestic investors with services and facilitate their investing process in Iran on the one hand, and on the other, offer a platform to Iranian private sector to flourish and reach its potentials.

Today, Iran is in a critical phase in terms of its 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. Extending its cooperation with the international community can help highlight Iran as a new market of global significance and provide insight into the best practices. It is essential for Iran to move fast to identify gaps and provide solutions for investment promotion and economic growth. To achieve this, the private sector itself, and its chief arm, the Chamber of Commerce, adopt a leading role in defining the way forward. In the series of brochures that the Center has accumulated, an introduction and insight into investment opportunities of various economic sectors of Iran has been provided which we look forward to sharing with you.

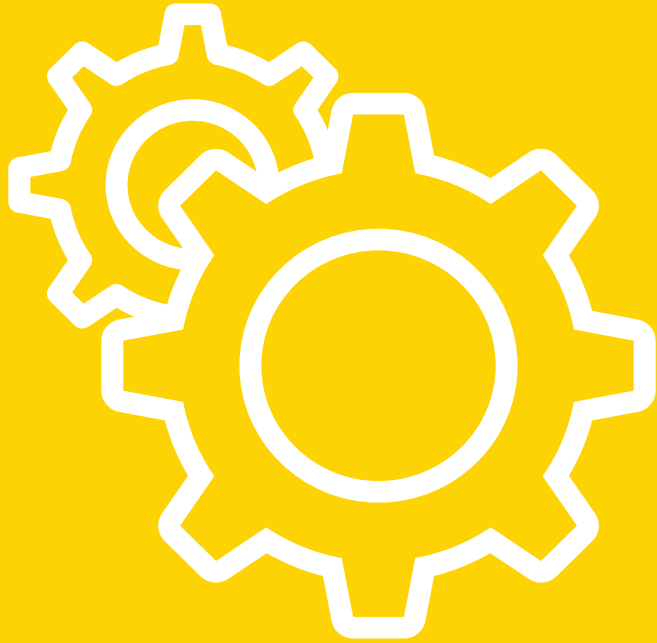
Ferial Mostofi
President of Center of Investment &
Consultancy Services



Center Missions

- To provide a platform for networking, cooperation, sharing and dissemination of ideas and information
- To provide consultation to investors on related issues (i.e. laws, regulations, tax, insurance, etc.)
- To outline different economic sectors' landscape and introduce investment opportunities and projects
- To identify investment regulation gaps, and propose mechanisms for facilitating investment processes to the related government bodies
- To facilitate more active participation of the private sector in the global value chains
- To hold training courses related to finance and investment training purposes







Overview



Overall Description of the Sector



The industry sector accounts for a large portion of Iran's economy and makes significant contribution to the country's GDP, employment and economic growth. In what follows we will have a more detailed look at the overall layout of the industry sector, its perceived potentials and also introduce its investment opportunities.


The industry sector is the 2nd largest contributor to the country's gross domestic product (GDP). In the year that ended in March 2025 the industry sector accounted for 21.3% of the country's GDP. Further, according to the latest data released by the Statistical Center of Iran, 33.7% of the total employment in Iran belongs to the industry sector.

The Iranian economy rigorously seeks to improve its manufacturing capacity with its relatively high level of human capital, know-how and access to natural resources.

Population
86.55 million



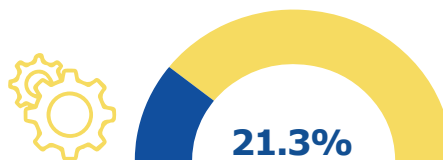
Urban Population
75%




Total Land Area
1.64 million km²



Industries GDP Share in 2025



2nd
Middle East
petrochemical producer



MENA's Regional leader
Large, Diversified Industrial Base





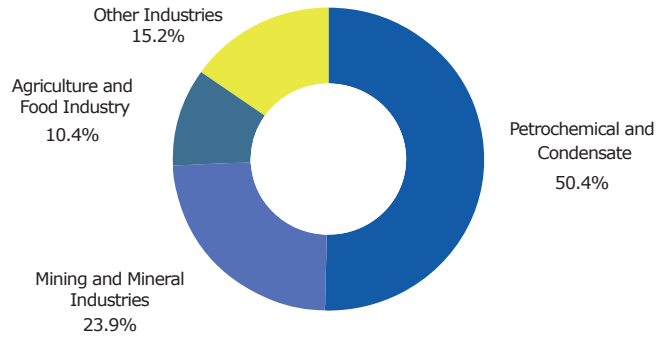
Major Trade Figures

Iran's industries play a significant role in the country's trade landscape. With a diverse range of sectors, including, chemical and petrochemicals, polymer and plastic, medicinal and pharmaceutical, steel, cement, automotive, food industries and so on, Iran has established itself as a major player in regional and global markets. The petrochemical industry remains a crucial pillar of Iran's economy, with petroleum products accounting for a substantial portion of the country's exports.

The petrochemical sector has witnessed remarkable expansion, with a wide array of chemical products being exported to various countries. Furthermore, Iran's steel and mining industries contribute to both domestic consumption and exports, with steel products being sought after in regional markets. Overall, Iran's industries' trade showcases the country's diverse economic capabilities and its engagement in international commerce.



Iran Export of Non-Oil Products by Value in the year ended March 2025



Source: Ministry of Industry, Mine and Trade

Import and Export of Mining Sector and Related Industries by Value (2018-2025)

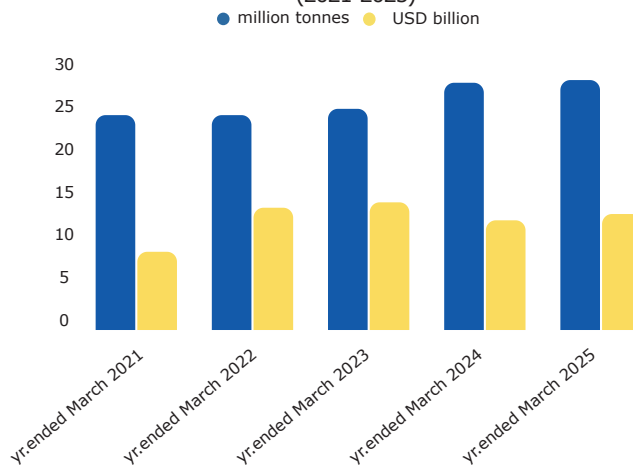


Source: Trade Promotion Organization



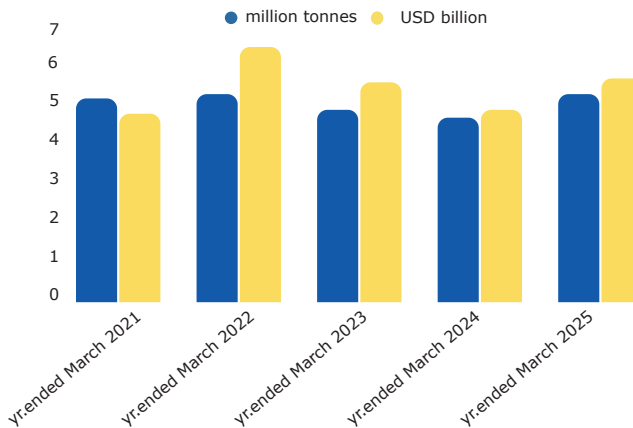


Export of Petrochemical and Chemical Products by Volume and Value (2021-2025)



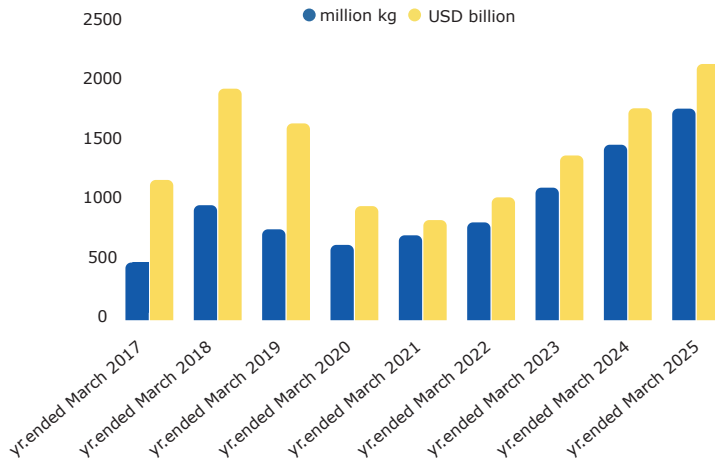
Source: Trade Promotion Organization

Export of Polymer Products and Polymer Raw Materials by Volume and Value (2021-2025)



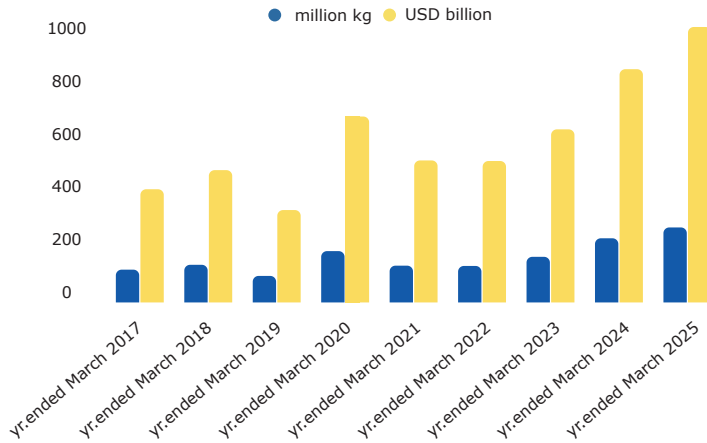
Source: Trade Promotion Organization

Export of Plastic Products by Volume and Value (2017-2025)

