

IRAN - OPPORTUNITIES AND RISKS FOR AUSTRIAN COMPANIES

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

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

Modern Commercial and Business Law System: modeled after European Standards

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

Need for industrial overhaul: strong industrial base, but 80 % of industrial structures outdated

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

Preferences: Strong Urban Middle Class with Western Consumer behavior

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

MACROECONOMIC INDICATORS

(SOURCES: IMF, EIU)

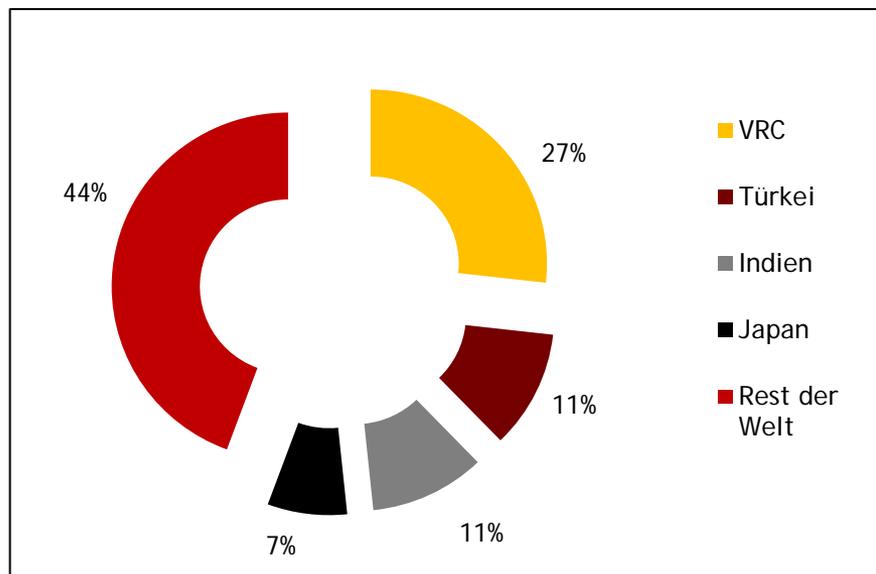


GDP Growth (%)			FOREX (USD:IRR)		
Mar 2012- Mar 2013	Mar 2013- Mar 2014	Mar 2014 - Mar 2015	Mar 2012- Mar 2013	Mar 2013- Mar 2014	Mar 2014 - Mar2015
-6,8	-1,9	+ 2,2	22.000	30.000	34.000

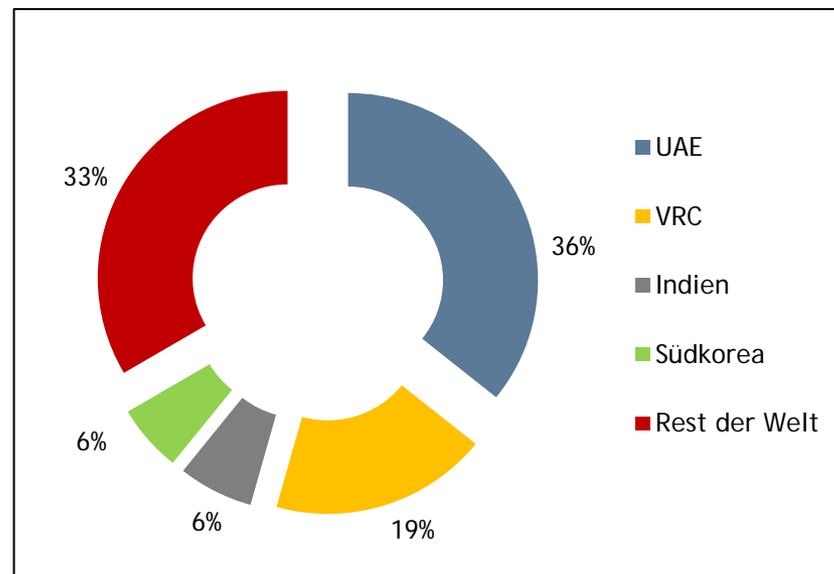
Inflation (%)			Unemployment (%)		
Mar 2012- Mar 2013	Mar 2013- Mar 2014	Mar 2014 - Mar 2015	Mar 2012- Mar 2013	Mar 2013- Mar 2014	Mar 2014 - Mar2015
30,5	35,6	15,6	13,2	14,0	15,0

