

Executive Summary

This country fact sheet provides key trade and investment related statistics for Iran. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Iran in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. The key highlights in the fact sheet are provided below:

Economics

- Iran is grappling with the impact of the COVID-19 crisis. With more than 1.7 million cases recorded, as of mid-March 2021, and 61,000 deaths, it remains the worst affected country in the Middle East and North Africa region. After stricter lockdown measures in late-2020, the number of new, confirmed cases stayed stable and the number of deaths fell below 100 persons a day. However, a gradual relaxation of lockdown measures raises the likelihood of a fourth wave of COVID-19 cases. The vaccination of frontline medical workers started in February 2021, but full coverage of Iran's large population of 84 million will take time (World Bank, 2021).
- Iran ranked 127th out of 190 countries in terms of the Ease of Doing Business. Iran's best ranking sub-categories were and registering property (70th) and dealing with construction permits (73rd).

Trade

- Polymers of ethylene were the leading export product category, valued at USD2,32bn. Crude petroleum oils and oils obtained from bituminous minerals, and acyclic alcohols and their halogenated ranked second and third valued at USD1,34bn and USD0,92bn, respectively.
- South Africa exported goods to the value of USD2,55m to Iran in 2020 compared to USD96,50m in 2011, representing a decline of 97,35%, while imported goods were valued at USD3,80bn 2011 compared to USD2,44m in 2020, which is a 99,94% decline.
- The Western Cape exported goods to the value of USD280,500 in 2020 compared to USD159,810 in 2019, representing an increment of 75,52%, while imported goods were valued at USD243,650 in 2020 compared to USD212,260 in 2019, which represents an increment of 14,79%.

FDI

- Between January 2007 and July 2021 a total of 183 FDI projects were recorded into Iran. These projects represent a total capital investment of USD33,97bn, which is an average investment of USD185,6m per project. During the period, a total of 30 213 jobs were created. FDI value peaked in 2016 with USD2,54bn, whereas projects peaked in the same year with 11 recorded.

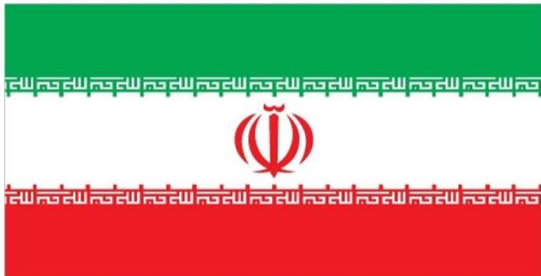
Table of Contents

Table of Contents.....	2
1. Country Overview	3
2. Economic Overview.....	4
2.1 Impact of Covid.....	5
2.2 Doing Business in Iran.....	5
2.3 Iran’s Risk Ratings	6
2.4 Logistics	7
3. Trade.....	8
3.1 Trade in services	8
3.2 Trade in goods	9
3.3 Iran’s trade with South Africa.....	11
3.4 Iran’s trade with the Western Cape	13
3.4 Trade agreements.....	14
3.5 Trade regulations and standards.....	14
3.6 Tariffs.....	15
4. Foreign Direct Investment	16
4.1 Global FDI into Iran.....	16
4.2 Outward FDI from Iran to the rest of the world.....	18
4.3 Inward investment from South Africa into Iran	20

1. Country Overview

Iran, also known as Persia, is officially the Islamic Republic of Iran. The country is situated in Western Asia. It is bordered to the northwest by Armenia and Azerbaijan, to the north by the Caspian Sea, to the northeast by Turkmenistan, to the east by Afghanistan, to the southeast by Pakistan, to the south by the Persian Gulf and the Gulf of Oman, and to the west by Turkey and Iraq. It covers an area of 1,648,195 km² (636,372 sq. mi), with a population of 85 million. It is the second-largest country in the Middle East, and its capital and largest city is Tehran.

Iran is considered to be a strategic country, in terms of geopolitical location in the Asian continent. It is a founding member of the United Nations, the Economic Cooperation Organisation (ECO), the Organisation of Islamic Cooperation (OIC), and the Organization of the Petroleum Exporting Countries (OPEC). It has large reserves of fossil fuels—including the world's second-largest natural gas supply and the fourth-largest proven oil reserves. The country's rich cultural legacy is reflected, in part, by its United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites.



The Government of Iran is an Islamic theocracy which includes elements of a presidential democracy, with the ultimate authority vested in an autocratic "Supreme Leader", a position held by Ali Khamenei since Khomeini's death in 1989. The Iranian government is widely considered to be authoritarian, and over the years it has attracted widespread criticism for alleged abuses against human rights and civil liberties. Iran's capital city Tehran is home to over 8,6 million people. Other major cities include Mashhad, Isfahan, and Karaj. Most of the population belong to the Muslim faith. Persian Farsi is the country's official language.

GENERAL INFORMATION - IRAN	
Capital	Tehran
Major Cities (Population)	Mashhad, Isfahan, and Karaj
Population (July 2021 est.)	85,888,910
Government type	Theocratic republic
Chief of state	Theocratic republic
Head of Government (since 1989)	Ali Khamenei
Life expectancy	75.06 years
Literacy	85.5%
Ethnic groups (2016 est.)	Persian, Azeri, Kurd, Lur, Baloch, Arab, Turkmen, and Turkic tribes
Religion(s)	Muslim (official) 99.4% (Shia 90-95%, Sunni 5-10%), other (includes Zoroastrian, Jewish, and Christian) 0.3%, unspecified 0.4%
Languages	Persian Farsi (official), Azeri and other Turkic dialects, Kurdish, Gilaki and Mazandarani, Luri, Balochi, Arabic
Human Development Index (2019)	0.783

Sources: CIA World Factbook, 2021, HDI, 2019

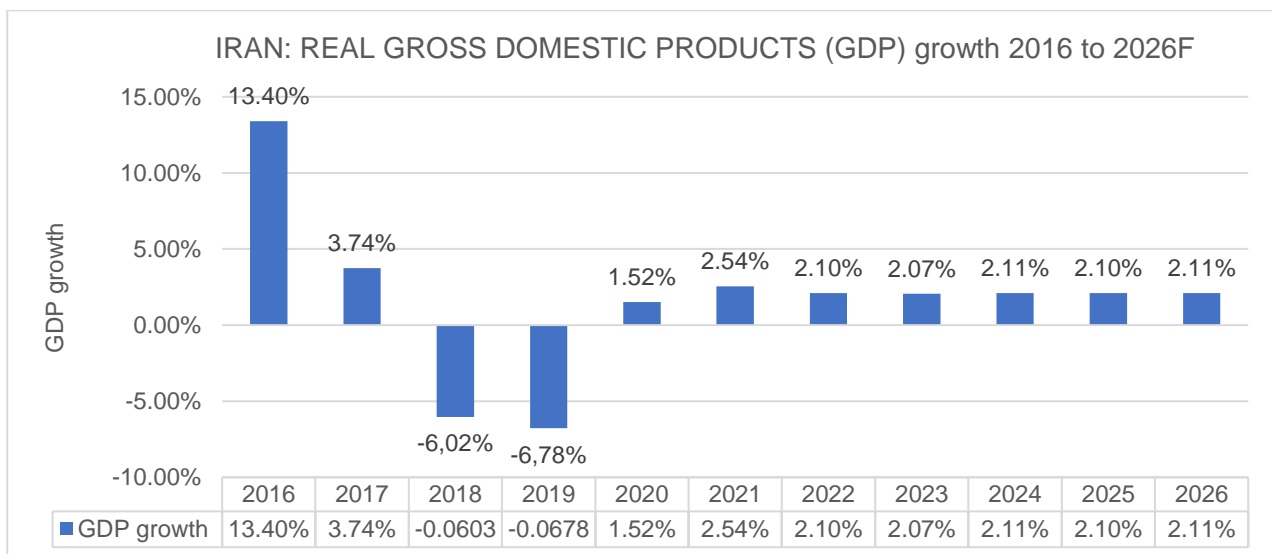
2. Economic Overview

The COVID-19 pandemic in Iran severely affected jobs and income in many labour-intensive activities, including high-contact services and the informal sector. Discouragement in the labour market, reflected in lower economic participation—of 41.4% in Q4-2020—drove the unemployment rate to 9.4%, despite employment levels falling by over 1 million YoY because of the pandemic.