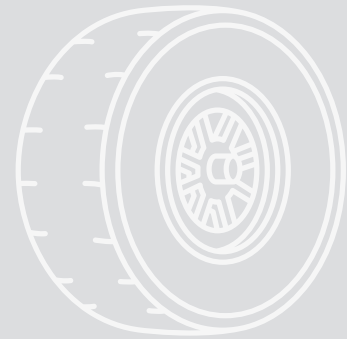


Source: Trade Promotion Organization

Import of Tire by Volume and Value (2017-2025)

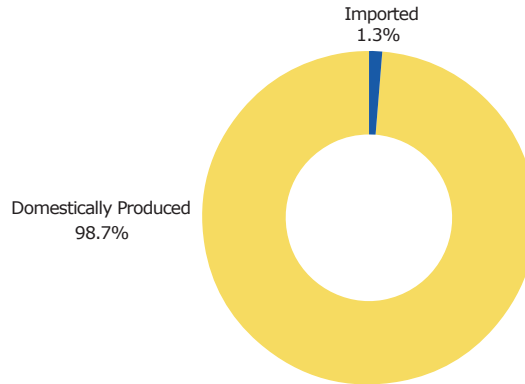


Source: Trade Promotion Organization



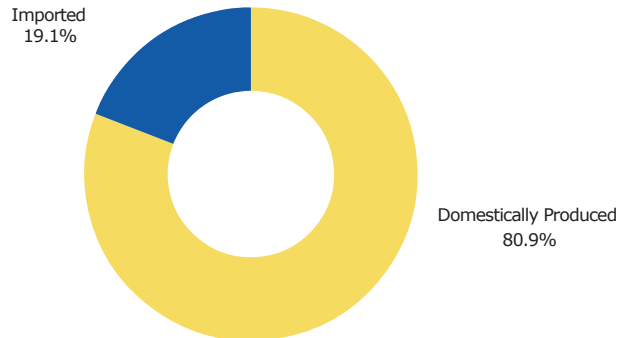


Iran Medicines Market Share by Volume in the year ended March 2024 (Imported vs Domestic)



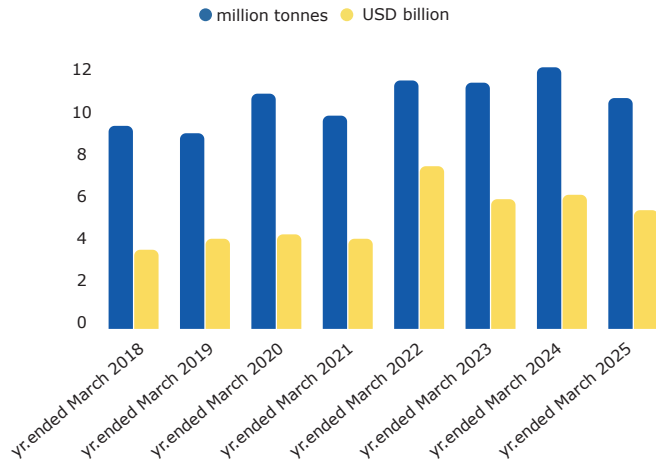
Source: Ministry of Health and Medical Education

Iran Medicines Market Share by Value in the year ended March 2024 (Imported vs Domestic)



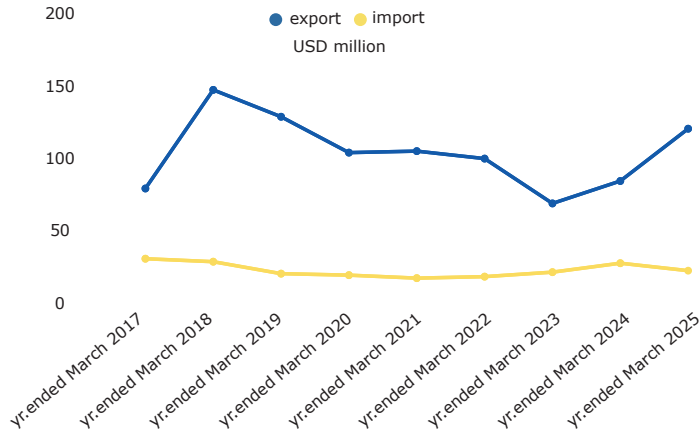
Source: Ministry of Health and Medical Education

Export of Steel Products by Volume and Value (2018-2025)



Source: Trade Promotion Organization

Export and Import of Fruit Juice and Concentrate and Mineral Water (2017-2025)

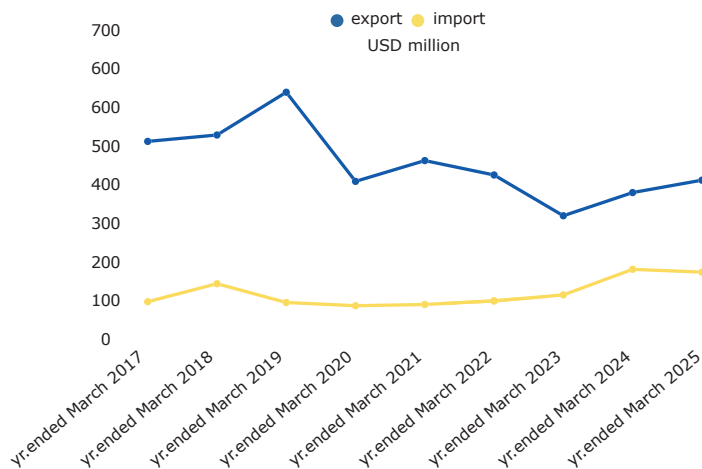


Source: Trade Promotion Organization



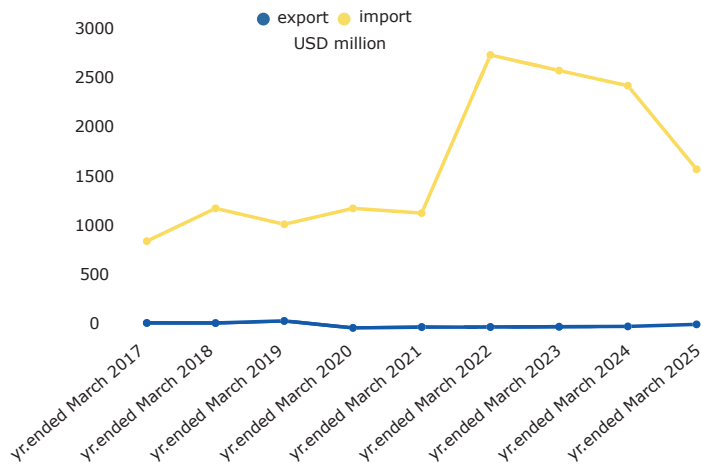


Export and Import of Cookies, Chocolate and Biscuits by Value (2017-2025)

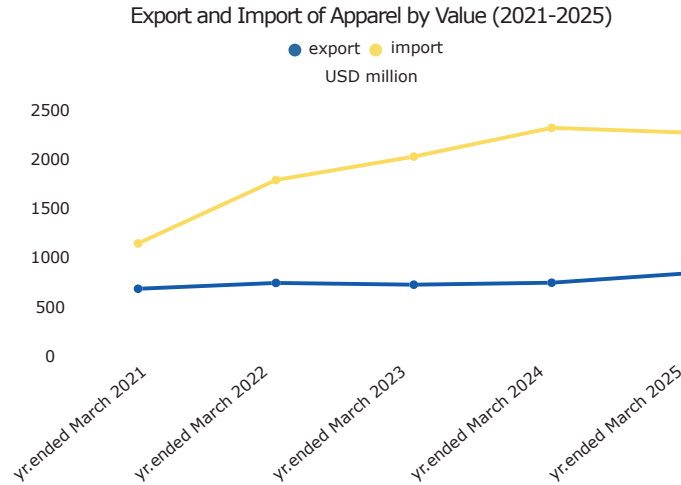


Source: Trade Promotion Organization

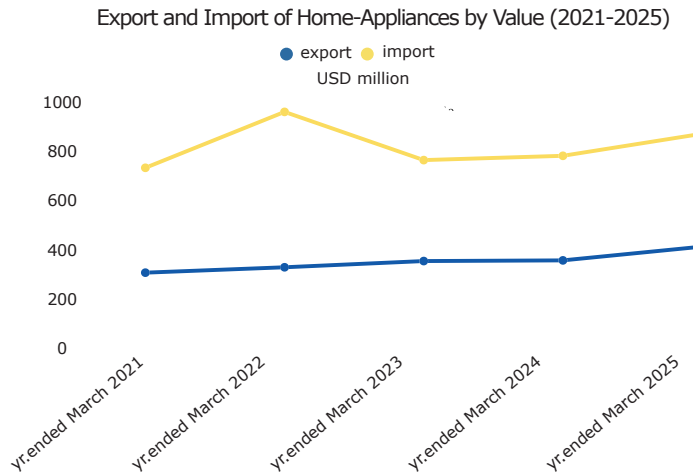
Export and Import of Vegetable Oil by Value (2017-2025)



Source: Trade Promotion Organization



Source: Trade Promotion Organization



Source: Trade Promotion Organization





Why Invest



Top 15 Mining & Minerals

Worldwide



6th Cement

Global Producer



10th Steel

Global Producer

Iran is...