IRANIAN FOREIGN TRADE: CONCENTRATION ON NEIGHBOURING COUNTRIES AND ASIA

Target destinations of Iranian Exports 2013

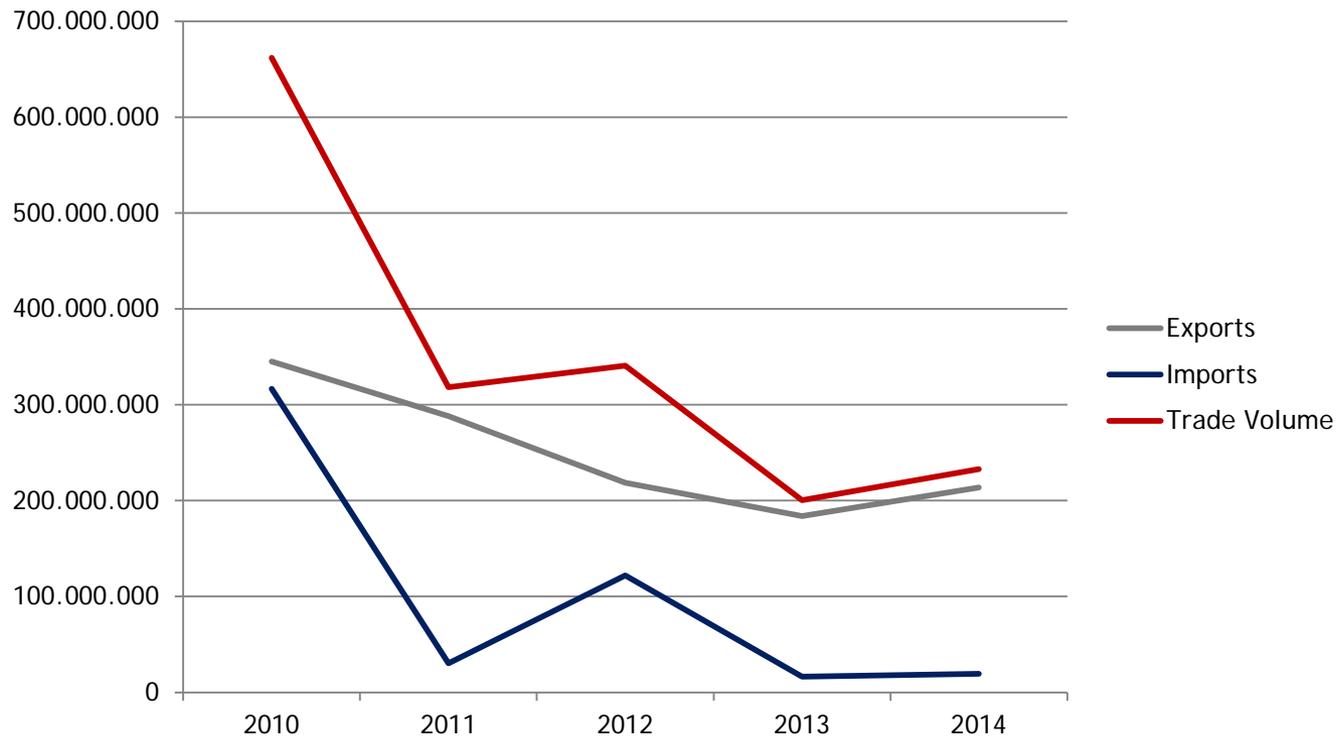


Source of Iranian Imports 2013



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:

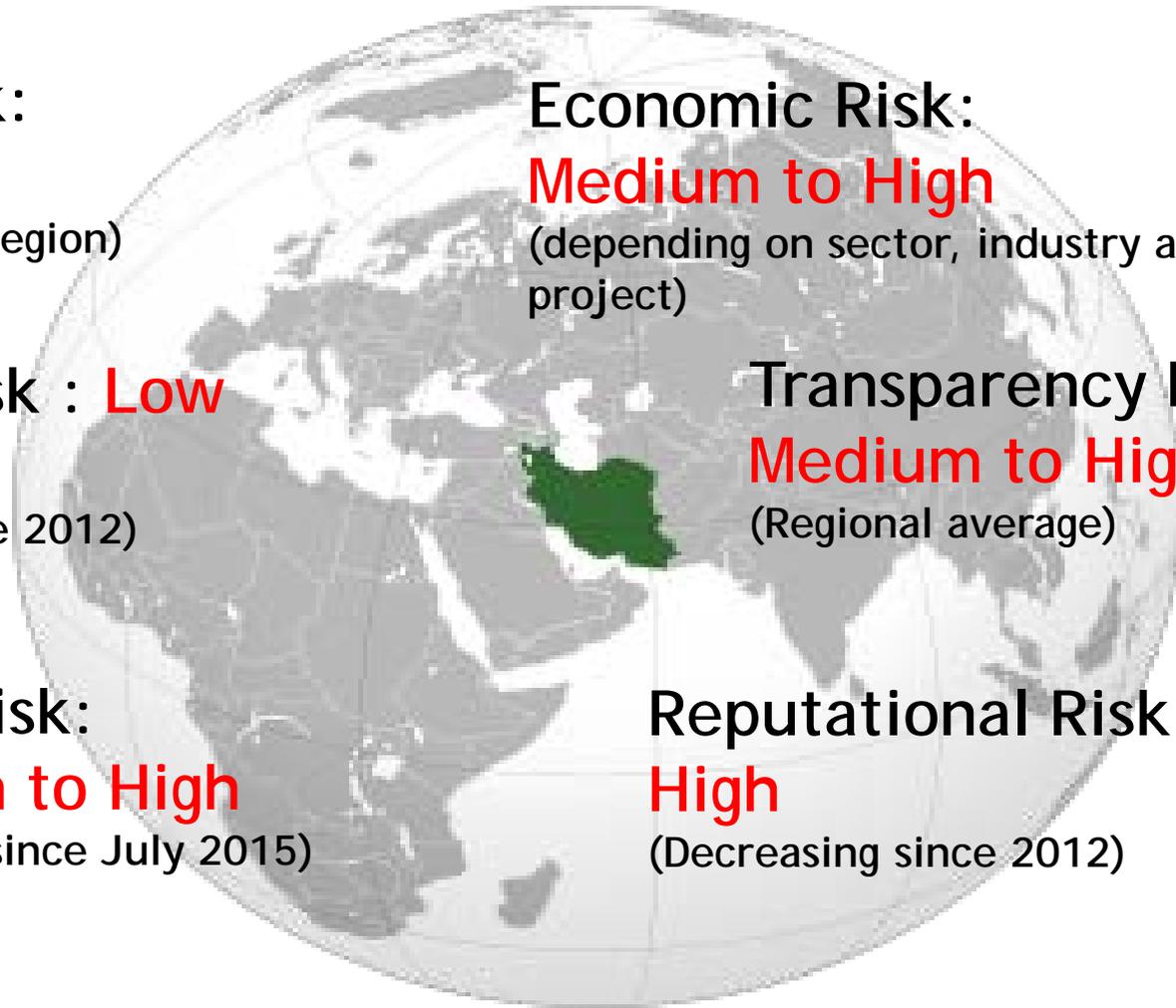
Medium to High

(Decrease since July 2015)

