



# Iran / Finland Opportunities May 2016

## Fin-Iran Business Forum

31.05.2016

jht 05/2016



# Contents



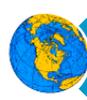
- General on Iran
- Opportunities in Health Care
- Opportunities in Cleantech
- Opportunities in Bioeconomy
- Opportunities in ICT
- Opportunitites in Construction
- Opportunities in Mining
- Banking and payments
- Future Outlook

## Sector overview

Location of Iran in the Middle East

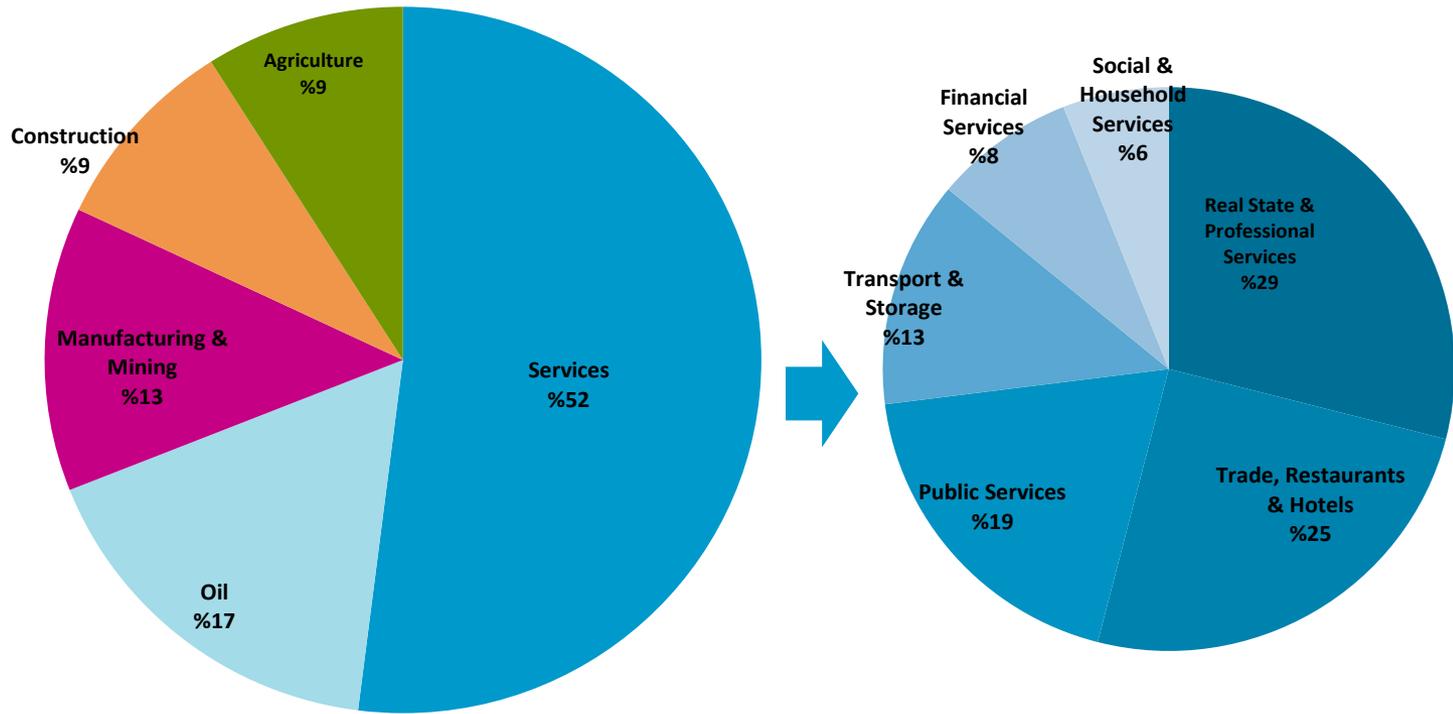


## Location of Iran in the Middle East

- 
-  The 18th largest economy in the world by purchasing power parity (PPP)
  -  The diversified economy and broad industrial variety with over 40 industries directly involved in Tehran's stock exchange market is the industrial base in the MENA region.
  -  Iran is one the richest countries when it comes to resources
  -  Labor-rich economy
  -  Young and well-educated population
  -  Large domestic market and sizable regional market (middle east) consisted of around 300 million people
  -  The Middle East market is an excellent opportunity for Iran's non-oil exports
  -  An increasingly sophisticated infrastructure and human capital providing the foundation for an emerging knowledge-based economy.
  -  Strategic geographical location, settled in the middle of Europe, Russia, the booming markets of the Gulf, and close enough to much of Asia to trade with