- One of the largest manufacturing economies among developed countries
- Home to one of the largest and most diversified industrial bases in the MENA region
- One of the world's top 15 countries, and the leading nation in the Middle East, with rich mineral resources accounting for 7% of global reserves, estimated at USD 27.3 trillion.
 - Equipped with extensive infrastructure across upstream, downstream, and knowledge-based industries
 - The Middle East's 2nd largest producer of major petrochemicals
 - One of the main producers of polymers and plastic materials in the Middle East
 - The World's 6th largest cement producer
 - The World's 10th largest steel producer



The chemical and petrochemical, pharmaceutical, steel, cement, automotive, food industries, apparel and home-appliances are Iran's most prominent and promising industries. In what follows a more detailed description of these industries will be presented.

Chemical and Petrochemical Industries

The chemical industry is one of the largest manufacturing industries in all developed and emerging countries. The chemical industry creates an immense variety of products which affect virtually every aspect of our lives. While many products from the industry, such as detergents, soaps and perfumes and mineral acids are purchased directly by consumers, others are used as intermediates to produce other goods. The primary or raw chemical products include petrochemical products, polymers and inorganic chemicals and fertilizers. Polymeric products—including plastics in both primary and non-primary forms as well as fabrics—account for almost one third of the revenue generated from the export of chemical products. They are followed by inorganic chemicals and fertilizers, which respectively generate the highest revenues within the chemical-industry categories.



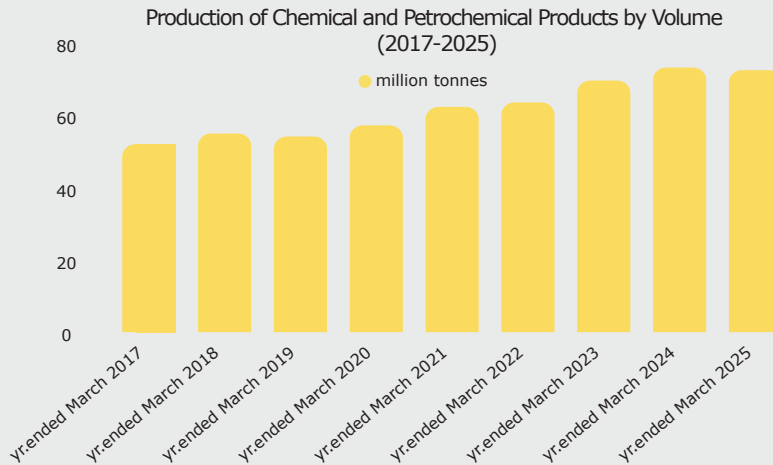




Petrochemical Industry

The petrochemical industry in Iran has over half a century of experience and now conducts various development projects, with its production capacity of more than 100 million tonnes. Producing 550 types of petrochemicals, Iran owns 28% of the production capacity of the Middle East petrochemical industry and 2.8% of the world capacity to produce major petrochemical products such as benzene, making it the 2nd largest single producer of major petrochemical products in the Middle East.

Iran's petrochemical industry comprises 72 companies, 15% of which are privately owned and 85% state-run.



Source: Ministry of Industry, Mine and Trade





The privatization of subsidiaries of the state-owned National Petrochemical Company (NPC) would shift 19 firms from state to private ownership. Under Iranian regulations, NPC's equity stake in any given firm may not exceed 20%. Petrochemical industry plays a crucial role in Iran's non-oil economy, as the petrochemical export is the 2nd largest source of revenue for the country after crude oil. Iran exported 27.8 million tonnes of petrochemical and chemical products worth USD 12.9 billion last year that ended in March 2025.

Iran has slated dozens of projects under its Seventh Development Plan to add roughly 35 million tonnes of petrochemical capacity, lifting nominal capacity to about 131–131.5 million tonnes by 2028.





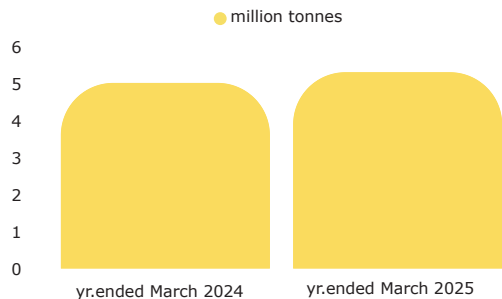
Polymer Industry

Due to its vast hydrocarbon resources Iran is one of the main producers of polymer and plastic material in the Middle East and even in the world. The domestic market for these products is also huge with Iran being of the biggest consumers of plastic products in the world and having second highest polymer demand in the region.

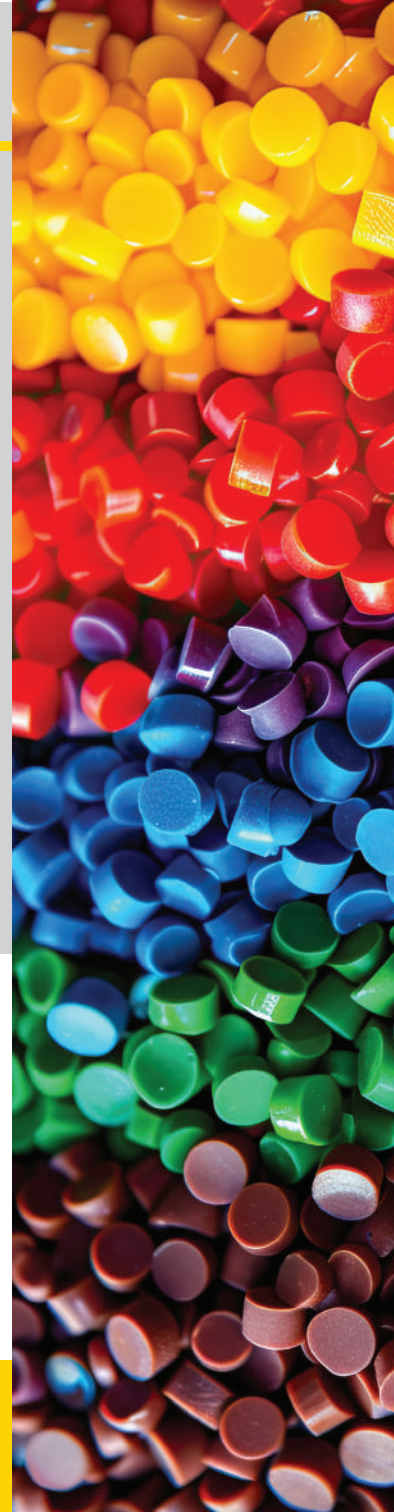
Based on industry and official statements, Iran's polymer sector is estimated to contribute approximately 1.5 percent to gross domestic product and to account for around 3.6 percent of national employment. In the fiscal year that ended March 2025, exports of polymer products and polymer raw materials exceeded USD 5.7 billion, with recent annual export volumes generally ranging from 4.7 to 5.5 million metric tonnes. Installed polymer capacity is currently on the order of 9 million metric tonnes per year, with plans under the Seventh Development Plan to expand this capacity to approximately 16 million metric tonnes per year by 2028.

The figures relating to the production of different types of polymeric products including polyethylene (PE), acrylonitrile butadiene styrene (ABS), epoxy resin (ER), polycarbonate (PC), styrene butadiene rubber (SBR), polybutadiene rubber (PBR), polypropylene (PP), polystyrene (PS), polyvinyl chloride (PVC).

Production of Polyethylene (PE) by Volume (2024 and 2025)

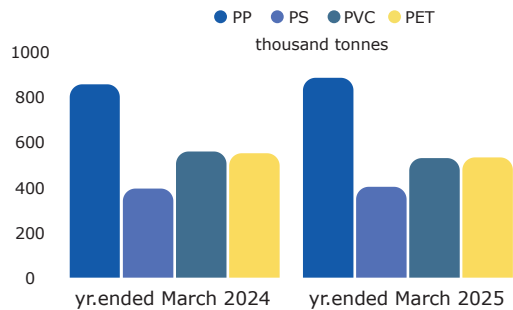


Source: Ministry of Industry, Mine and Trade



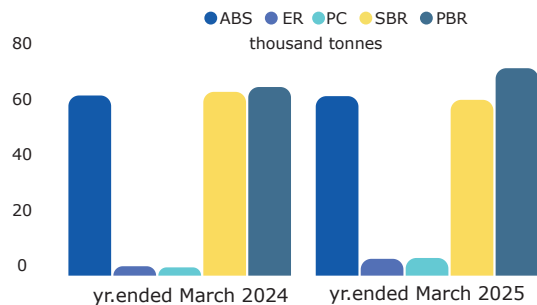
The figures relating to the production of different types of polymeric products including polyethylene (PE), acrylonitrile butadiene styrene (ABS), epoxy resin (ER), polycarbonate (PC), styrene butadiene rubber (SBR), polybutadiene rubber (PBR), polypropylene (PP), polystyrene (PS), polyvinyl chloride (PVC) and polyethylene terephthalate (PET) are as follows:

Production of Polyethylene (PE) by Volume (2024 and 2025)



Source: Ministry of Industry, Mine and Trade

Production of Selected Polymer Produces by Volume (2024 and 2025)