ECONOMIC INFORMATION	
Financial Centre	Tehran
Exchange rate (per USD)	42,000.00
GDP (USDm)	812,308.2
GDP growth (2020 est.)	3.1
GDP per capita (2020 est.)	5,550.06
Inflation (2020 est.)	29.7
Commercial Bank Prime Lending Rate	18.0
Unemployment rate (Q4 2020 est.)	9.4%, %
Doing Business in... (2020 ranking)	127
Total Exports (2020)	46,546.0 (USDm)
Total Imports (2020)	38,757.5 (USDm)
Stock of foreign investment at home (Jan 2007-July 2021)	USD18,11bn
Stock of foreign investment abroad (Jan 2007-July 2021.)	USD33,97bn

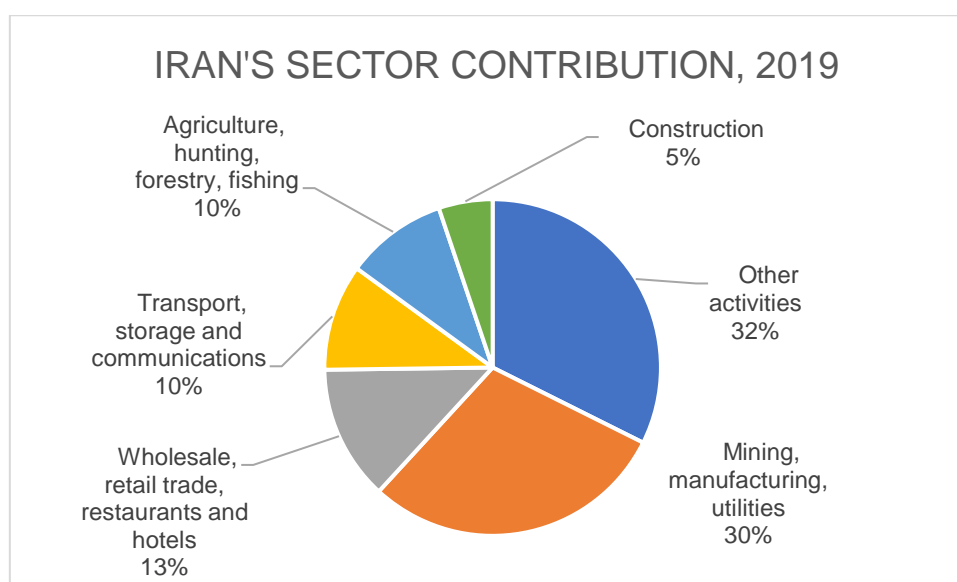
Source: Euromonitor, 2021, Statista, 2021

The illustration below shows Iran's real GDP growth over an eleven-year period. In 2020 Iran's GDP grew by 1,52% and is expected to grow by 2,54% this year.



Source: Statistica, 2020

The mining, manufacturing and utilities sector was the largest GDP contributor. This was followed by the wholesale, retail trade, restaurants, and hotels sector (13%), and transport storage and communication sector (10%).



Source: UNCTAD, 2021

2.1 Impact of COVID-19

Iran is grappling with the impact of the COVID-19 crisis. As at mid-March 2021, Iran had recorded 1.7 million cases with 61000 deaths. It remains the worst affected country in the Middle East and North Africa region. After stricter lockdown measures in late-2020, the number of new, confirmed cases stayed stable and the number of deaths fell below 100 persons a day. However, a gradual relaxation of lockdown measures raises the likelihood of a fourth wave of COVID-19 cases. The vaccination of frontline medical workers started in February 2021, but full coverage of Iran's large population of 84 million will take time (World Bank, 2021).

2.2 Doing Business in Iran

The table below shows Iran's Ease of Doing Business in 2020. According to the World Bank's *Doing Business 2020* report, Iran's ranked 127th out of 190 countries in terms of the Ease of Doing Business. Iran's best ranking sub-categories were and registering property (70th) and dealing with construction permits (73rd).

IRAN'S EASE OF DOING BUSINESS, 2020	
SELECTED INDICATORS	RANKING OUT OF 190 COUNTRIES, 2020
Starting a Business	178
Dealing with Construction Permits	73
Getting Electricity	113
Registering Property	70
Getting Credit	104
Protecting Investors	128
Paying Taxes	144
Trading Across Borders	123
Enforcing Contracts	90
Resolving Insolvency	133
Doing Business 2020	127

Source: Cost of Doing Business, 2021

2.3 Iran's Risk Ratings

“A sovereign credit rating is the credit rating of a country or sovereign entity. Sovereign credit ratings give investors insight into the level of risk associated with investing in a particular country and include political risks. At the request of the country, a credit rating agency will evaluate the country’s economic and political environment to determine a representative credit rating”.

Source: Investopedia

While a number of credit agencies exist, the three most globally recognised credit ratings agencies are Fitch Ratings, Moody's Investors Services (Moody's) and Standard & Poor's (S&P). The reasons for a country/sovereign to seek a credit rating from one of these three agencies include not only to access funding in international bond markets via the issuance of bonds in external debt markets, but to attract foreign direct investment. Obtaining a good sovereign credit rating instils confidence in investors seeking to invest in that country, and consequently demonstrating financial transparency and credit standing.

Due to the sanctions that were imposed on Iran, the country has been unable to participate in the global debt market, however, since the lifting of the sanctions, it has implemented several reforms which will boost investor confidence.

The table below shows Iran's risk assessment in terms of export transactions and direct investments according to ONDD. Ratings are between 1 and 7, and between A and G, with 7 and G being the maximum risk indicators. The political risk in Iran is high in the short and medium-term. All categories of direct investment risk, i.e., war risk, risk of expropriation and government action and transfer risk are all above 5 indicating a high risk for direct investments.

IRAN'S RISK ASSESSMENT		
EXPORT TRANSACTIONS		
Political Risks	Short Term	7
	Medium-Long term	7
	Special Transactions	7
Commercial Risk	G	
DIRECT INVESTMENTS		
Political violence risk	6	
Risk of expropriation and government action	6	
Transfer risk	7	

Source: ONDD, 2021

2.4 Logistics

Iranian ports play an important role in export and import trade of the country. The Ports Authority of Iran runs the seaports, which is operated by the Government of Iran. The port of Iran provides safe and efficient transportation system that ensures safe trading in the ports and improved economic prosperity of the country. Their ports have direct shipping connections with other countries through the important shipping lines.

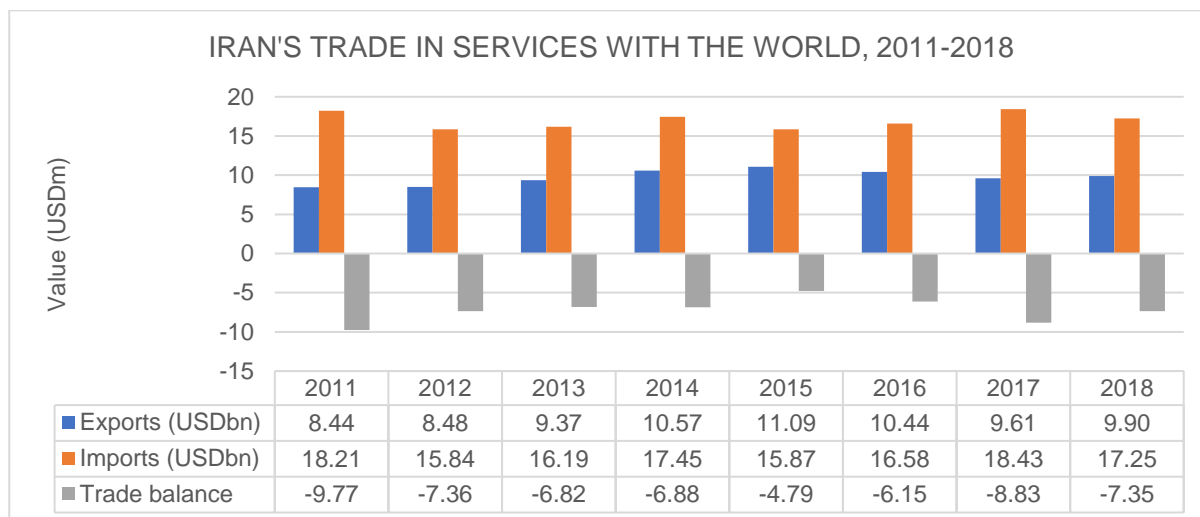


3. Trade

This section discusses Iran's trade with the rest of the world by looking at both services trade and trade in goods.

