

# EIC COUNTRY REPORT

## IRAN

### Executive summary

Until very recently UK companies were unable to conduct much business with Iran as the country was under extensive sanctions from the UN, US and EU. On 16 January 2016, Implementation Day of the Joint Comprehensive Plan of Action – the international agreement over Iran's nuclear programme – economic sanctions were lifted on Iran following an announcement by the International Atomic Energy Agency that Tehran had dismantled significant elements of its nuclear programme.

This lifting of most of the economic and financial sanctions now means that the UK and its companies are able to freely trade with the Islamic Republic of Iran.

The country is the second largest economy and second most populated country in the Middle East and North Africa region, and ranks as the 26th largest economy in the world with an estimated gross domestic product (GDP) of US\$393.7bn in 2015. Real GDP growth in 2016 and 2017 is expected to reach 4.2% and 4.6%, respectively.

Iran has implemented its sixth development plan, covering the 2016–21 period. The plan envisages attracting US\$50bn per year in private investment and to create investment

opportunities of US\$1.5tn between 2016 and 2025 for domestic and foreign investors. Within this plan, Iran considers the reform of state-owned enterprises and the financial and banking sector, with the allocation and management of oil revenues being one of the government's main priorities.

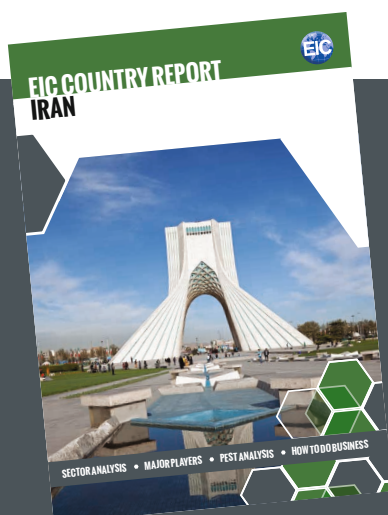
The Iranian upstream sector aims to produce 4.7m barrels of oil per day and 306bn cubic metres of gas per year by the end of the five-year plan, involving the development of 31 priority fields that will require approximately US\$130bn of investment. The country is also planning the construction of four new refineries and the upgrade of five existing ones. Iran has ambitious plans for its downstream sector to overtake Saudi Arabia as the largest regional petrochemicals producer, targeting 180m tonnes per year of design capacity by 2025.

The power sector is also full of opportunities, where plans are in place for the construction of 5GW of new generation capacity each year, reaching a total capacity of over 100GW by the end of the plan. While construction of new gas-fired power plants and optimisation of existing single-cycle plants will account for most of this capacity, Iran has also set itself the formidable target of producing 20GW of

nuclear energy by 2030.

The country's renewable sector is also expected to grow steadily and reach 5GW of total installed solar and wind capacity by 2020.

While numerous and potentially significant opportunities do exist in the country - the biggest new market to enter the global economy in over a decade - UK companies need to be aware that doing business in country will be challenging.



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To buy a copy of the report, please contact Neil Golding, Head of Oil & Gas and Business Development

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## Other recommended EIC events and activities

To compliment this report, we've suggested related EIC events and activities that will give you a complete picture of the Iranian energy industry.

These will provide you with the latest market updates, connect you with key players in the country and give you an insight in how to do business in Iran.

### Overseas delegation to Iran

**11–13 September 2017**

EIC overseas delegations are the perfect way to learn about a new market in a supportive environment or strengthen existing business relationships.

During your time in Iran with the EIC you'll meet lots of senior decision makers from the country's major players and potential local partners, as well as learning about procurement processes and local content laws.

This delegation is the perfect way to find out about the Iranian market and decide if it's a good fit for your company.

As Iran opens up to foreign investment, this delegation is your fast track to the front of the queue.

For more information and to book your place please visit: [www.the-eic.com/Events](http://www.the-eic.com/Events)