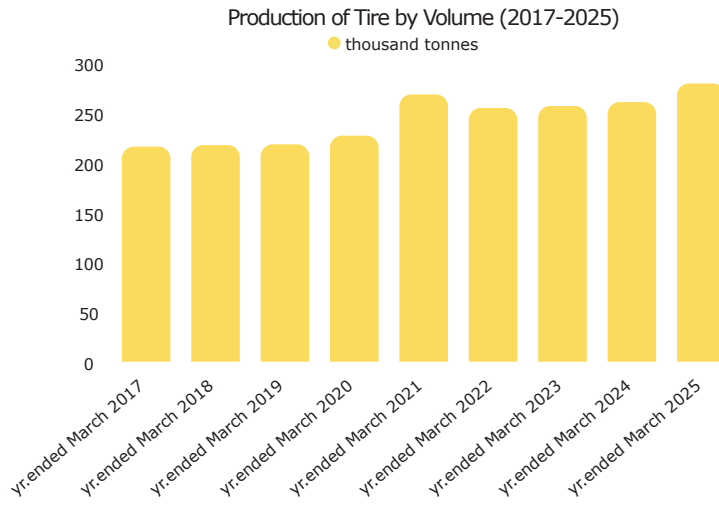
Source: Ministry of Industry, Mine and Trade



Plastic Industry

Plastics and rubber are foundational to key sectors of Iran's economy—including automotive, construction, electronics, healthcare, textiles, and fast-moving consumer goods (FMCG). Iran's tire industry has nearly a 60-year history, with about 11 active manufacturers. Domestic producers currently meet an estimated 70–80 percent of national demand, reflecting self-sufficiency policies,

while imports cover the remainder. Given the contraction of the passenger-vehicle market in 2024, near-term tire demand is expected to be driven more by replacement cycles and commercial-fleet activity than by growth in new-car sales. Recent estimates place the market at roughly USD 2.14 billion in 2025, with annual growth of about 5 percent through 2030.



Source: Ministry of Industry, Mine and Trade





Medicinal and Pharmaceutical Industry

Iran's domestic pharmaceutical industry is one of the most developed in the Middle East and North Africa region (MENA). The industry can be divided into two main fields, namely production and import. 98.3% of the medicine is produced locally and only 1.3% is being imported. In terms of value, 80.9% of the market belongs to local producers and 19.1% to the import market.

The pharmaceutical is considered a high-tech industry, heavily regulated and with large investments going towards R&D activities.

Being a high-tech sector with by far the highest added value per person.

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.

Status of Pharmaceutical Companies in the Year Ended March 2024



Source: Ministry of Health and Medical Education





Steel

Iran has maintained its place as the world's 10th biggest steel producer during January-June 2024, according to the latest data released by the World Steel Association (WSA). With approximately 200,000 people directly involved in this industry according to the World Steel Association, Iran steel production hit more than 30.2 million tonnes in 2025. The Iranian steel industry has experienced significant growth and has been recognized as one of the largest steel producers in the Middle East region.

Iran's steel production has been driven by both domestic demand and export-oriented production. The country has abundant iron ore reserves and possesses the necessary infrastructure for steel production. Iranian steel producers have invested in modern technologies and equipment to enhance production efficiency and product quality. Iran's steel industry consists of various steel mills and plants located throughout the country.



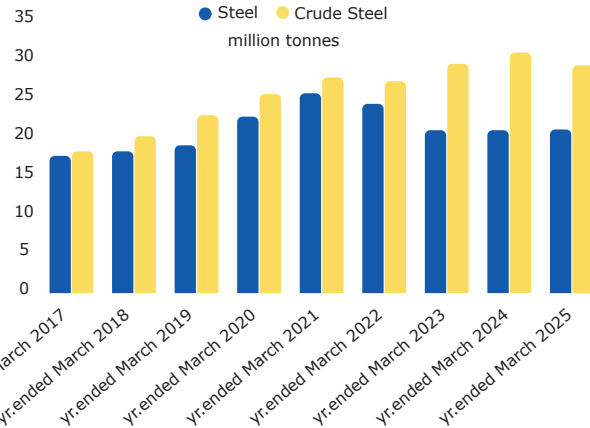


Some of the major steel producers in Iran include Mobarakeh Steel Company, Khuzestan Steel Company, Esfahan Steel Company, and Hormozgan Steel Company.

A total of 51.9 million tonnes of steel and crude steel were produced in the year that ended in 2025. Iran exports steel to more than 120 countries and territories. In 2025, Iran exported a total of 10.5 million tonnes of finished and semi-finished steel products worth USD 5.4 billion.



Production of Steel and Crude Steel by Volume (2017-2025)



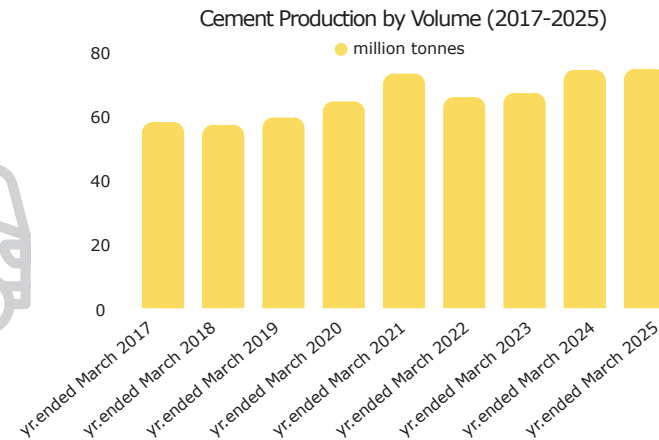
Source: Ministry of Industry, Mine and Trade



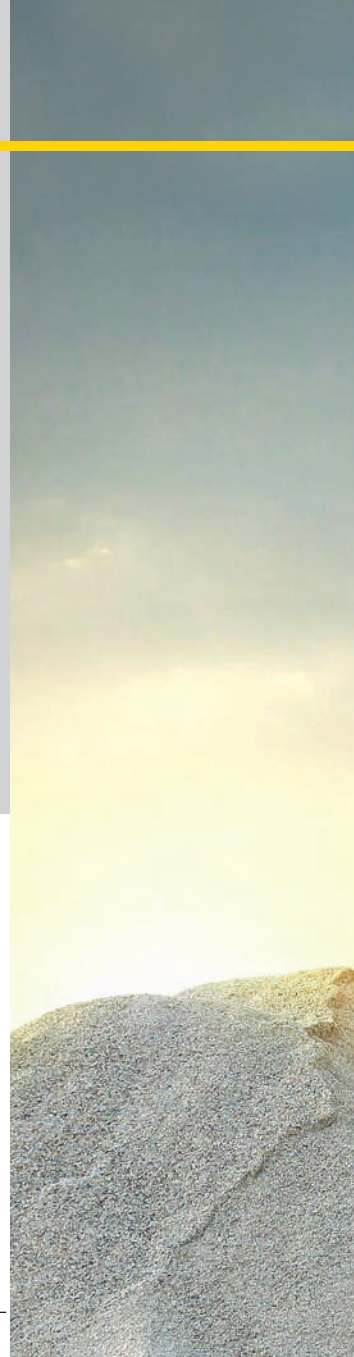
Cement

Iran is one of the world's major cement producers in the world and was ranked the world's 6th biggest producer of cement in 2025 by the United States Geological Survey, with an annual average output of 65 million tonnes. India, Afghanistan, Russia, Iraq, Qatar, Kenya, Kuwait, Sri Lanka, Pakistan, Armenia, Turkmenistan, Kazakhstan, Azerbaijan, Bangladesh, China and Oman are main export destinations for Iranian cement.

The country's cement production capacity both meets domestic demand and allows for exports to regional markets. Iran's cement industry benefits from ample reserves of raw materials, such as limestone and clay, which are essential for cement production. The sector has witnessed substantial growth due to the country's construction boom, urbanization, and infrastructure development. The sector plays a vital role in the country's economy and contributes to employment generation and the overall development of the construction sector in Iran.



Source: Ministry of Industry, Mine and Trade







Automotive Industry

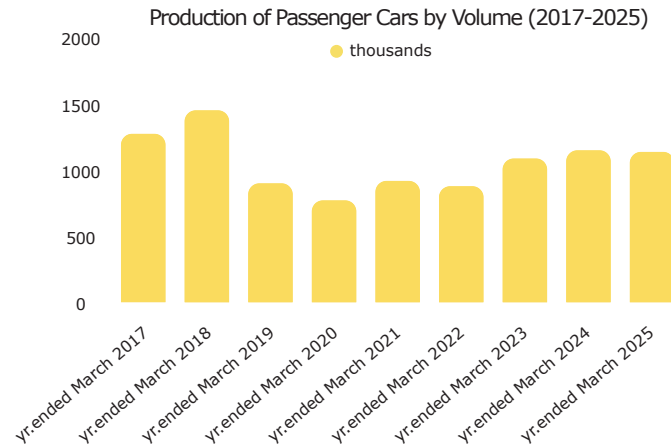
Iran is one of the largest automotive markets in the Middle East. New-vehicle sales are roughly one-third of those in Germany.

The automotive industry in Iran is a significant pillar of the national economy. The country has a well-established manufacturing base that serves domestic demand and supports exports to selected markets. The industry spans passenger and commercial vehicles—including cars, trucks, buses, and motorcycles—and has pursued advances in design, engineering, and production systems to enhance efficiency and product quality.