3.1 Trade in services

In 2015, Iran experienced the highest trade services in terms of exports over an eight-year period. Iran's export in services increased by 3,09% between 2017 and 2018, while global imports decreased by 6,39% in the same period. During the period under consideration, Iran consistently maintained a negative trade balance.



Source: TradeMap, 2021

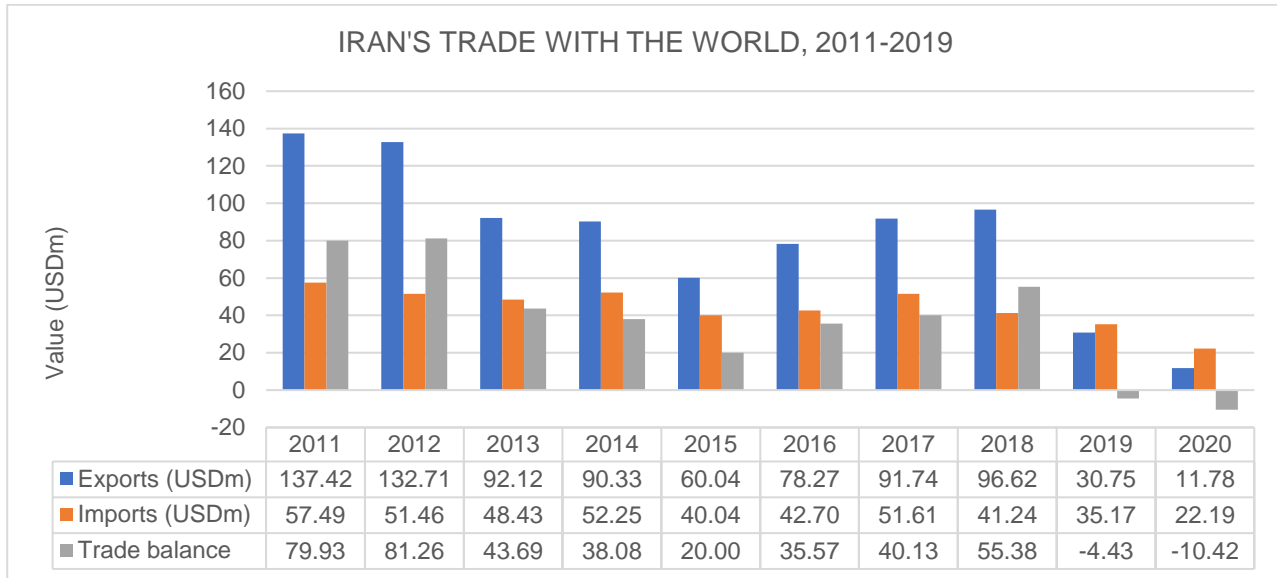
The table below shows Iran's trade in services for 2018. Transport was the largest services exported by Iran. It was valued at USD2,47bn, followed by travel services valued at USD5,03bn, and construction USD1,08bn. Transport services was the largest import service into Iran valued at USD2,48bn, followed by travel and construction valued at USD8,70bn and USD3,45bn, respectively.

TOP 10 SERVICES EXPORTED IRAN, 2018				TOP 10 SERVICES IMPORTED BY IRAN, 2018			
CODE	SERVICE	VALUE 2018 (USDbn)	% GROWTH 2014-2018	CODE	SERVICE	VALUE 2018 (USDbn)	% GROWTH 2014-2018
3	Transport	2,47	-0,06	3	Transport	2,48	0,01
4	Travel	5,02	0,11	4	Travel	8,70	0,01
5	Construction	1,08	0,11	5	Construction	3,45	4,83
6	Insurance and pension services	0,05	0,05	6	Insurance and pension services	0,02	0,02
7	Financial services	0,12	0,05	7	Financial services	0,39	-0,01
8	Charges for the use of intellectual property	0,01	0,05	8	Charges for the use of intellectual property	0,13	-0,01
9	Telecommunications, computer, and information services	0,17	0,15	9	Telecommunications, computer, and information services	0,41	-0,03
10	Other business services	0,45	0,05	10	Other business services	0,74	-0,01
11	Personal, cultural, and recreational services	0,22	0,05	11	Personal, cultural, and recreational services	0,22	-0,01
12	Government goods and services	0,31	0,12	12	Government goods and services	0,73	0,02
TOTAL		9,90	0,01	TOTAL		17,25	0,02

Source: TradeMap, 2021

3.2 Trade in goods

The figure below illustrates the trend in Iran's global trade from 2011 to 2020. Iran was a net exporter of goods over the period. Iran's global exports were valued at USD11,78bn in 2020 compared to USD137,42bn in 2011, which is a decline of 91,43%. Global imports in 2020 were valued at USD22,19bn compared to USD79,93bn in 2011, declining by 61,39%.



Source: TradeMap, 2021

The table below shows Iran's top 10 destination markets for 2020. China was the leading destination market for Iran with exports valued at USD6,40bn. China and Iran enjoy strong cultural, political, and historical ties. Iran regards China as its strategic partner because in 1979 the United States imposed sanctions on Iran, this was in response to the Iran's illicit nuclear activities. Turkey and Russia ranked second and third valued at USD1,19bn and USD0.80bn, respectively. Of the top 10 destination eight countries were Asian states.

TOP 10 DESTINATION MARKETS FOR IRANAIN EXPORTS, 2020			
RANK	COUNTRY	VALUE 2020 (USDbn)	% GROWTH 2016-2020
1	China	6,40	-11,53%
2	Turkey	1,19	-17,17%
3	Russia	0,80	33,73%
4	Pakistan	0,37	10,30%
5	Armenia	0,31	12,17%
6	Germany	0,31	3,99%
7	Azerbaijan	0,30	35,65%
8	India	0,30	-13,63%
9	Qatar	0,15	-
10	Italy	0,12	43,61%
TOTAL EXPORTS		11,78	-10,51%

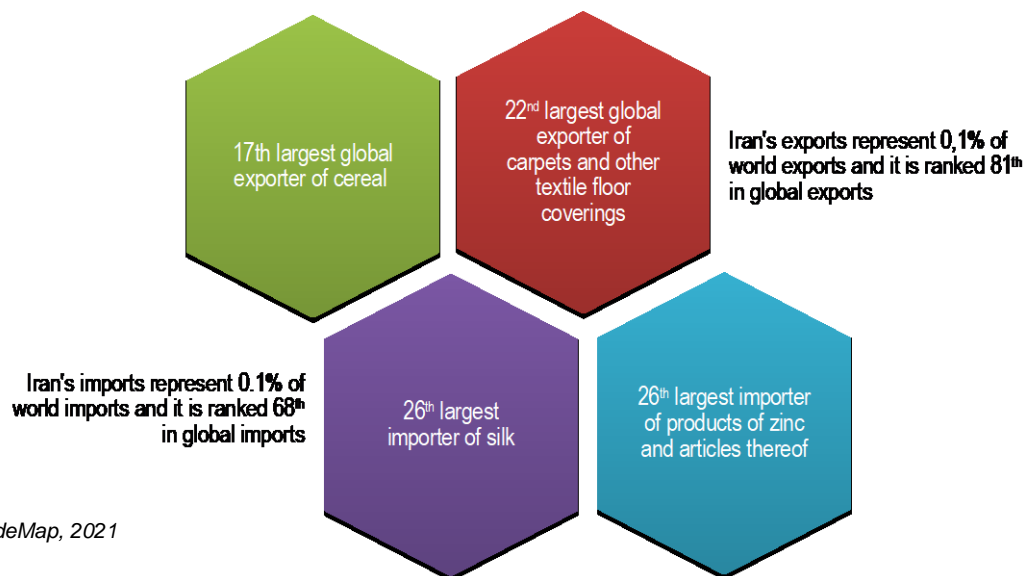
Source: TradeMap, 2021

The table below shows Iran's global import markets for 2020. China was the leading source market for Iran with imports valued at USD8,51bn. Turkey and India were ranked second and third valued at USD2,25bn and USD2,24bn, respectively.

