

IRAN - OPPORTUNITIES AND RISKS FOR AUSTRIAN COMPANIES

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PROJEKT ÖSTERREICH
AUSTRIA



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LOCATION, SIZE, POPULATION: WHY IRAN ATTRACTS FOREIGN COMPANIES...

Second biggest economy
(behind KSA) and
population (behind
Egypt) in MENA

Need for industrial overhaul:
strong industrial base, but 80
% of industrial structures
outdated

Modern Commercial and
Business Law System:
modeled after European
Standards

Young population: 65 %
below 35 Jahre, Tech-
Savvy

Preferences: Strong
Urban Middle Class with
Western Consumer
behavior

Human Capital: 33,7 % of
Iranians aged 18-25 studying
on Universities, 31 %
technical studies, 60 %
female

Capital: Approx. 100 Mrd USD
available outside Iran (Frozen
due to Financial Sanctions)

MACROECONOMIC INDICATORS

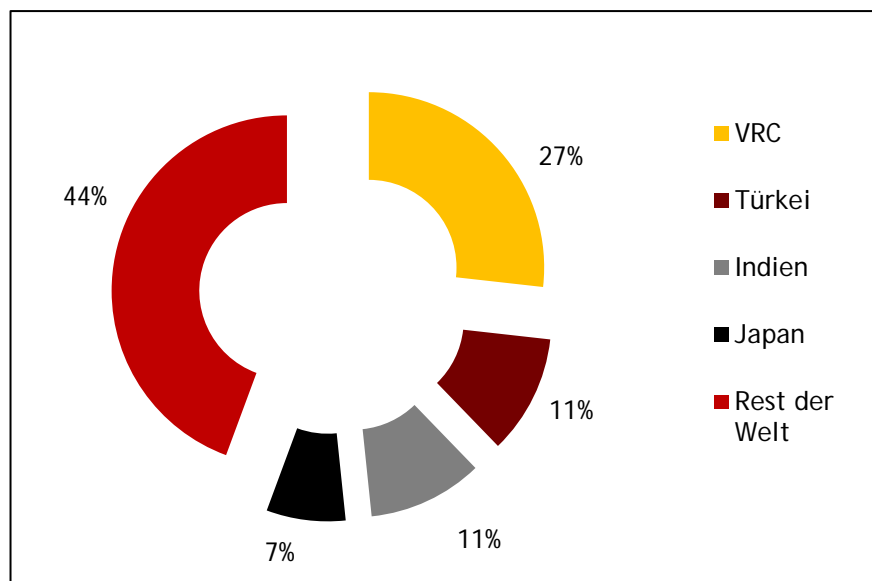
(SOURCES: IMF, EIU)

| GDP Growth (%) | | | FOREX (USD:IRR) | | |
|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| Mar 2012- Mar 2013 | Mar 2013- Mar 2014 | Mar 2014 - Mar 2015 | Mar 2012- Mar 2013 | Mar 2013- Mar 2014 | Mar 2014 - Mar2015 |
| -6,8 | -1,9 | + 2,2 | 22.000 | 30.000 | 34.000 |

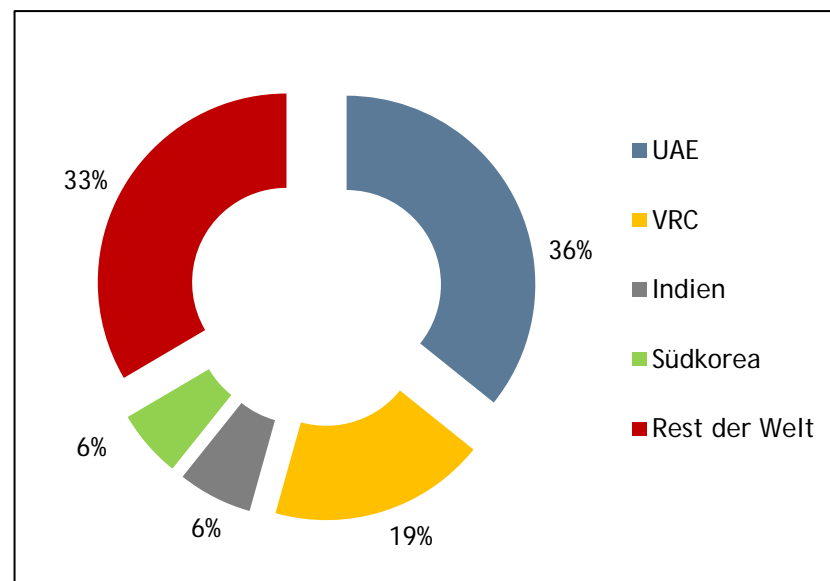
| Inflation (%) | | | Unemployment (%) | | |
|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|
| Mar 2012- Mar 2013 | Mar 2013- Mar 2014 | Mar 2014 - Mar 2015 | Mar 2012- Mar 2013 | Mar 2013- Mar 2014 | Mar 2014 - Mar2015 |
| 30,5 | 35,6 | 15,6 | 13,2 | 14,0 | 15,0 |