Domestic demand remains substantial, underpinned by a large population, ongoing urbanization, and an expanding middle-income segment.

Iran's powertrain and component segment has expanded in recent years alongside vehicle demand.

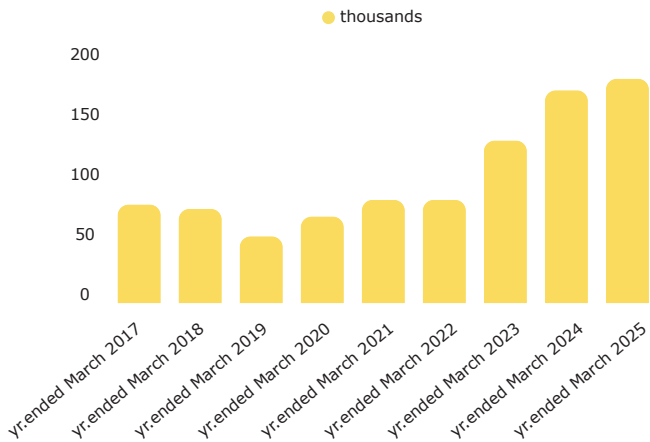
The government has announced initiatives to promote electrification, including measures to stimulate the production and adoption of electric vehicles. Overall, the automotive sector is a vital contributor to employment, economic value added, and technological capability in Iran.



Source: Ministry of Industry, Mine and Trade

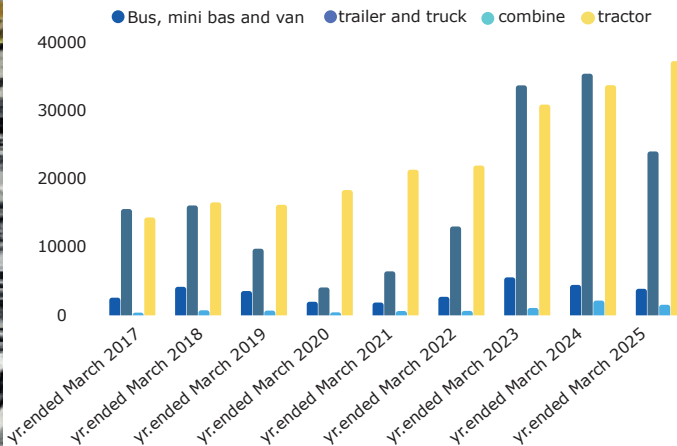


Production of Pickup Truck and Cargo Van by Volume (2017-2025)



Source: Ministry of Industry, Mine and Trade

Production of Bus, Minibus, Van, Trailer, Truck, Combine and Tractor by Volume (2017-2025)



Source: Ministry of Industry, Mine and Trade



Food Products

The food industry is one of the most strategic industries that has been developed with the help of biological technologies in recent years, an area that is not only related to food provision but also has an effective role in the health and safety of society. The growing population leads to an increased food demand especially due to economic development, high urbanization and population dynamics.

The food and beverage industry is among Iran's largest non-oil industries and the leading employer within manufacturing, accounting for approximately 18% of industrial jobs. As of 2024, about 8,300 registered food-processing industrial units were active nationwide—many of them small enterprises—and the segment contributes around 11% of total industrial value added. Iran's food industry is a large, strategic non-oil sector. While policy aims continue to prioritize higher self-sufficiency, the country still relies on imports of key staples—most notably corn, edible oils/oilseeds and rice, and, depending on the harvest, wheat. In the first half of the current Iranian year, imports of "essential goods" (mainly food and feed) were valued at around USD 9.1 billion, with corn, edible oils, and rice being the top items. FAO's GIEWS estimates wheat import requirements at 1.3 million tonnes in 2024/25, well below the five-year average following an above-average 2024 harvest, but notes that requirements are likely to rise again in 2025/26. Structural constraints—especially water scarcity and soil salinity—continue to weigh on agricultural productivity. In packaged foods, Iran recorded sales of roughly 21 million tonnes with an expected approximately 3% annual growth, underscoring the market's scale even as supply depends partly on imports.



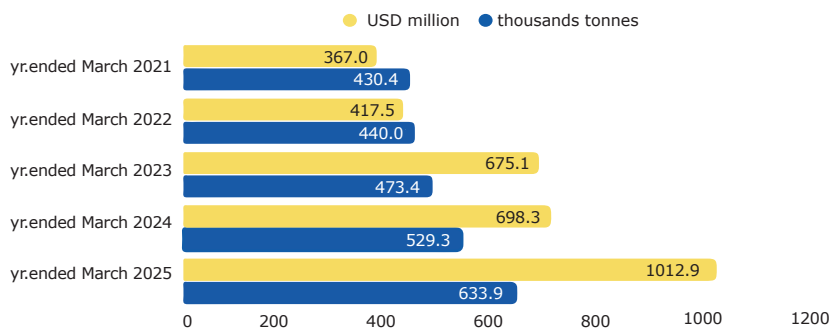
Dairy Products

Iran is a leading dairy player in the region, with a well-developed value chain spanning raw milk to UHT milk, yogurt, doogh, cheese, and milk powder. According to the Ministry of Agriculture_Jahad, milk production reached 12.2 million tonnes in the year that ended in March 2024.

On external markets, dairy exports are on an upward trajectory: in the year that ended in March 2025, exports exceeded USD 1 billion, underscoring strong opportunities—particularly in neighboring markets.

Domestically, despite sharp increases in input costs and higher farm-gate milk prices, the industry faces demand-side pressure. Reports indicate a decline in per-capita dairy consumption compared with a decade ago, which has reinforced a more export-oriented stance among producers.

Export of Dairy Products by Value and Volume (2021-2025)



Source: Trade Promotion Organization



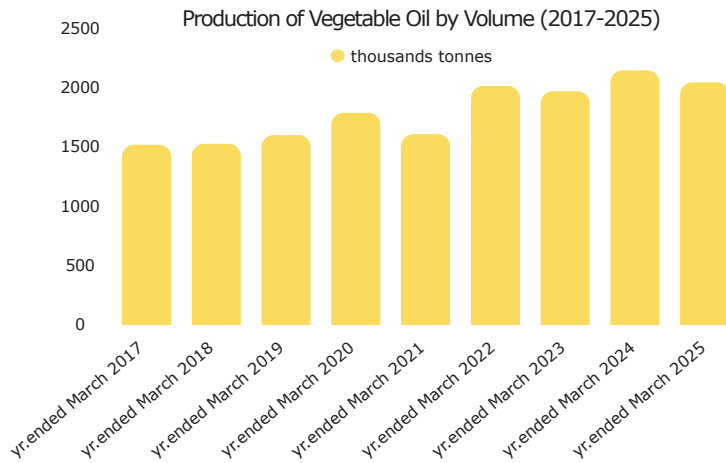
Beverages

Iran's beverages market is sizable and resilient. Carbonated soft drinks remain widely consumed, but the mix is steadily shifting toward bottled water and traditional drinks such as doogh. As of 2025, carbonated beverages account for roughly 20–22% of total volumes. Bottled water stands out: in 2024, output and consumption reached about 7.6 billion liters. The industry benefits from a broad manufacturing base—more than 100 licensed bottling facilities—and beverages contribute roughly 7% to the food industry's value added. For investors, this translates into scale, stable demand drivers, and room for value-added innovation in packaging, distribution, and healthier formulations.



Vegetable Oil

Iran's modern edible-oil industry took shape in the mid-1950s. In general, seed-crushing/extraction and refining units are located not only near the country's main oilseed-growing belts in the north and northwest—especially Golestan, Mazandaran, and Ardabil—but also adjacent to ports, reflecting the sector's heavy reliance on imported oilseeds and crude oil. In the year that ended in March 2025, according to data published by the Ministry of Industry, Mine and Trade, more than 2 million tonnes of vegetable oil were produced and distributed nationwide. Despite this growth in output, import dependence remains very high; reports estimate that imports account for about 90% of oilseed and crude-oil inputs. The government has announced a 10-year target of achieving 70% self-sufficiency in oilseeds, though meeting this goal will require reducing import reliance and expanding domestic oilseed cultivation.



Source: Ministry of Industry, Mine and Trade



Cookies, Chocolate and Biscuits

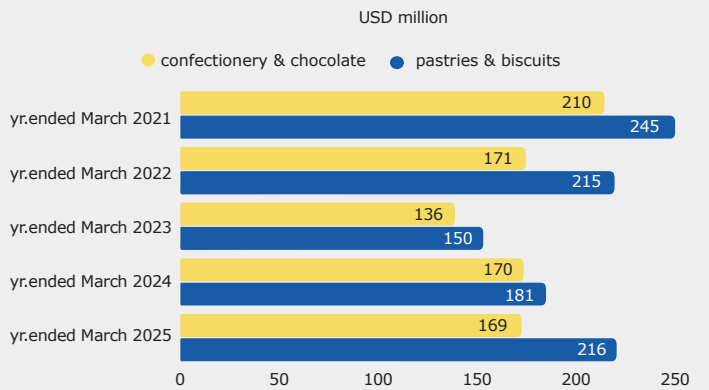
Iran's confectionery and chocolate industry is longstanding and remains a significant contributor to the country's non-oil exports. The country has more than 60 years of experience in biscuit and chocolate manufacturing, and the variety and output of these products have expanded in recent years.