TOP 10 SOURCE MARKETS FOR IRANIAN IMPORTS, 2020			
RANK	COUNTRY	VALUE 2020 (USDbn)	% GROWTH 2014-2018
1	China	8,51	-12,45%
2	Turkey	2,25	-5,73%
3	India	2,24	-2,39%
4	Germany	1,76	-0,89%
5	Russian Federation	1,42	13,50%
6	Brazil	1,16	-2,60%
7	Italy	0,64	-7,77%
8	Netherlands	0,40	3,30%
9	Malaysia	0,32	-4,65%
10	Canada	0,31	53,32%
TOTAL IMPORTS		22,19	-14,02%

Source: TradeMap, 2021

The hexagons below show Iran's competitive advantage in trade:



Source: TradeMap, 2021

The table below shows Iran's top 10 traded products in 2020. Polymers of ethylene were the leading export product category, valued at USD2,32bn. Crude petroleum oils and oils obtained from bituminous minerals, and acyclic alcohols and their halogenated ranked second and third valued at USD1,34bn and USD0,92bn, respectively. Maize or corn was the leading imported product by Iran, valued at USD1,09bn. Rice, and parts and accessories for tractor were ranked second and third at USD0,88bn and USD0,61bn, respectively.

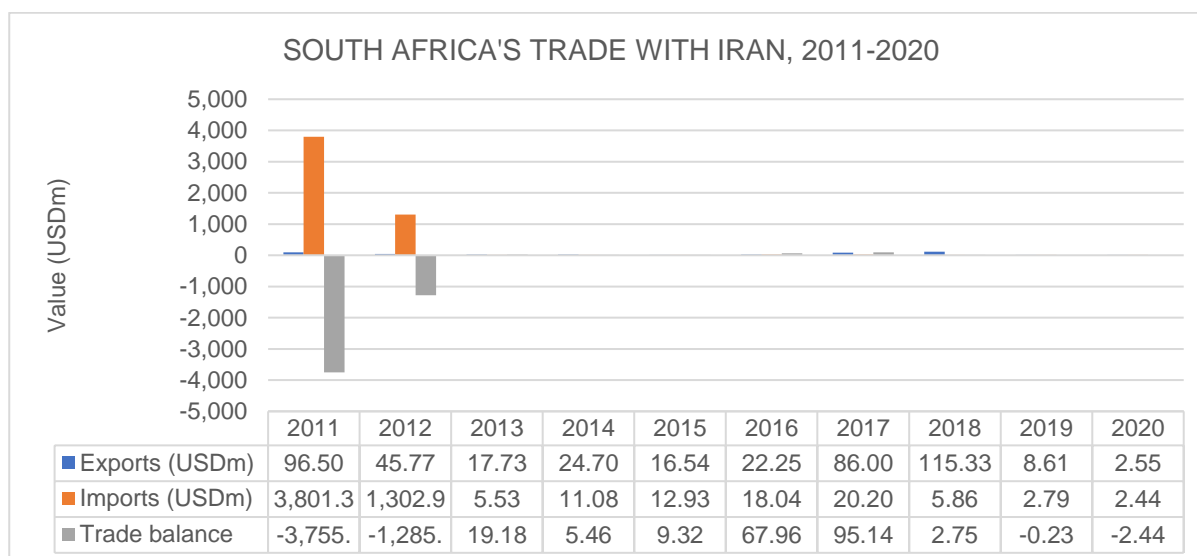
TOP 10 PRODUCTS EXPORTED BY IRAN, 2020				TOP 10 PRODUCTS IMPORTS INTO IRAN, 2020			
RANK	PRODUCT	VALUE 2020 (USDbn)	% GROWTH 2016-2020	RANK	PRODUCT	VALUE 2020 (USDbn)	% GROWTH 2016-2020
1	Polymers of ethylene	2,32	-4,67%	1	Maize or corn	1,09	-2,59%
2	Crude petroleum oils and oils obtained from bituminous minerals	1,34	-7,74%	2	Rice	0,88	12,29%
3	Acyclic alcohols and their halogenated	0,92	-0,09%	3	Parts and accessories for tractor	0,61	9,20%
4	Another nut	0,88	1,41%	4	Soya beans	0,55	-2,15%
5	Semi-finished products of iron or non-alloy steel	0,66	4538,30%	5	Telephone sets	0,42	6,93%
6	Iron ores and concentrates, incl. roasted iron pyrites	0,27	24,05%	6	Cane or beet sugar and chemically pure sucrose	0,40	72,99%
7	Copper	0,26	8,26%	7	Medicaments	0,36	-14,66%
8	Petroleum gas and other gaseous hydrocarbons	0,26	38,62%	8	Human blood;	0,35	5,41%
9	Mineral or chemical nitrogenous fertilisers	0,24	-21,20%	9	Air or vacuum pumps	0,30	7,15%
10	Cyclic hydrocarbons	0,22	-17,19%	10	Instruments and appliances used in medical, surgical, dental, or veterinary sciences	0,29	-6,27%
TOTAL EXPORTS		11,78	-15,40%	TOTAL IMPORTS		22,19	-8,84%

Source: TradeMap, 2021

11

3.3 Iran's trade with South Africa

South Africa exported goods valued at USD2,55m to Iran in 2020 compared to USD96,50m in 2011, representing a decline of 97,35%. In turn, imported goods from Iran were valued at USD3,80bn 2011 compared to USD2,44m in 2020, which is a 99,94% decline. The decline in trade was across all products.



Source: Quantec, 2021

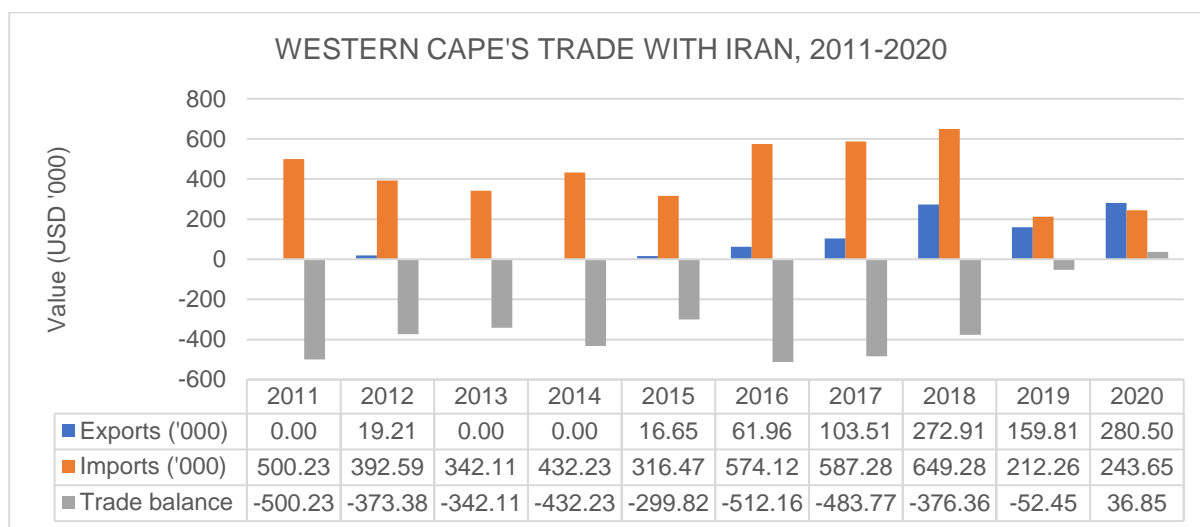
Machinery for sorting, screening, separating, washing, crushing, grinding, mixing, or kneading earth, stones was the leading export product category to Iran from South Africa in 2020, valued at USD540 506. This export was followed by plants and parts of plants valued at USD289 072, and meat of bovine animals valued at USD252 148. Dates, figs, pineapples, avocados, guavas, mangoes, and instruments and appliances used in medical, surgical, dental, or veterinary sciences were the largest imports from Iran valued at USD472 781 and USD391 472 in 2020.