## Sector overview

Share in GDP



GDP composition base prices (%)



# Opportunities in Health Care

# Health care



- Investment needs are 5 billion USD
- Business models
  - Scientific co-operation
  - JVs
  - Investing in public / private ventures
- Health care covers 98 % of population
- Out of focus: 6 % in urban and 3 % in rural areas
- 20 000 health stations
- Nr 1 in the region in health care
- 60 medical universities
- 200 000 medical and dental students (5 million students)

## Business opportunities for Finnish companies

Renewal and  
enhancement of health  
care

- New hospitals with 100 000 beds
- Existing hospitals upgrades
  - Eg. Waste management
- Medical equipments and Imaging
- Cancer and Cardiological Centers
- Dental Care , the Finnish model
- Raw materials for medicines

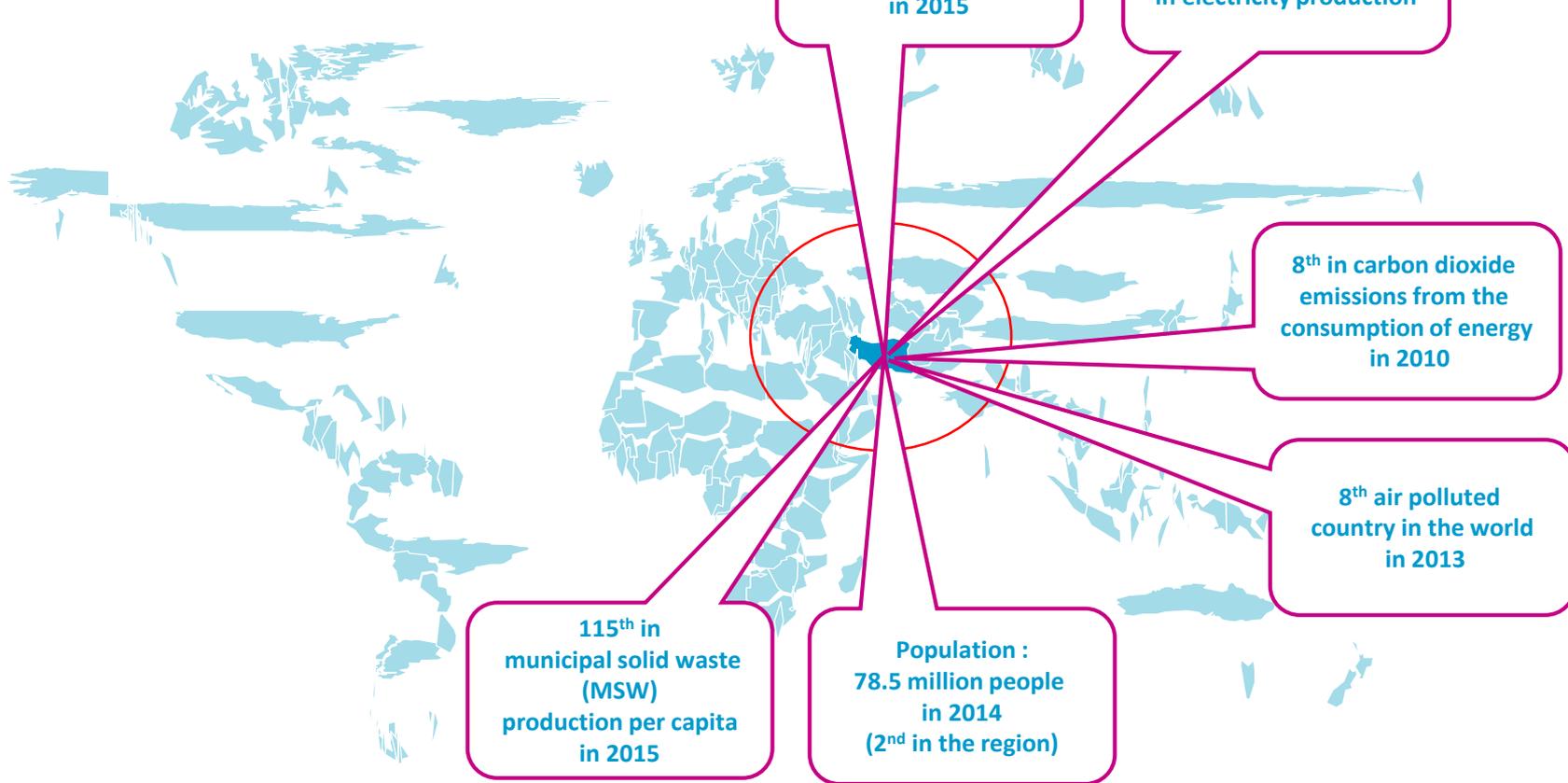
# Opportunities in Cleantech

# Iran energy sector at a glance

Iran' position in the world and region



Iran's total nominal production capacity in 2015: ~73,000 MW



## Business opportunities for Finnish companies

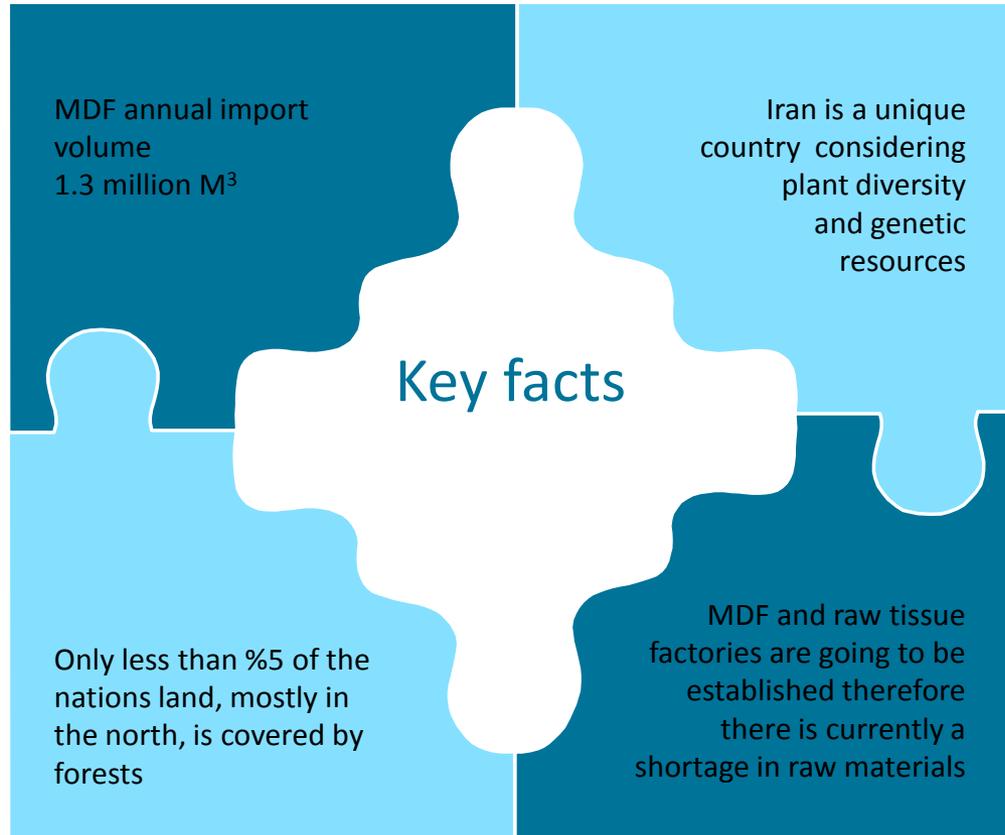
Water sources and  
sewage system  
need to be improved