IRANIAN FOREIGN TRADE: CONCENTRATION ON NEIGHBOURING COUNTRIES AND ASIA

Target destinations of Iranian Exports 2013



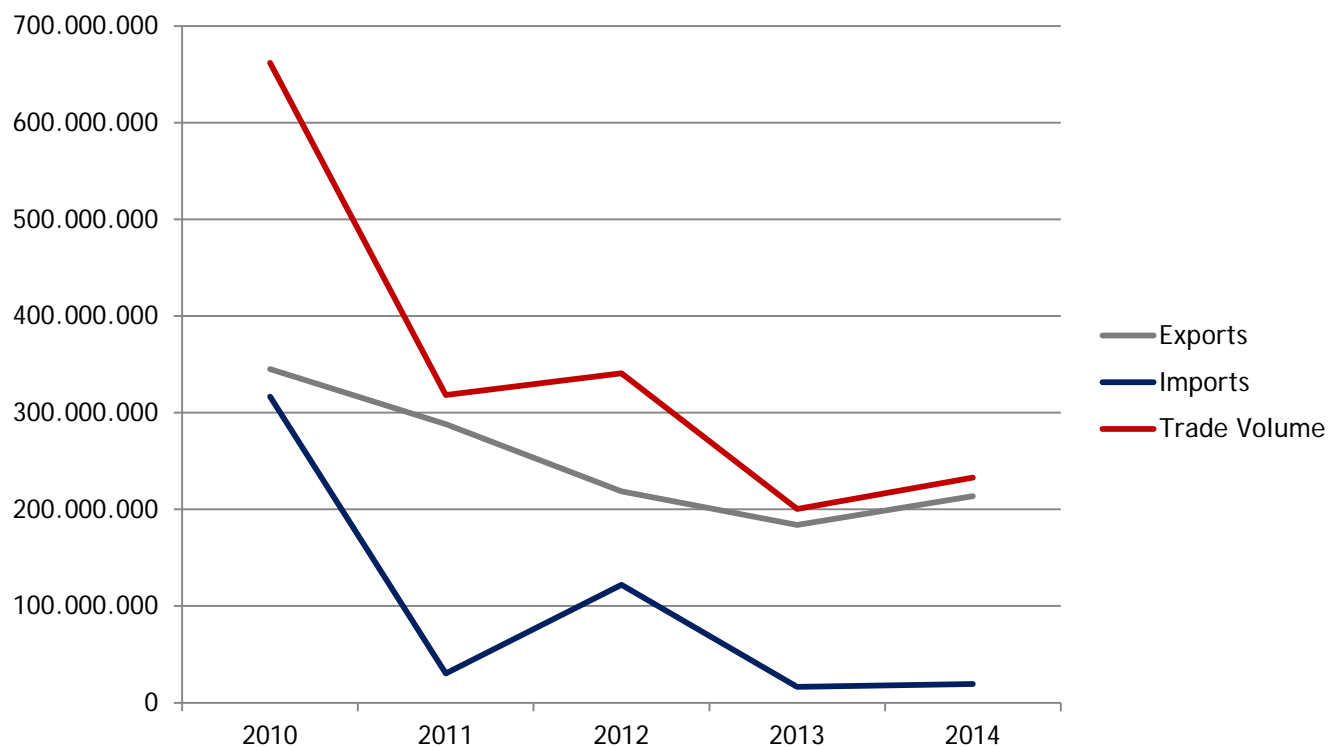
Source of Iranian Imports 2013



Source: Economist Intelligence Unit

IRANIAN TRADE WITH AUSTRIA:

AUSTRIAN EXPORTS IN THE FIRST SIX MONTHS 2015 +31 %



Exports I-VI 2015: 136,3 Mio EUR (+31 %)

Imports I-VI 2015: 5,5 Mio EUR (- 56 %)

Source: AC Teheran, based
on Statistics Austria

BUSINESS RISKS IN IRAN

Security Risk:

Low

(compared to the region)

Economic Risk:

Medium to High

(depending on sector, industry and project)

Political Risk : **Low to Medium**

(Decreasing since 2012)

Transparency Risk:

Medium to High

(Regional average)

Legal Risk:

Medium to High

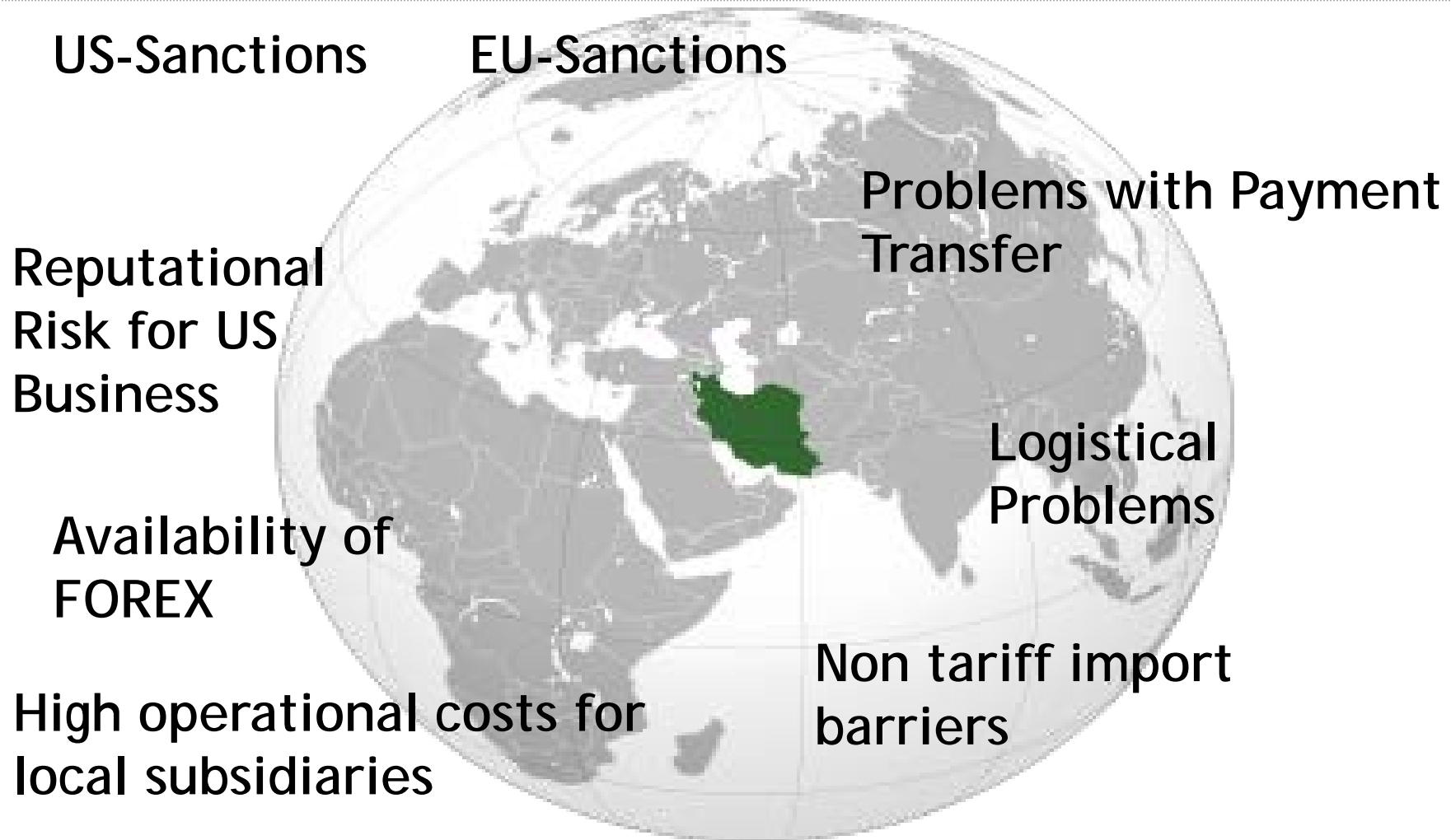
(Decrease since July 2015)

Reputational Risk:

High

(Decreasing since 2012)