TOP 10 EXPORTS FROM SOUTH AFRICA TO IRAN, 2020				TOP 10 IMPORTS FROM IRAN INTO SOUTH AFRICA, 2020			
RANK	PRODUCT	VALUE 2020 (USDm)	% GROWTH 2016-2020	RANK	PRODUCT	VALUE 2020 (USDm)	% GROWTH 2016-2020
1	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing, or kneading earth, stones	0,54	264,37%	1	Dates, figs, pineapples, avocados, guavas, mangoes, and mangosteens	0,47	2,06%
2	Plants and parts of plants	0,29	104,31%	2	Instruments and appliances used in medical, surgical, dental, or veterinary sciences	0,39	175,61%
3	Meat of bovine animals	0,25	-	3	Casein, caseinates and other casein derivatives; casein glues	0,18	-
4	Chromium ores and concentrates	0,21	2,74%	4	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing, or kneading earth, stone, ores, or other mineral substances, in solid	0,17	-
5	Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting, or boring machinery, for earth, minerals, or ores	0,19	-	5	Carpets and other textile floor coverings, woven	0,15	32,35%
6	Unwrought aluminium	0,19	-	6	Carpets and other textile floor coverings	0,15	-2,06%
7	Instruments and appliances used in medical, surgical, dental, or veterinary sciences,	0,13	-	7	Carboxyamide-function compounds	0,12	-
8	Prepared glues and other prepared adhesives	0,10	-	8	Other nuts	0,10	3871,98%
9	Flat-rolled products of stainless steel	0,09	-	9	Pasta	0,08	4,91%
10	Other agricultural, horticultural, forestry, poultry-keeping, or bee-keeping machinery	0,08	-	10	Bread, pastry, cakes, biscuits, and other bakers' wares	0,07	-
TOTAL EXPORTS		2,55	38,44%	TOTAL IMPORTS		2,44	-16,89%

Source: Quantec, 2021

3.4 Iran's trade with the Western Cape

The Western Cape exported goods to the value of USD280,500 in 2020 compared to USD159,810 in 2019, representing an increment of 75,52%, while imported goods were valued at USD243,650 in 2020 compared to USD212,260 in 2019, which represents an increment of 14,79%.



Source: Quantec, 2021

Plants and parts of plants was the leading export product category to Iran from the Western Cape in 2020, valued at USD83 197. This export was followed by other agricultural, horticultural, forestry, poultry-keeping, or bee-keeping machinery (USD69 728), and Citrus fruit (USD35 026). Dates, figs, pineapples, avocados, guavas, mangoes and Instruments and appliances used in medical, surgical, dental, or veterinary sciences were the largest import from Iran valued at USD1,66m, and USD1,07m in 2020.

TOP 10 EXPORTS FROM THE WESTERN CAPE TO IRAN, 2020				TOP 10 IMPORTS FROM IRAN INTO SOUTH AFRICA 2020			
RANK	PRODUCT	VALUE 2020 (USD'000)	% GROWTH 2016-2020	RANK	PRODUCT	VALUE 2020 (USD'000)	% GROWTH 2016-2020
1	Plants and parts of plants	83,2	-	1	Dates, figs, pineapples, avocados, guavas, mangoes, and mangosteens	99,6	-
2	Other agricultural, horticultural, forestry, poultry-keeping, or bee-keeping machinery	69,73	-	2	Instruments and appliances used in medical, surgical, dental, or veterinary sciences	64,22	-
3	Citrus fruit	35,03	-	3	Casein	53,9	-
4	Wine of fresh grapes	21,82	-	4	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing, or kneading earth, stone, ores, or other mineral substances	25,37	0,16%
5	Ferrous waste and scrap	14,05	-	5	Carpets and other textile floor coverings	24,11	-
6	Measuring or checking instruments	7,02	-	6	Carpets and other textile floor coverings	15,03	-16,78%
7	Umbrellas and sun umbrellas	6,46	-	7	Carboxamide-function compounds	10,91	-
8	Parts suitable for use solely or principally with the apparatus of headings 85.25 to 85.28	5,19	-	8	Other nuts	8,51	-

9	Centrifuges, including centrifugal dryers	3,61	-	9	Pasta	7,34	72,06%
10	Borates	3,22	-	10	Bread, pastry, cakes, biscuits, and other bakers' wares	3,27	-
TOTAL EXPORTS		280,5	107,38%	TOTAL IMPORTS		243,65	8,35%

Source: Quantec, 2021

3.4 Trade agreements

South Africa does not have a trade agreement with Iran, but the two countries have in the past signed numerous agreements of cooperation.

3.5 Trade regulations and standards

Indirect taxes such as value added tax (VAT) is a set rate per goods, ranging from three to 10 per cent . Some goods may be subject to double taxation if also required from the country of origin. In 2015 it was set that VAT is going to increase by one per cent to generate more revenue for the country.

There is a variety of items which are exempted from import taxes in Iran. Some popular items are:

- unprocessed agricultural products
- flour, bread, sugar, rice, milk, cheese
- machinery
- livestock and animals
- feedstock and pesticides.

Iran currently has free trade zones which avoid non-tariff barriers such as value-added services (VAT). These specialised economic zones have been established to provide:

- 100 per cent foreign ownership
- flexible monetary control
- no entry visa required
- 20 years tax exemption.

14

Special certificates

Cargo and goods being imported into the country must be secured and fully concealed with documentation of commercial invoice, bill of lading, labelling and measurements. Most imports come via ports through the gulf and are apparent to customs upon arrival.

Commercial invoice: All imports of goods and services must have their commercial invoice stamped and legalised by government from origin of export. Without this document companies will be fined, and goods may be rejected from entry.

Bill of lading: When exporting products to a non-governmental importer in Iran it must include the bill of lading. When items are declared, they are subject to different tax thresholds and must include:

- marks of identification, name, and address of consignee
- quantities, weights, and values.

Certificate of insurance: Certificates must include details about the overall program, project or contract that is being embarked on, information about the organisation, total value of the project and other details may be requested. Also, all sections of the form must be filled out and in order.

Weights and measures: Iran uses the metric system of weight and other measurements.

Public health requirements

The health care system in Iran is arranged around three pillars, the public government system, the private sector, and the non-governmental organisation (NGO). In the coming years, millions of US dollars will be spent in medical services due to increasing demand from an aging population. All travellers should have up-to-date vaccinations for tetanus, measles, mumps, and rubella, polio, hepatitis A and B, typhoid, and yellow fever (Austrade, 2021).

3.6 Tariffs

Tariffs imposed on South African exports to Iran for 2020 are listed below.