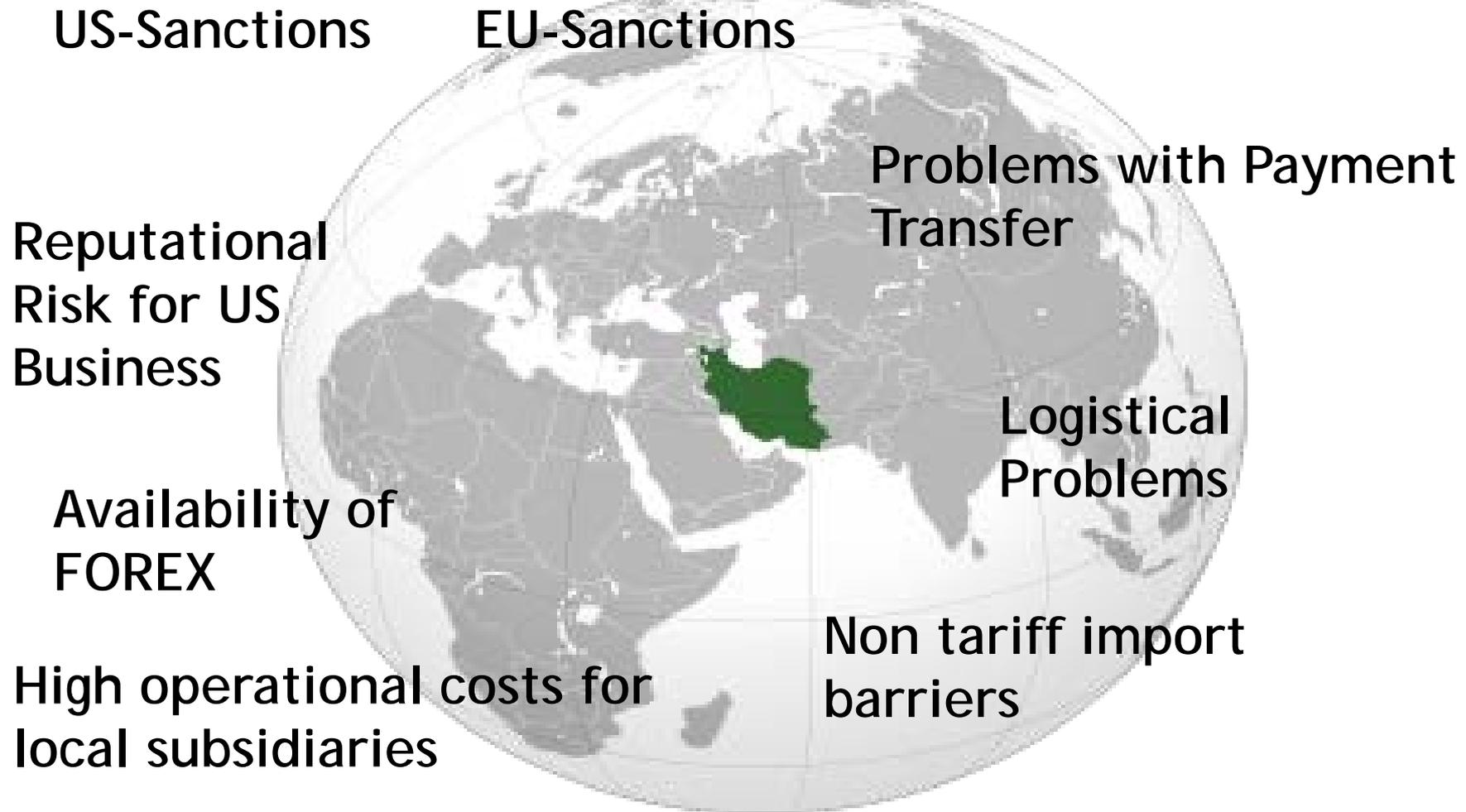
Reputational Risk:

High

(Decreasing since 2012)