- Investing in sea water and desalination projects in Iran 's southern coasts:
  - Construction of water transmission lines
  - Tunnel drilling technology
  - With high technology, desalination process will cost 5 US dollars per CM
  - Deputy Energy Minister Alireza Daemi stated harvesting fresh water from the sea would be a huge business with huge profits.
- Development and improvement of sewage system
  - Only 41% of Iran's population have urban swage and water system, which needs to be improved.
- As Ministry of Energy pointed out According to existing laws, all the foreign investments in Water Management field will be guaranteed.
- Foreign investment is an urgent requirement for building waste water treatment plans.
- Developing necessary programs for draught relief and crisis management (Urmia Lake)
- Development in dam construction
  - To effectively control and manage a growing water shortage across the country

# Opportunities in Bioeconomy

## Key facts, figures and trends

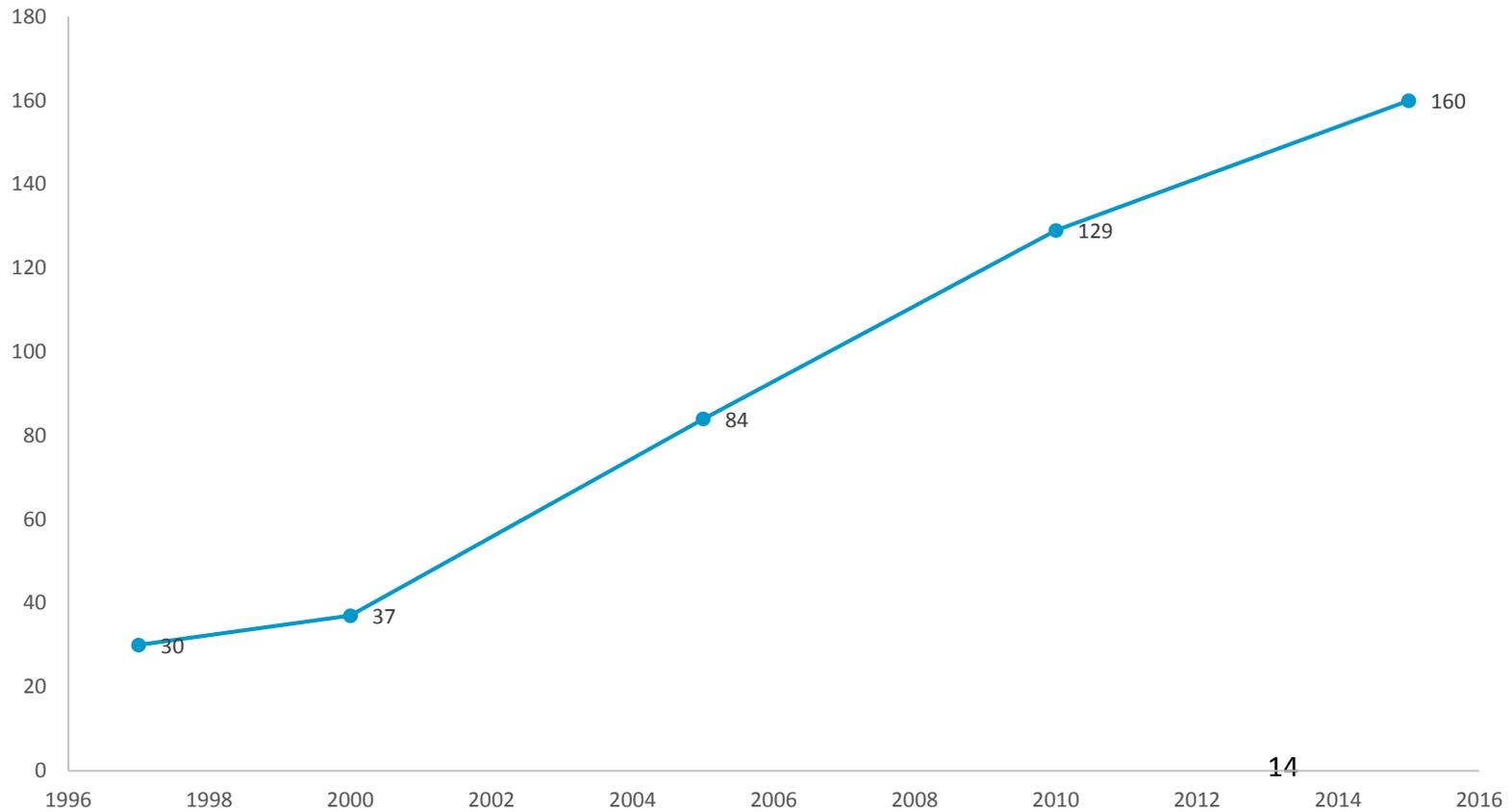
### Key facts



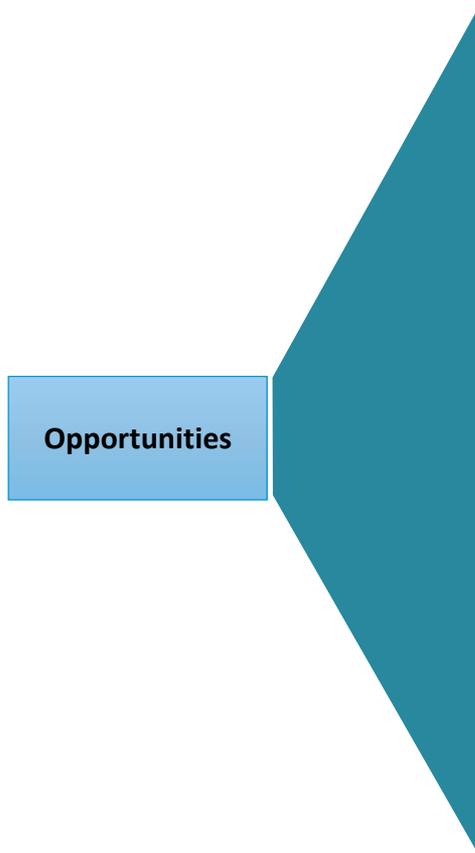
## Key facts, figures & trends

### Number of Waste Water Treatment Plants

Number of Waste Water Treatment Plants



## Business opportunities for Finnish companies



### Opportunities

- Economist's forecast for Iran: 6.1% economic growth, 80 million population, lifting sanctions