TARIFFS IMPOSED ON SOUTH AFRICAN EXPORTS BY IRAN, 2020					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	7	H33: Essential oils, perfumes, cosmetics, toiletries	22	H65: Headgear and parts thereof	46
H02: Meat and edible meat offal	21	H34: Soaps, lubricants, waxes, candles, modelling pastes	21	H66: Umbrellas, walking-sticks, seat-sticks, whips	52
H03: Fish, crustaceans, molluscs, aquatic invertebrates	40	H35: Albuminoids, modified starches, glues, enzymes	16	H67: Bird skin, feathers, artificial flowers, human hair	55
H04: Dairy products, eggs, honey, edible animal product	31	H36: Explosives, pyrotechnics, matches, pyrophorics	18	H68: Stone, plaster, cement, asbestos, mica, articles	35
H05: Products of animal origin	44	H37: Photographic or cinematographic goods	7	H69: Ceramic products	47
H06: Live trees, plants, bulbs, roots, cut flowers	25	H38: Miscellaneous chemical products	9	H70: Glass and glassware	25
H07: Edible vegetables and certain roots and tubers	35	H39: Plastics and articles thereof	12	H71: Pearls, precious stones, metals, coin	9
H08: Edible fruit, nuts, peel of citrus fruit, melons	42	H40: Rubber and articles thereof	25	H72: Iron and steel	15
H09: Coffee, tea, mate, and spices	24	H41: Raw hides and skins (other than furskins) and leather	22	H73: Articles of iron or steel	16
H10: Cereals	12	H42: Articles of leather, animal gut, harness, travel goods	53	H74: Copper and articles thereof	6
H11: Milling products, malt, starches, inulin, wheat gluten	42	H43: Furskins and artificial fur, manufactures thereof	54	H75: Nickel and articles thereof	5
H12: Oil seed, oleagic fruits, grain, seed, fruit,	9	H44: Wood and articles of wood, wood charcoal	9	H76: Aluminium and articles thereof	15
H13: Lac, gums, resins, vegetable saps and extracts	7	H45: Cork and articles of cork	5	H78: Lead and articles thereof	5
H14: Vegetable plaiting materials, vegetable products	16	H46: Manufactures of plaiting material, basketwork, etc.	55	H79: Zinc and articles thereof	6
H15: Animal, vegetable fats and oils, cleavage products,	30	H47: Pulp of wood, fibrous cellulosic material, waste	5	H80: Tin and articles thereof	5
H16: Meat, fish, and seafood food preparations	41	H48: Paper & paperboard, articles of pulp, paper, and board	13	H81: Other base metals, cermets, articles thereof	7
H17: Sugars and sugar confectionery	37	H49: Printed books, newspapers, pictures	10	H82: Tools, implements, cutlery, of base metal	19
H18: Cocoa and cocoa preparations	40	H50: Silk	38	H83: Miscellaneous articles of base metal	25
H19: Cereal, flour, starch, milk preparations and products	31	H51: Wool, animal hair, horsehair yarn and fabric thereof	19	H84: Nuclear reactors, boilers, machinery	13
H20: Vegetable, fruit, nut food preparations	43	H52: Cotton	23	H85: Electrical, electronic equipment	19
H21: Miscellaneous edible preparations	21	H53: Vegetable textile fibres paper yarn, woven fabric	16	H86: Railway, tramway locomotives, rolling stock, equipment	7
H22: Beverages, spirits, and vinegar	28	H54: Manmade filaments	25	H87: Vehicles other than railway, tramway	34
H23: Residues, wastes of food industry, animal fodder	9	H55: Manmade staple fibres	20	H88: Aircraft, spacecraft, and parts thereof	5
H24: Tobacco and manufactured tobacco substitutes	20	H56: Wadding, felt, nonwovens, yarns, twine, cordage	29	H89: Ships, boats, and other floating structures	8
H25: Salt, sulphur, earth, stone, plaster, lime, and cement	5	H57: Carpets and other textile floor coverings	54	H90: Optical, photo, technical, medical apparatus	11
H26: Ores, slag, and ash	5	H58: Special woven or tufted fabric, lace, tapestry	34	H91: Clocks and watches and parts thereof	8
H27: Mineral fuels, oils, distillation products,	7	H59: Impregnated, coated, or laminated textile fabric	19	H92: Musical instruments, parts, and accessories	50
H28: Inorganic chemicals, precious metal compound, isotopes	6	H60: Knitted or crocheted fabric	32	H93: Arms and ammunition, parts, and accessories thereof	41
H29: Organic chemicals	7	H61: Articles of apparel, accessories, knit or crochet	55	H94: Furniture, lighting, signs, prefabricated buildings	15
H30: Pharmaceutical products	12	H62: Articles of apparel, accessories, not knit or crochet	55	H95: Toys, games, sports requisites	16
H31: Fertilizers	5	H63: Other made textile articles, sets, worn clothing	54	H96: Miscellaneous manufactured articles	5
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	15	H64: Footwear, gaiters and the like, parts thereof	50	H97: Works of art, collectors' pieces, and antiques	

Source: TradeMap, 2021

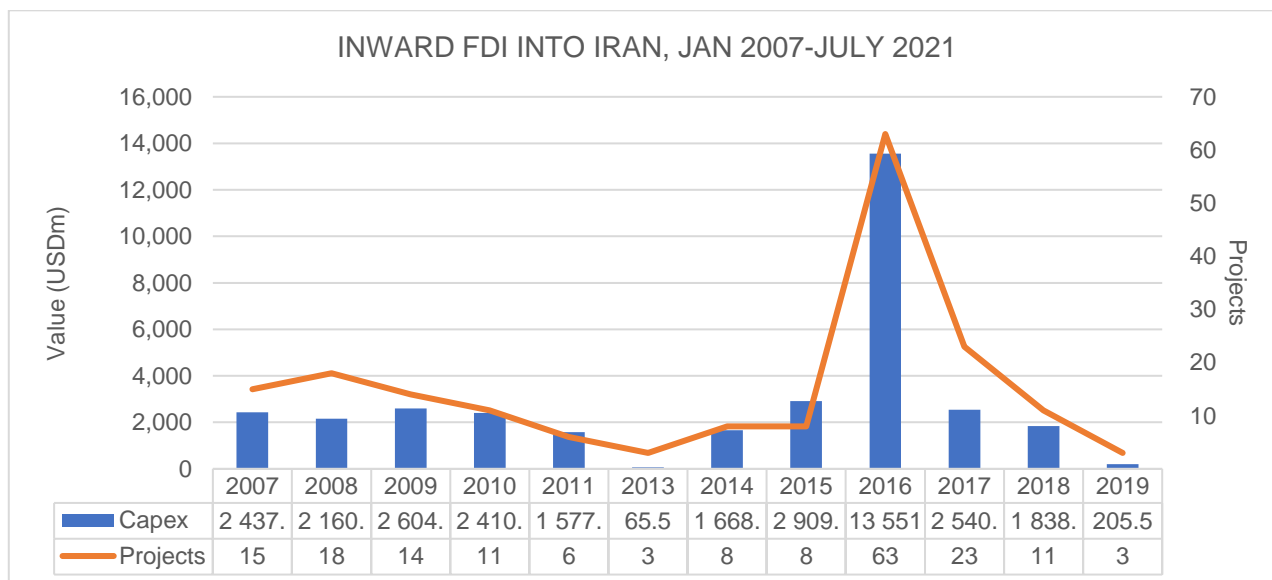
NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

4. Foreign Direct Investment

This section analyses Iran's outward and inward FDI flows to and from the rest of the world.

4.1 Global FDI into Iran

Between January 2007 and July 2021, a total of 183 FDI projects were recorded into Iran. These projects represent a total capital investment of USD33,97bn, which is an average investment of USD185,6m per project. During this period, a total of 30,213 jobs were created. FDI value peaked in 2016 with USD2,54bn, whereas projects peaked in the same year with 11 recorded.



