

Investment Climate of the Islamic Republic of Iran

Provision of Several Investment Areas

Distinguished audience

Agriculture is a major economic sector in Iran, with a great potential for development. It has a huge share in country's GDP (13.1%) as well as total employment (18%). According to an estimation, Iran's agricultural sector is going to grow by 4% annually and create an estimated number of 250,000 jobs by 2035. Such growth would require about USD 70 Billion worth of investment which needs to be placed on both productivity improvements and adaption of modern agricultural techniques and technologies. These efforts will need to be accompanied by careful management of water resources, which are scarce and at times used wastefully. Drawing on its diverse climate, natural resources and ecological foundations, Iran produces a long array of agricultural products some of which, such as saffron, pistachios and caviar, hold worldwide reputations. According to FAO, Iran is in the third rank in terms of the diversity of the agricultural products it produces in the world.

Iran's proximity to a large regional market, that of its neighboring countries, and also having adequate land and air transit infrastructure has made Iran one of the top exporters of agricultural products.

Food security

- Food security is a global challenge that requires collective action and cooperation among countries.
- Iran, as a member of CICA, is committed to contributing to the food security of the CICA member countries and beyond. Iran has a rich and diverse agricultural heritage, with a variety of crops and livestock products. Iran is also a major exporter of food commodities, such as pistachios, dates, saffron, and caviar.
- Iran proposes to become a food hub to ensure food security across CICA countries. A food hub can enhance food security by increasing the availability, accessibility, affordability, and quality of food for all.

- Iran invites the CICA member states and other stakeholders to join its initiative of becoming a food hub, support proper foreign direct investment to that end, and to explore the potential benefits and synergies of this approach. Iran believes that by working together, we can achieve food security, and contribute the sustainable development of our countries and regions.

Investment incentives

- The fourth rank in the world in terms of the variety of agricultural products in the world
 - Guaranteeing compensation for losses caused by the prohibition or suspension of the implementation of financial agreements in foreign investments by the method of contractual arrangements due to the enactment of laws or government decisions (Article 17 of the Law and Article 26 of the Bylaws)
 - The possibility of acquiring land in the name of the company (registered in Iran) in joint investments, (Article 34 of the Bylaws)

Guaranteed purchase of livestock products through the livestock affairs support company with price announcement.

It is important to consider that Iran is among the top 7 countries in the world in terms of exporting agricultural products, and this can especially encourage investors to implement side projects such as the development of modern and mechanized irrigation, etc.

Renewable energies

Iran is one of the most populous and high-consumer countries in the field of electricity. Therefore, the use of fossil fuels in the not too distant future will cause the loss of energy sources.

In the vision plans, obtaining new energy and using it for domestic and industrial purposes of the country is highly emphasized.

I.R.Iran is one of the countries in the world that has a lot of potential in producing energy in new ways due to the high level of radiation.

According to the obtained statistics, Iran has about 300 sunny days throughout the year, which is a significant capacity for solar power plants. In addition, the windy areas of the country also have a favorable area for wind turbines.

Investment opportunities in the renewable energy sector

- High number of sunny days.
- The extent of the desert lands (direct and prolonged sunlight)
- Extensive windy areas
- The water boundaries of the Caspian Sea and the Persian Gulf

Investment incentives in the renewable energy sector

Considering the priority of this sector for the country and the existence of various opportunities in Iran in order to support and encourage the potential investors to enter this type of investment, the government of I.R.Iran has considered incentives in its laws and contracts, among these incentives include the following.

- Guaranteed purchase of electricity (for 20 years)
- Increase in electricity purchase tariff
- Removal of import tax on electrical equipment
- Providing facilities for equipping and operating wind and solar power plants
- Free access to lands with high radiation levels (direct and prolonged sunlight).

Thank you for your attention