- Iran is import oriented when it comes to wood: round wood, chips, hardwood and softwood lumber
- Lack of raw material for MDF, particle board, paper and raw tissue factories
- Governmental support for importing raw materials
- Investing in Iran to produce wood products
- Regional market (production and export infrastructure)
- Human resources, education, experience, wage
- Governmental support for foreign investment in order to install new technologies for recycling paper

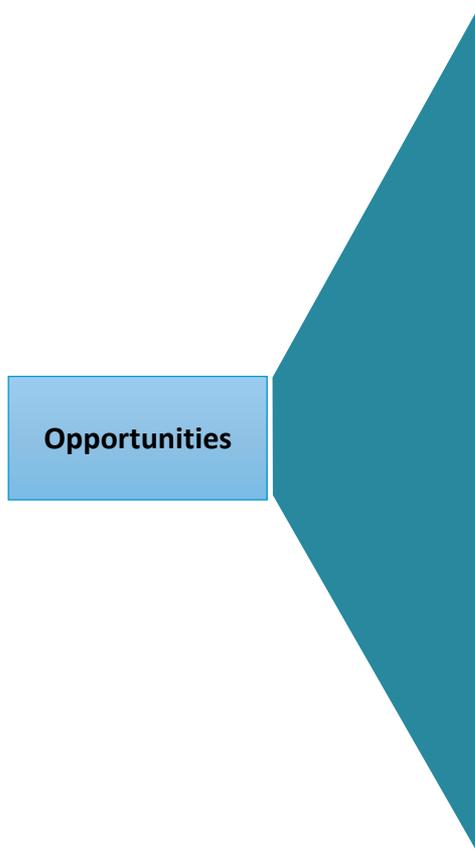
## Opportunities in ICT

# ICT: general opportunities



- The telecoms market is very important to the Iran economy and provides one of the largest non-oil based revenue streams. Improving and expanding telecoms infrastructure has been the focus of investment in recent years, and Iran's tech-savvy, young population is eager to take up next generation services.
- In recent years, foreign companies were reluctant to invest in Iran's ICT market due to sanctions placed against it. But with the easing and lifting of these sanctions; it is expected that attention will again turn towards this potentially lucrative market.
- Despite the relatively low penetration of fixed broadband in Iran; there are moves underway to improve broadband access, with the FttX operator Iranian-Net currently deploying a fibre network which aims to have 8 million customers by 2020.