In the year that ended in March 2025, exports of confectionery and grain-based products—including confectionery and chocolate, cereal products, pastries and biscuits—totaled USD 405.7 million. Shipments reach more than 60 markets, with nearby destinations—such as Iraq,

Afghanistan, Gulf Cooperation Council (GCC) countries, and parts of the Commonwealth of Independent States (CIS) and Europe—consistently among the top buyers.

The industry is predominantly private and highly diversified across biscuits, wafers, chocolate, and sugar confectionery, with over 95% of enterprises in private ownership. On the supply side, Iran also benefits from a substantial domestic equipment base—industry reports indicate that a large share of confectionery machinery is sourced locally—which helps reduce costs and shorten project lead times.

Export of Confectionery and chocolate, pastries and biscuits by Value (2021-2025)



Source: Trade Promotion Organization





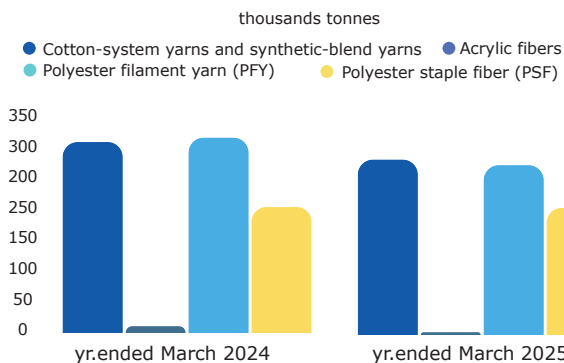


Apparel Industry

Iran's apparel industry is built on a broad, people-centered foundation. Estimates point to around 500,000 direct jobs and more than 400,000 retail and industrial establishments active across the production and distribution chain. This scale has created a dense nationwide network of SMEs and specialized workshops, linked to support infrastructure in industrial parks and extending into marketing, distribution, and online retail—a combination that facilitates access to the domestic market.

On the demand side, Iran offers a large and dynamic home market of over 86 million people, making it attractive for branding, custom manufacturing, and scalable production.

Production of Cotton-system yarns and synthetic-blend yarns, Acrylic fibers, Polyester filament yarn (PFY), Polyester staple fiber (PSF) by Volume (2024 & 2025)



Source: Ministry of Industry, Mine and Trade





Globally, the apparel market was valued at about USD 1.74 trillion in 2023 and is projected to approach USD 2 trillion by 2028, underscoring the potential for Iranian manufacturing to plug into regional and international demand. The industry's buyer-driven structure worldwide, combined with the growing share of digital platforms, gives agile Iranian players greater room to respond quickly to fashion trends.

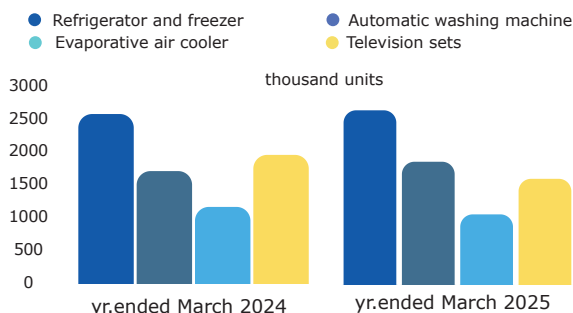
In terms of inputs and market access, Iran's materials base is diverse. On natural fibers, domestic cotton production has moved to higher levels; on synthetics, the domestic petrochemical chain provides substantial feedstock for polyester and other polymers. Geography also enables multiple export routes: southern ports, the International North–South Transport Corridor (INSTC), and—effective from 2025—a free trade agreement with the Eurasian Economic Union (EAEU) that lowers tariff barriers. Together, these factors reduce logistics cost and time and broaden entry points into surrounding regional markets.



Home-Appliances Industry

Iran's home-appliances industry is built on a broad, manufacturing-centric foundation. A dense nationwide network of SMEs and integrated OEMs spans sheet-metal fabrication and forming, plastic injection molding, motor, compressor manufacturing, PCB assembly, and final assembly—linked to support infrastructure in industrial parks and extending through marketing, distribution, and online retail. This structure enables rapid scaling, short lead times, and a wide product portfolio—from refrigerators and freezers and automatic washing machines to split-type air conditioners, cooking ranges, and small domestic appliances—serving a domestic market of over 86 million people.

Production of Refrigerators and Freezers, Washing Machines, Evaporative Air Coolers, and Televisions by Volume (2024 & 2025)



Source: Ministry of Industry, Mine and Trade





According to data published by the Ministry of Industry, Mine and Trade, output in the four tracked categories—refrigerators and freezers, washing machines, evaporative air coolers, and televisions—exceeded 7.1 million units in the year that ended in March 2025. Over the same period, exports of large, energy-intensive appliances totaled USD 215.9 million, reinforcing the sector’s export orientation.

Upstream inputs and market access provide additional advantages. Iran’s petrochemical industry supplies polymer feedstock for housings, components, and packaging, while domestic steel production underpins chassis and cabinetry. An active network of electric-arc furnaces (EAFs) and clusters specializing in motors, compressors, PCB manufacturing, and plastic components reduces sourcing risk and shortens cycle times.



Government Vision/Outlook





Industry Outlook

The Seventh Plan for “Industry, Mining, and Manufacturing” is anchored in sustainable growth. It targets average annual value-added growth of 8.5% in industry and 13% in mining. The plan is to achieve these rates through capacity expansion, productivity gains, and systematic upgrading of value chains. By the end of the plan period, petrochemical production is slated to reach 131.5 million tonnes in total output, including 8.6 million tonnes of polyethylene, alongside the expansion of propylene chains and methanol derivatives. In steel and iron ore, the program calls for the delineation of 3.8 billion tonnes of proven iron-ore reserves, 137.5 million tonnes of annual ore extraction, and a 10% reduction in steel production scrap and waste; crude steel output will be aligned with realized iron-ore extraction. For base and precious metals—copper, aluminum, coal, and lead-zinc-gold—the plan foresees capacity increases across key products, from concentrate to cathode/ingot, as specified in the official table. In automotive, the installed capacity is set at 3.0 million vehicles per year, with 500,000 end-of-life vehicles scrapped annually, 500,000 battery-electric and hybrid vehicles supplied each year, and exports of parts reaching 20% of domestic production. In machinery, the plan anticipates an additional USD 250 million per year in domestic manufacturing of industrial equipment and 15% year-on-year growth in exports. On the exploration front, it targets 2 million line-kilometers of airborne geophysics and other modern methods.

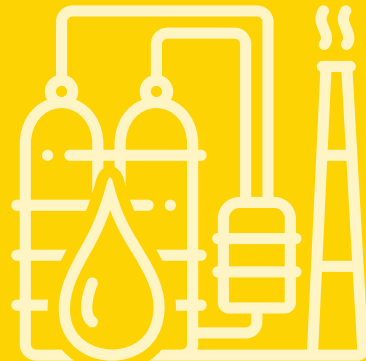


The plan also secures essential utilities. Industrial and mining facilities are allowed to develop distributed generation or implement energy-efficiency projects, and the electricity generated or saved will be credited to the facility under contract and cannot be curtailed beyond contractual terms; renewable projects near mines benefit from defined exemptions. Water-intensive industries must transition to non-conventional sources—treated wastewater and seawater desalination. After the transition window, the tariff for conventional water will be indexed to the average cost of substitutes, and industrial parks will have priority access in wastewater auctions. Institutional and ecosystem measures complement these steps. A national program for industrial clusters and the creation of specialized parks (e.g., information technology, creative and clean industries) will proceed in parallel with the repossession of idle plots in industrial parks via provincial taskforces and streamlined in-park expansions.





The plan mandates localization of at least 10% per year of strategic items through knowledge-based firms and channels export levies/taxes on raw mineral and hydrocarbon/petrochemical flows to strengthen the innovation fund. Priority technology tracks include artificial intelligence, quantum, bioengineering, advanced materials and manufacturing, microelectronics, and neurotechnology. Externally, trade policy emphasizes deeper PTAs/FTAs (including with Eurasia) and standards harmonization to facilitate industrial exports. In market governance, the approach shifts toward transparent regulation across value chains, while administrative price controls remain limited to subsidized staples, monopolies, and public services.