Source: FDI Intelligence, 2021

16

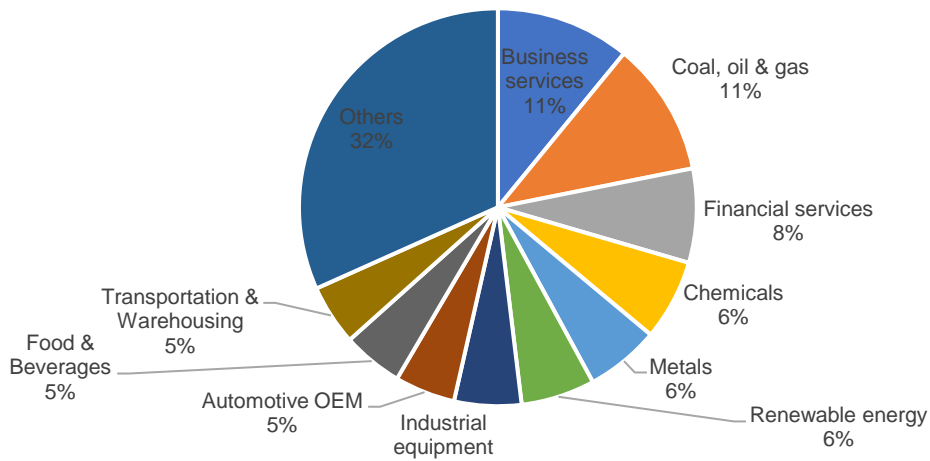
China was the largest source market for inward FDI into Iran in terms of projects, with 18 investment projects, which accounted for 9,84% of projects. Germany and Russia ranked second and third accounting for 17 and 13 projects, respectively.

TOP 10 SOURCE MARKETS FOR FDI INTO IRAN, 2003 – DECEMBER 2015							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX, (USDm)	% CAPEX	COMPANIES	JOBS
1	China	18	9,84%	6 032,0	17,76%	15	4857
2	Germany	17	9,29%	554,7	1,63%	17	742
3	Russia	13	7,10%	1 764,2	5,19%	10	1306
4	Italy	12	6,56%	1 382,9	4,07%	9	836
5	South Korea	11	6,01%	4 276,2	12,59%	10	4442
6	France	10	5,46%	3 221,0	9,48%	9	1810
7	Turkey	9	4,92%	1 132,8	3,33%	9	1726
8	United Kingdom	9	4,92%	696,9	2,05%	9	601
9	India	8	4,37%	557,3	1,64%	7	991
10	Spain	7	3,83%	180,9	0,53%	6	515
TOTAL		183	100,00%	33 967,8	100,00%	164	30 213

Source: FDI Intelligence, 2021

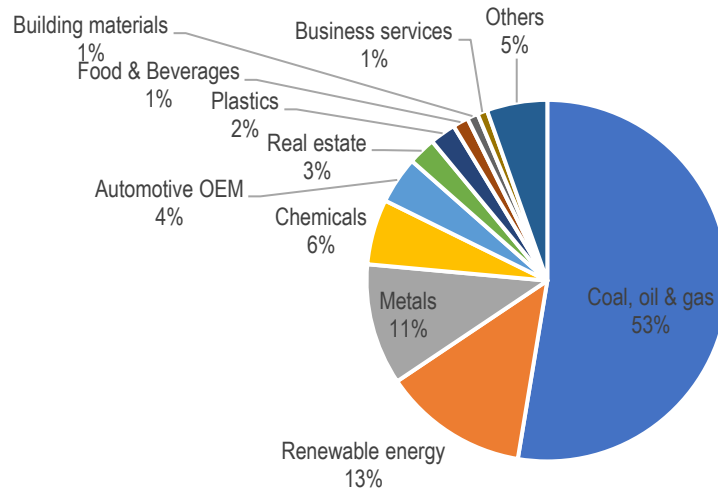
The figures below show global inward FDI into Iran by sector, from January 2007 to July 2021 by number of projects and capex. Business services and the coal, oil and natural gas sector accounted for 11% projects respectively. In terms of capex, the coal, oil, and natural gas received 53% followed by the renewable sector which received 13% of the total capex. These two sectors received the most projects and capex, indicating their overall attractiveness in promoting inward FDI.

FDI INTO IRAN'S SECTORS BY CAPEX, JAN 2007-JUL 2021



Source: FDI Intelligence, 2021

FDI INTO IRAN'S SECTORS BY CAPEX, JAN 2003-JUL 2021



Source: FDI Intelligence, 2021

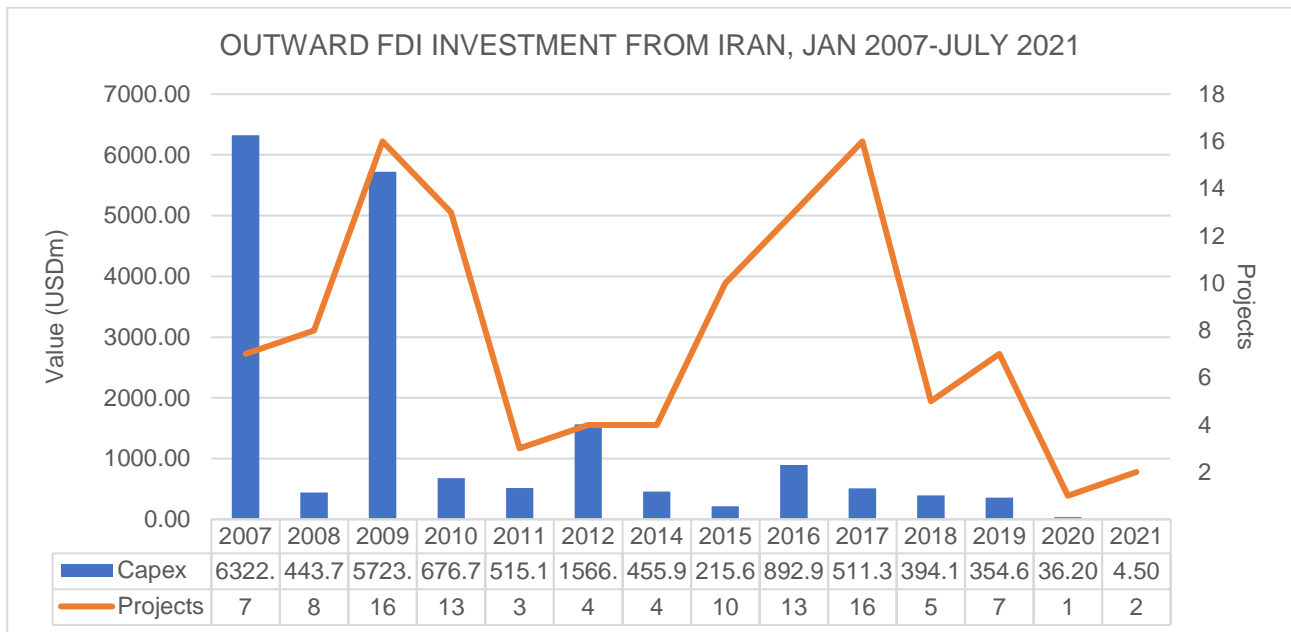
Carlo Maresca, Kamaz, Titan Petrokimia Nusantara and Unit International were the largest source companies for inward FDI into Iran in terms of projects, 3 investment projects respectively.