MANIFESTATIONS OF RISKS FOR AUSTRIAN COMPANIES IN IRAN BUSINESS



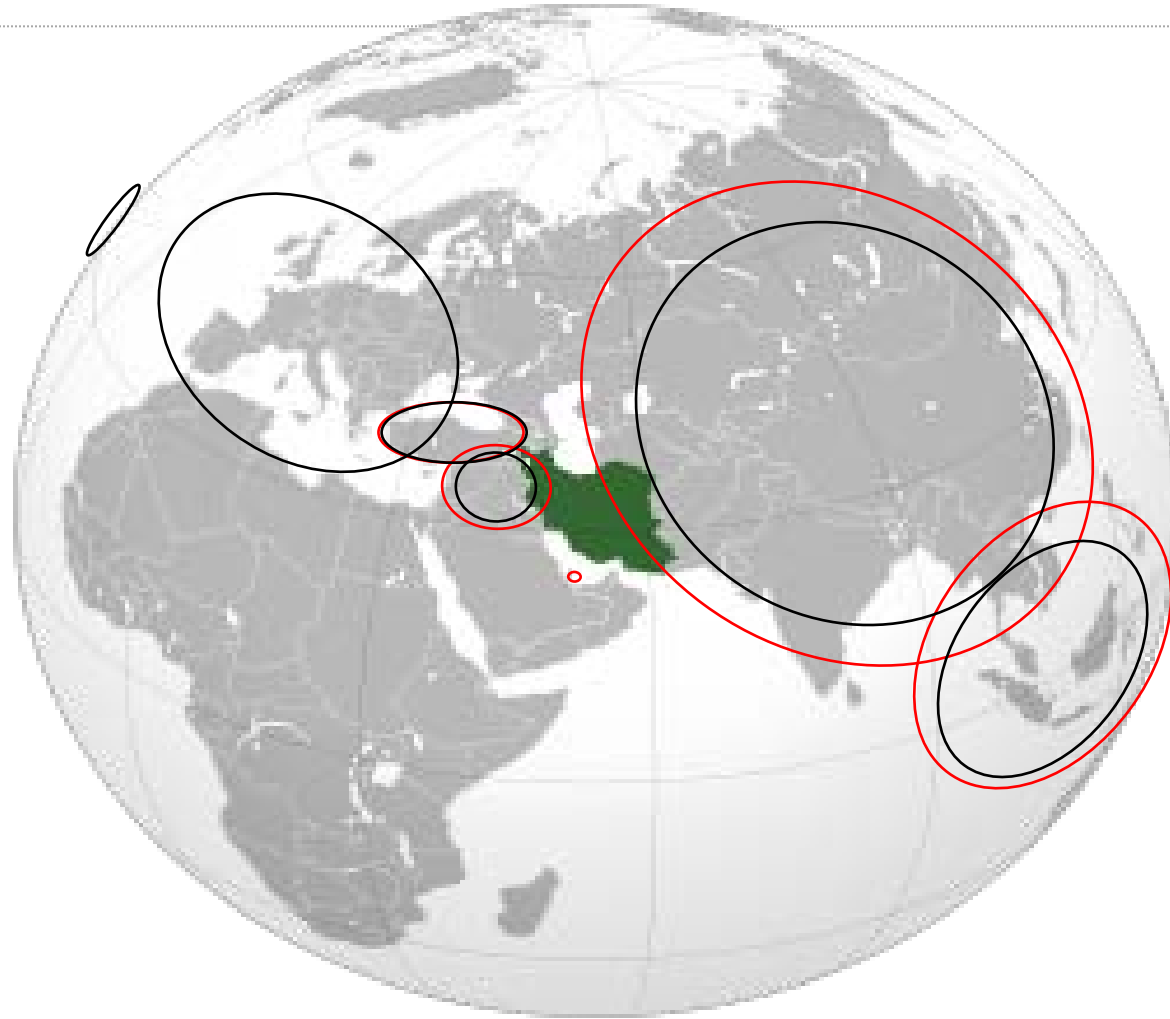


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SHORT TERM OUTLOOK ON THE IRANIAN ECONOMY

- Forecast GDP Growth 2015/2016: 1,5 - 4 %
- Forecast GDP Growth 2016/2017: 4 - 7 %
- Currency Reform to be expected in 2016
- Structural Reforms (in particular Tax and Import Regime) to be expected starting from 2016
- Increased Privatization efforts

SHORT TERM OUTLOOK ON IRANIAN FOREIGN TRADE: COMEBACK OF EU, STILL FOCUS ON ASIA



YOUR PARTNER IN TEHERAN...

- Market Research
- Market Entry
- Sanction Checks
- Workshops and Events



Thank You Very Much !

Austrian Trade Commission Teheran

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