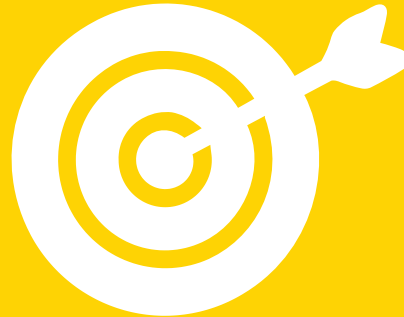
Quantitative Targets for Industry, Mining, and Production Growth (End of Plan)

Sector	Performance Metric	Unit	Target by End of Plan
Petrochemicals	Total petrochemical products output	million tonnes	131.5
Petrochemicals	Propylene and propylene-chain output	million tonnes	11.6
Petrochemicals	Downstream output of the methanol chain	million tonnes	0.7
Petrochemicals	Downstream output of the ethylene chain (excl. polyethylene)	million tonnes	3.3
Petrochemicals	Polyethylene output	million tonnes	8.6
Petrochemicals	Aromatics downstream output	million tonnes	3
Steel	Proven iron-ore reserves to be delineated	billion tonnes	3.8
Steel	Annual iron-ore extraction	million tonnes	137.5
Steel	Annual crude steel (billet/ingot) output	million tonnes	Aligned with ore extraction
Steel	Annual long products output	million tonnes	41
Steel	Annual flat products output	million tons	18.3
Steel	Recovery of iron content from mine/plant tailings	percent	10
Steel	Reduction of steel production scrap/waste	percent	10
Steel	Share of gas demand met via gas savings in other sectors	percent	30
Mining (Exploration)	Airborne geophysics & other modern exploration	million line-kilometers	2
Machinery	Increase in domestic manufacturing of industrial machinery & equipment	million USD/year	250
Machinery	Growth in exports of industrial machinery & equipment	percent/year	15

Sector	Performance Metric	Unit	Target by End of Plan
Copper	Proven copper-ore reserves to be delineated	billion tons	22
Copper	Copper concentrate output	thousand tons	3,360
Copper	Copper cathode output	thousand tons	800
Copper	Copper products (rod, sections, tube, flat)	thousand tons	600
Aluminum	Annual exploration of aluminum reserves (metal content)	million tons	4
Aluminum	Annual alumina capacity (domestic feedstocks prioritized)	million tons	1.6
Aluminum	Annual aluminum ingot capacity	million tons	1
Aluminum	Annual aluminum products capacity (rod, pipe, profiles, flat, ...)	million tons	1.2
Coal	Coal extraction	million tons	4
Coal	Coking-coal concentrate capacity	million tons	2
Coal	Metallurgical coke capacity	million tons	1.2
Lead, Zinc & Gold	Lead (ingot) annual capacity	thousand tons	400
Lead, Zinc & Gold	Zinc (ingot) annual capacity	thousand tons	450
Lead, Zinc & Gold	Gold (bullion) annual production & supply	tons	25
Automotive	Production capacity for passenger & commercial vehicles	units/year	3,000,000
Automotive	Scrappage of end-of-life vehicles	units/year	500,000
Automotive	Supply capacity for EVs & HEVs	units/year	500,000
Automotive	Export of parts & spares (share of domestic production)	percent	20



Investment 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
Industry, Mining & Services (Hospital & Hotels) in Industrial Parks and Special 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 Special Economic Zones	13 Years
Investment in Information Technology(IT), Artificial Intelligence(AI) & Renewable Energy Projects in Technology Parks	15 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



Foreign Investment Protections & Facilitation (FIPPA – Non-Tax)

The Foreign Investment Promotion & Protection Act (FIPPA) (passed in 2002) provides a framework to protect and encourage foreign investors and enables investment across economic sectors in Iran. Only investors who obtain a FIPPA license can benefit from the related protections and facilities, which are granted by the Organization for Investment, Economic and Technical Assistance of Iran (OIETAI).

- These protections and facilitations apply only to investors who hold a FIPPA license.
- Recognition and protection of foreign investors' rights and interests, including coverage and support against non-commercial risks.
- Compensation in cases of unlawful disruption or delay of activities, where the state is required to fulfill its obligations when a project is stopped or delayed due to state action.
- The right to transfer capital, dividends, and profits in foreign currency or goods, subject to applicable foreign-exchange and banking regulations and the procedures and approvals of the relevant authorities, including facilitation of repatriation to the investor's home country or another destination designated by the investor.
- No cap on participation share, the ability to register an Iranian company with 100% foreign ownership, equal treatment of domestic and foreign investors, permission to invest in all fields open to the private sector, and a fast, streamlined approval process.
- A five-year residence permit for investors, foreign managers and experts, and their first-degree relatives under the FIPPA framework.

Corporate Income Tax Regimes, Zero-Rate Periods and Export-Linked Incentives

Domestic production under a reputable brand and export threshold (Zero-rate):

- A foreign company produces in Iran under a reputable or recognized brand, uses the capacity of an Iranian manufacturing unit, and exports at least 20% of its output.
- Income derived from the activity may qualify for a zero corporate income tax rate for a specified period.
- After the zero-rate period, the Iranian manufacturing unit may receive a 50% corporate income tax discount, subject to the stated conditions.

Export income tax exemptions (non-oil & other cases):

- Export income derived from non-oil goods and services and agricultural products is eligible for a 100% exemption, with specific treatment applicable to raw materials.
- Export income derived from products imported into Iran in transit is eligible for a 100% exemption.

Export-linked rate reduction for foreign-investment inputs:

- A 50% reduction in the corporate income tax rate applies.
- At least 20% of the goods produced using foreign investment inputs must be exported.

Less-developed areas (profit-to-capital test and foreign-investment uplift):

- Where taxable income does not exceed twice the registered capital, that income is fully exempt (100%).
- For each 5% increase in foreign investment, an additional 10% is added to the two incentives referenced in the text, up to a maximum of 50%.





Innovation & Knowledge-Based Economy (Tax Credits and Exemptions)

R&D tax credit (carry-forward):

- Eligible qualifying R&D expenditures.
- A tax credit equal to qualifying R&D costs may be deducted from the final tax liability in the same year and or carried forward to future years.

Knowledge-based entities (long-term exemptions and employment add-on):

- A 20-year tax exemption applies to qualifying income streams, including contracts, R&D, commercialization, and knowledge-based services.
- A 20-year tax exemption applies to qualifying income streams, including contracts, R&D, commercialization, and knowledge-based services.

Capital market and corporate investment into technology and knowledge-based firms.

- Listed companies on the Tehran Stock Exchange (TSE) or Iran Fara Bourse (IFB) and or companies that meet the specified registered capital threshold invest directly in knowledge-based or technology entities.
- A tax credit of up to 30% of the investment amount may apply.

Indirect investment through eligible funds, including research and technology funds and other qualifying financial institutions:

- Indirect investment is made through eligible funds or entities, subject to qualifying expenditures and the required approvals.
- A tax credit equal to the indirect investment amount may be granted, subject to the conditions set out in the text.

Startups operating inside versus outside Science and Technology Parks (STPs).

- Startups located inside an STP are eligible for a 20-year corporate income tax exemption on qualifying income, together with the employee wage and income tax exemption treatment described in the applicable framework.
- Startups located outside an STP are eligible for a 15-year corporate income tax exemption, subject to the specified eligibility framework and qualifying income criteria.





Investment Incentives in Free Trade-Industrial Zones

Iran's Free Trade-Industrial Zones (FTZs) are strategic economic hubs designed to offer investors a seamless and profitable business environment. Operating under a special legal and administrative framework, these zones provide unparalleled advantages for export-oriented production, international trade, and transit, thanks to simplified regulations and significant financial incentives.

With a focus on attracting foreign capital and technology, these zones serve as ideal gateway to access vast markets in the region and beyond, leveraging Iran's unique geographical position at the crossroads of Asia and Europe.

Key Investment Advantages:

- **100% Foreign Ownership:** Full company registration and ownership rights for foreign entities with no need for a local partner.
- **20-Year Tax Holiday:** Complete exemption from income and property taxes for a period of two decades from the date of establishment.
- **Full Repatriation of Capital & Profits:** Unrestricted transfer of investment capital and earned profits out of the country.
- **Streamlined Customs Procedures:** Duty-free import of raw materials and production machinery with minimal bureaucracy.
- **Strategic Logistic Access:** Prime connectivity to major transnational transit corridors like the International North-South Transport Corridor (INSTC).
- **Reduced Levies & Duties:** Enjoy significantly reduced levies—up to 50% lower than standard rates—on the import of raw materials, production machinery, construction permits, operating licenses, and other key inputs for priority projects
- **Flexible Payment Terms:** Low advance payment (max 20%) and extended grace period on land payments until operation.

Iran's Free Trade-Industrial Zones (FTZs) comprise eight designated hubs, including **Kish, Qeshm, Chabahar, Aras, Anzali, Maku, Arvand, and the Imam Khomeini International Airport Free Zone.**

In addition, a number of other free zones have been established in the past decade and are currently in various stages of development and operation.





Investment Incentives in Special Economic Zones

Iran's Special Economic Zones are designated geographical areas at key entry and exit points of the country. They are established to create an optimal platform for industrial, production, and commercial activities, and enhance the export of goods and services for an active presence in regional and international markets.

The core focus of these zones is the simplification of commercial processes. Consequently, they operate under more liberal trade regulations, various tariff and customs duty exemptions, and streamlined currency formalities compared to the mainland.

Key Features & Advantages:

- **Duty-Free Imports:** Exemption from customs duties on the import of production line machinery, tools, and office equipment.
- **Value-Added Customs Model:** Duty is only paid on the foreign-added value of components used in production, not on the final product.
- **15-Year Tax Discount:** Significant tax reduction for a period of fifteen years.
- **Simplified Permits:** Free issuance of construction and operation permits.
- **Flexible Labor Regulations:** Adoption of the special labor law, governing Iran's Free Trade-Industrial Zones.
- **No Time Limit on Goods:** Abolition of the time limit for classifying cargo as «abandoned goods» within the zone.
- **Strategic Locations:** 34 active SEZs across Iran, offering diverse strategic advantages for investment.