TOP 10 SOURCE COMPANIES FOR FDI INTO IRAN, JAN 2003 – JUL 2021					
RANK	COMPANY	SECTOR	PROJECTS	CAPEX	JOBS
1	Carlo Maresca	Renewable energy	3	983,7	168
2	Kamaz	Automotive OEM	3	432,1	909
3	Titan Petrokimia Nusantara	Plastics	3	1070,8	440
4	Unit International	Coal, oil & gas	3	5400	172
5	Aptech	Business services	2	54,4	402
6	Aujan Industries	Food & Beverages	2	100	1291
7	Chery Automobile	Automotive OEM	2	379,3	1454
8	China Metallurgical Group Corporation (MCC)	Metals	2	537	126
9	Fratelli Cosulich	Coal, oil & gas	2	202,7	772
10	LG Electronics	Consumer electronics	2	133,8	171
TOTAL			183	33967,8	30 213

Source: FDI Intelligence, 2021

4.2 Outward FDI from Iran to the rest of the world

Between January 2007 and December 2020, a total of 109 FDI projects were recorded from Iran. These projects represent a total capital investment of USD18, 11bn. The graph shows that outward FDI from Iran peaked in 2007 at USD6,32bn and in 2009 and 2017 16 projects were recorded into Iran.



Source: FDI Intelligence, 2021

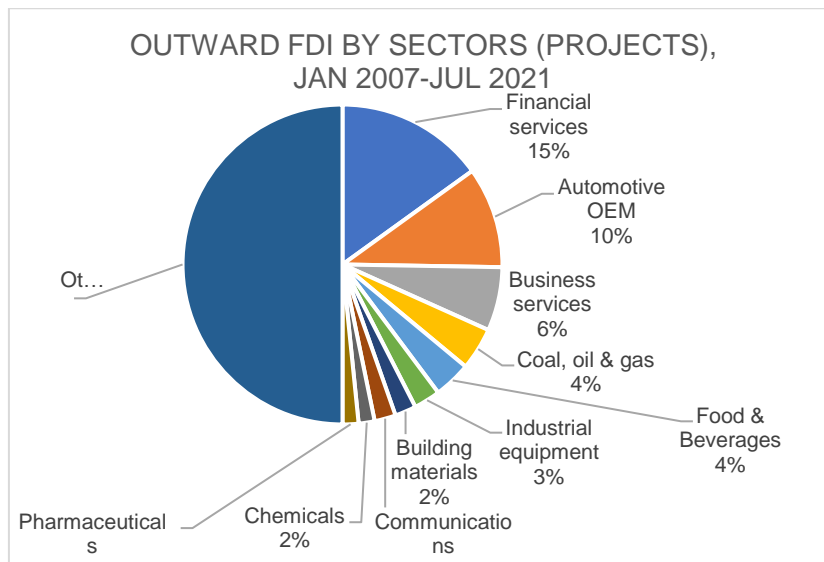
Iraq was the largest destination market in terms of projects, with 11 investment projects, which accounted for 10,9% of all projects. Turkey ranked second while Germany and Syria were ranked third contributing 5.50% respectively. None of the top ten destination markets were from the African continent.

18

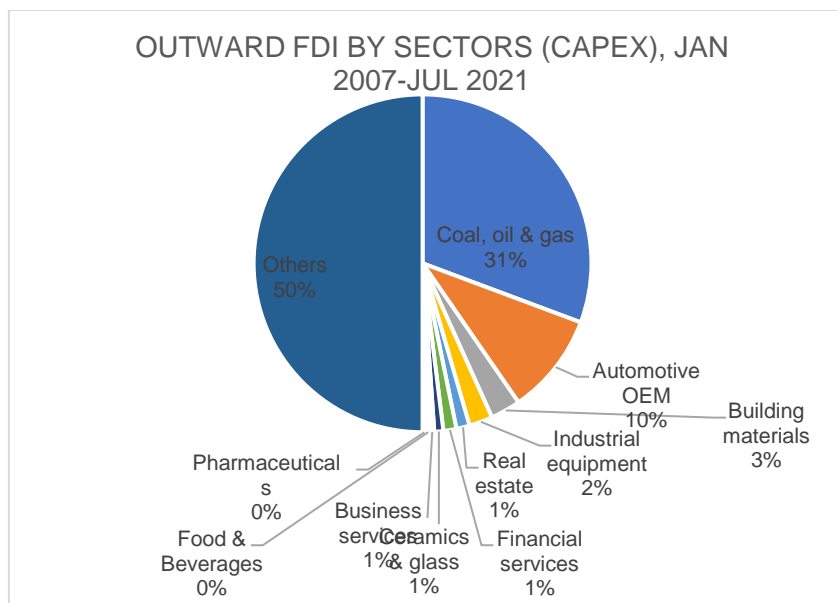
TOP 10 FDI DESTINATION MARKETS FOR FDI INVESTMENT INTO IRAN, JAN 2003-JUL 2021						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	%CAPEX	JOBS
1	Iraq	11	10,09%	10 481,12	57,87%	3 546
2	Turkey	7	6,42%	9 225,28	50,93%	1 488
3	Germany	6	5,50%	395,60	2,18%	56
3	Syria	6	5,50%	3 927,18	21,68%	1 349
5	United Kingdom	6	5,50%	586,92	3,24%	131
6	Azerbaijan	5	4,59%	6 435,98	35,53%	1 784
7	UAE	5	4,59%	1 182,47	6,53%	317
8	Algeria	4	3,67%	2 452,69	13,54%	1 268
9	Russia	4	3,67%	3 337,39	18,43%	1 449
10	Venezuela	4	3,67%	2 629,63	14,52%	770
TOTAL		109	100,00%	18 112,80	100,00%	33 223

Source: FDI Intelligence, 2021

The financial services sector received the largest share of FDI from Iran in terms of projects accounting for 15%, followed by the automotive OEM, and business services accounting for 10% and 6% respectively. In terms of capex the coal, oil, and natural gas for 31%, the automotive OEM and building material sector accounted for 10% and 6% respectively.



Source: FDI Intelligence, 2021



Source: FDI Intelligence, 2021

Iran Khodro Industrial Group (IKCO) was the largest company for outward FDI from Iran in terms of projects, with 12 investment projects. Four of the top 10 investing companies were in the financial services sector.

TOP 10 COMPANIES FOR FDI FROM IRAN, 2007 -JUL 2021					
RANK	COMPANY	SECTOR	PROJECTS	CAPEX (USDm)	JOBS
1	Iran Khodro Industrial Group (IKCO)	Automotive OEM	12	2 172,9	7 486
2	Bank Melli Iran	Financial services	7	94,2	172
3	National Iranian Oil Company	Coal, oil & gas	4	40,0	125
4	Parsian Bank	Financial services	4	64,7	209
5	Fars News Agency	Communications	3	16,6	65
6	Iran Petrochemical Commercial Company (IPCC)	Chemicals	3	30,2	128
7	Payame Noor University (PNU)	Business services	3	46,4	184
8	Saipa	Automotive OEM	3	261,3	1 260
9	Bank Mellat	Financial services	2	34,3	41
10	Bank Saderat Iran	Financial services	2	30,2	32
TOTAL			109	18 112,8	33 223

Source: FDI Intelligence, 2021

4.3 Inward investment from South Africa into Iran

The table below shows the investments by South African companies into Iran from 2007 to December 2021. A total of 3 FDI projects were recorded in the period from South African to Iran. These projects represent a total capital investment of USD1, 04bn. During this period, a total of 1041 jobs were created.

TOP 10 SOURCE COMPANIES FOR FDI INTO IRAN, JAN 2003 – JUL 2021						
	RANK	COMPANY	SECTOR	CLUSTER	CAPEX (USDM)	JOBS
Nov 2005	MTN International	Gauteng	Communications	ICT & Electronics	133,8	89
May 2005	MTN International	Gauteng	Communications	ICT & Electronics	7,5	12
Feb 2003	Sasol Nitro	Gauteng	Chemicals	Physical Sciences	900	940
TOTAL					1041,3	1041

Source: FDI Intelligence, 2021

There were no recorded FDI projects from Iran to South Africa.

DISCLAIMER

Wesgro has taken every effort to ensure that the information in this publication is accurate. We provide said information without representation or warranty whatsoever, whether expressed or implied. It is the responsibility of users of this publication to satisfy themselves of the accuracy of information contained herein. Wesgro cannot be held responsible for the contents of the publication in any way.

© Wesgro, 2021.