MANIFESTATIONS OF RISKS FOR AUSTRIAN COMPANIES IN IRAN BUSINESS



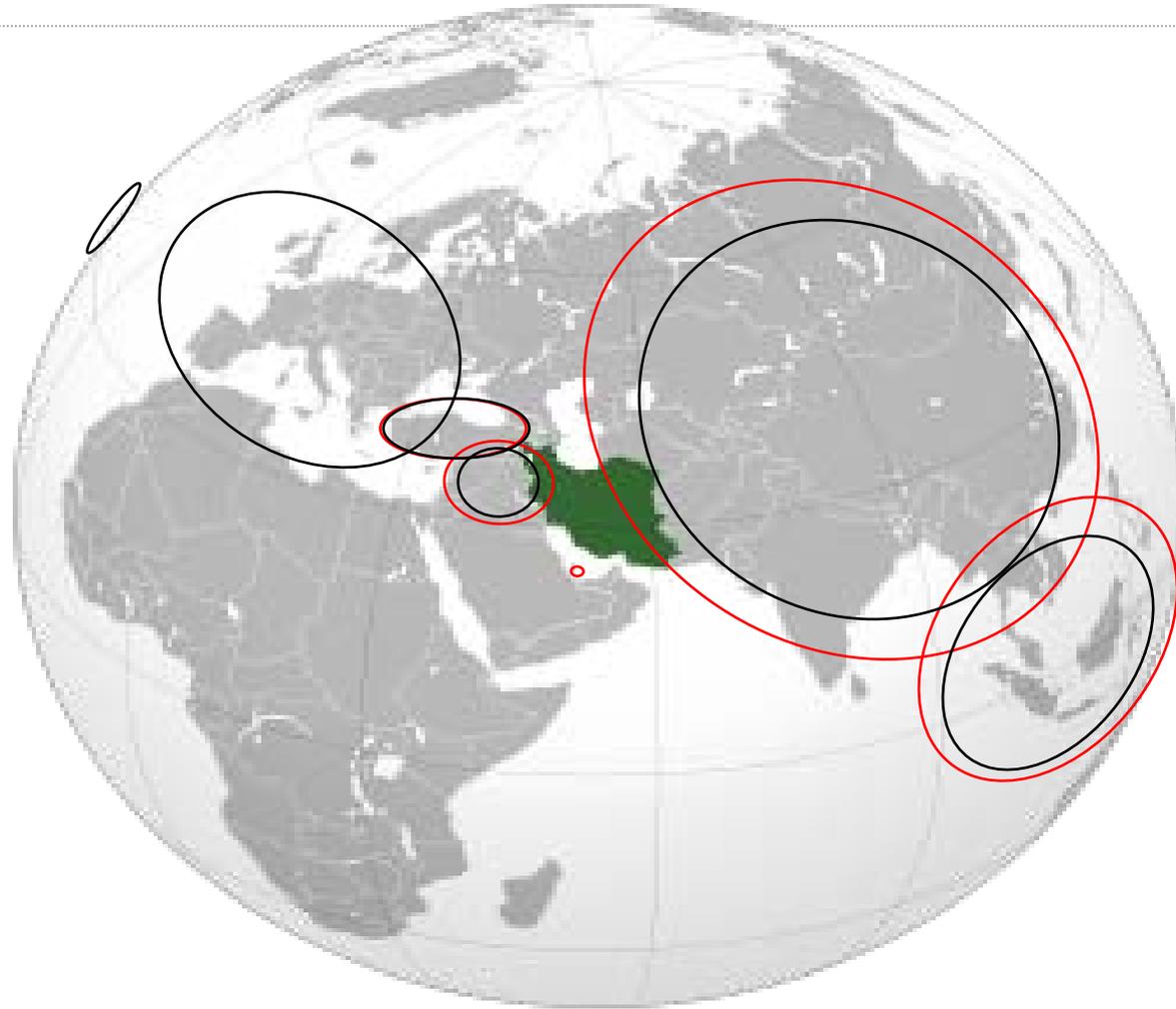


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SHORT TERM OUTLOOK ON THE IRANIAN ECONOMY

- 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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