Privileges and Legal Exemptions in Mainland, Free Zones and Special Economic Zones

Topic	Mainland	Free Zones	Special Economic Zones
Foreign nationals visa	Visa Requirement	No Visa Requirement	No Visa Requirement
Foreigners' employment	Subject to the issuance of an employment permit and in accordance with the rules of employment of foreign nationals	Specific incentives in accordance with the regulations of the Employment of Manpower	Specific incentives in accordance with the regulations of the Employment of Manpower
Possibility of importing goods and raw materials without paying customs duties and customs benefit taxes	In limited particular cases Exempted	Exempted	Exempted
Customs duties on import of manufactured goods to mainland	Subject to customs procedures	In-part exemptions on the basis of added value and domestic raw materials (Value Added Commission)	In- part exemptions on the basis of added value and domestic raw materials (Value Added Commission)
Export of goods and equipment abroad	Subject to mainland export regulation	Without the changes subject to export regulations	Without the changes subject to export regulations
Import of commercial goods into mainland	Subject to customs procedures	Applying specific incentives to reduce customs benefit taxes	Subject to customs procedures
Tax exemption on economic activities	Only in industrial parks and deprived regions from 5 to 13 years	year exemption-20	Between 7 to 13 years
Monetary and banking operations	In accordance with national monetary and banking regulations	Establishment of bank and credit institutions with domestic and foreign capital are permitted	In accordance with national monetary and banking regulations
Cross border banking	Not allowed	Possibility to establish branch and foreign bank	Not allowed
External car traffic	Allowed temporary passage in limited time	Allowed in the authorized radius	Not allowed
Import of machinery and equipment	Tariff payment according to the year of manufacture required	Exempt from paying tariffs regardless of year of manufacture	Exempt from paying tariffs regardless of year of manufacture







Industry Sector Investment Opportunities



Given the central role of industry in national output and its spillovers into other parts of the economy, this sector stands out as a cornerstone of Iran's growth story. With deep capabilities across petroleum, steel, automobiles, food processing, and more, Iran offers a broad platform for investment across interconnected value chains.

Downstream Oil, Gas and Petrochemicals

- Advanced downstream products built on modern technologies and engineering
- Polymeric materials and conversion industries
- Inputs for pharmaceuticals and new pharmaceutical products
- High value-added hygiene and personal-care products
- Coatings, paints, and specialty chemicals with strong export potential
- Refinery products and diversified petrochemical outputs

Ferrous and Non-Ferrous Metals

- Refining and upgrading of chromium and manganese
- Recovery of precious and strategic elements from process streams and residues
- Titanium processing and titanium dioxide pigments
- Gold concentrates and bullion
- Polysilicon and silicon metal
- Extraction and processing of rare earth elements and magnesium from dolomite
- Lead and zinc recycling to obtain silver, cadmium, and cobalt
- Ferroalloys, including ferromanganese and ferrosilicon-manganese
- Aluminum and copper value chains: billets, foils, tubes, seamless pipes, and fine-gauge wires
- Alloy steel wire in coils
- Forged flanges meeting oil, gas, and petrochemical industry standards
- Lightweight forgings for the rail sector
- Cast-iron automotive parts and forged connecting rods

Iron and Steel

- Electric-arc furnace steelmaking and secondary metallurgy
- Continuous casting and downstream hot/cold transformation
- Sheet and strip, rod and wire, pipes and hollow profiles
- Billets, direct-reduced iron, semi-finished products
- Steel materials and components for rail infrastructure

Non-Metallic Mineral Industries

- Cement products and modernization of brick and building-materials technologies
- Industrial refractories, refractory fibers, lightweight refractory parts and masses
- Glass, specialty glass, glass fibers, basalt and ceramic fibers, glass foam
- Porcelain and advanced ceramics, ceramic inks and coatings, rollers, and industrial ceramics
- Hydrated lime, calcined dolomite, activated bentonite, coal briquettes and concentrates
- Processing and finishing of precious and semi-precious stones, zeolite and fluorine processing
- Refractory insulation boards and electro-graphite products
- Laboratory and pharmaceutical glassware, cellar and container glass
- Nano-enabled glass applications and digital printing solutions for ceramics

Food and Beverage

- Sweeteners and carbohydrate derivatives
- Food flavors, essences, and herbal extracts
- Approved food additives and functional ingredients
- Probiotics and nutritional supplements
- Cold-chain and industrial refrigeration equipment



Automotive, Transport and Mobility Manufacturing

- Vehicle manufacturing across light and heavy segments
- Trailers, transport equipment, and automotive electricals and components
- Marine equipment, shipbuilding, and merchant-fleet vessels
- High-speed rail equipment and rolling stock
- Drilling rigs and specialized industrial vessels
- Signaling, safety, and traffic-control systems for railways, trams, highways, and roads
- Infrastructure solutions: parking facilities and airports
- Mining locomotives, train wagons, and interior systems for compartments
- Electric two-wheelers and next-generation mobility platforms
- Structural metal products, tanks, generators, and boilers

Industrial and Mining Machinery and Equipment

- Engines, turbines, pumps, compressors, bearings
- Gears and mechanical power-transmission systems
- Mining machinery, machine tools, and production-line equipment
- Electrical machinery and appliances manufacturing
- Communications and computing devices
- High-tech medical devices, optics, and precision instruments
- Abrasive and cutting tools with micron and nano-diamond coatings



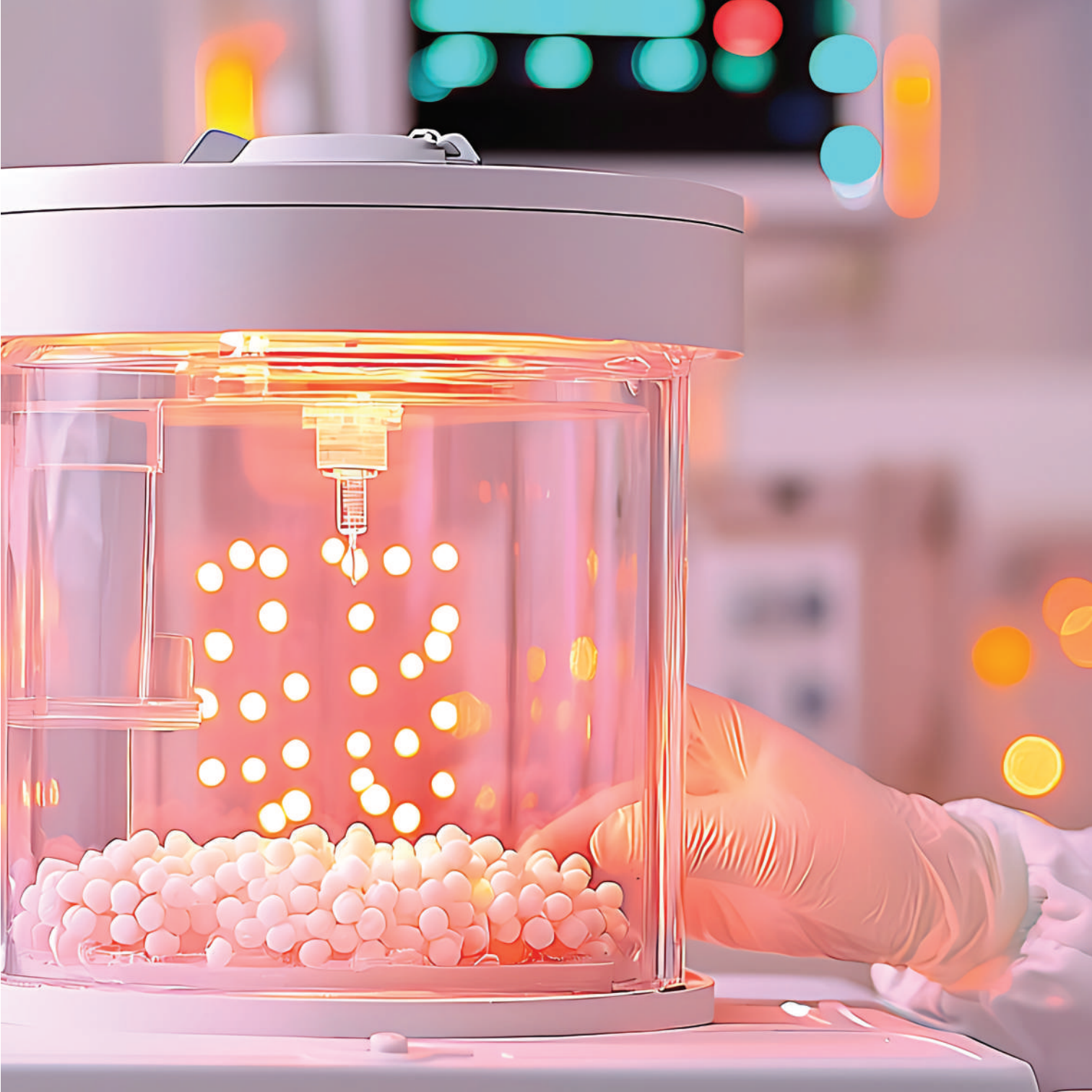
Rubber and Plastics

- Processing of virgin and recycled resins into intermediate and finished goods
- Tires for road, industrial, and specialty applications
- Conveyors and mobile-equipment components
- Aerospace and mobility plastics, toys, wallcoverings, and diverse consumer goods

Light Industry

- Textiles, apparel, and leather goods with modern, efficient production systems
- Pulp, paper, and cellulose-based products
- Digital printing, automation, and contemporary manufacturing techniques for quality and export readiness









Tehran Chamber of Commerce,
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www.tccim.ir



Organization for Investment, Economic
and Technical Assistance of Iran
www.investiniran.ir



Ministry of Economic Affairs and Finance
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