## Business opportunities for Finnish companies



### Opportunities

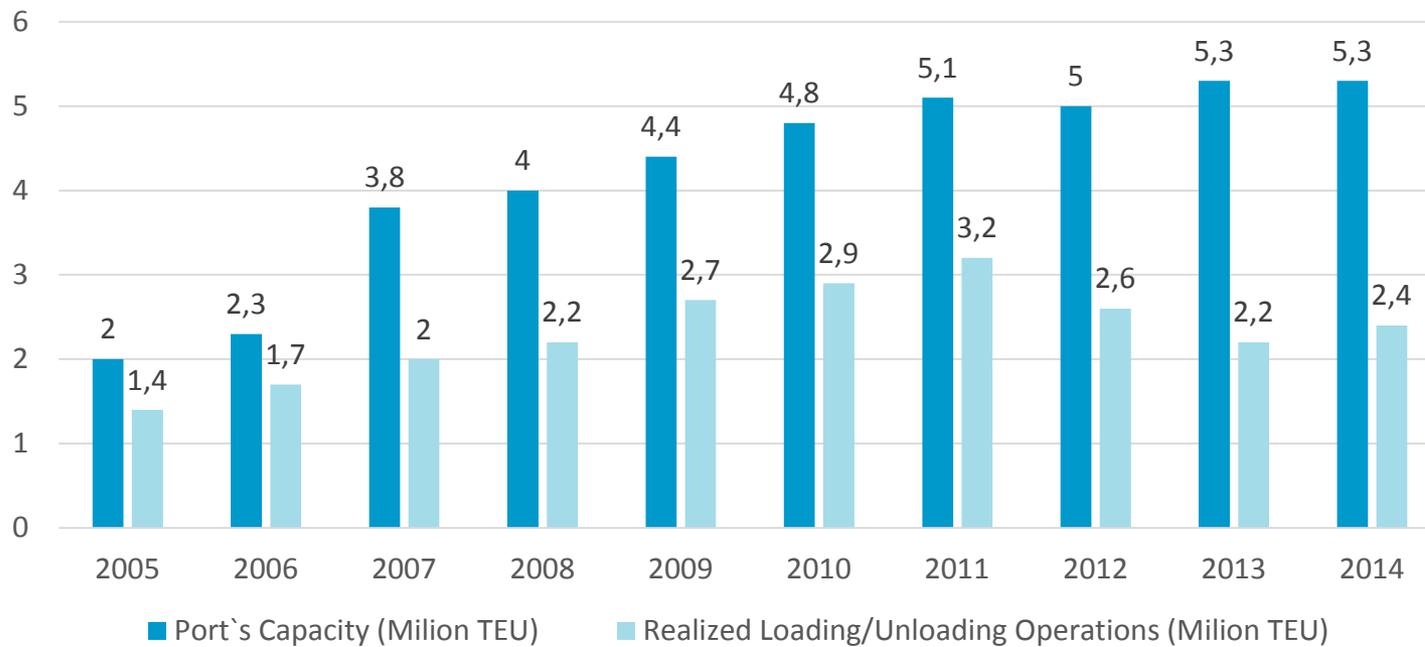
- New Generations of VAS and Mobile Apps
- Mobile Gaming
- Companies such as Supercell will have a great potential in Iran
- e/m-Commerce: Expected to significantly grow by 2016
- m-Health: Expected to be around \$1 billion by 2017
- Mobile Wallet: Plastic cards will most likely be bypassed in Iran
- e/m-Learning: Massive potential due to large geography of the country
- Social networking: Facebook and Twitter are expected to be allowed again and major opportunities in what's seen as "healthy environment"

# Opportunities in Construction

## Key facts, figures & trends

### Iran's ports container capacity

Iran's ports container capacity



## Business Opportunities for Finnish Companies

### Urban-superstructures

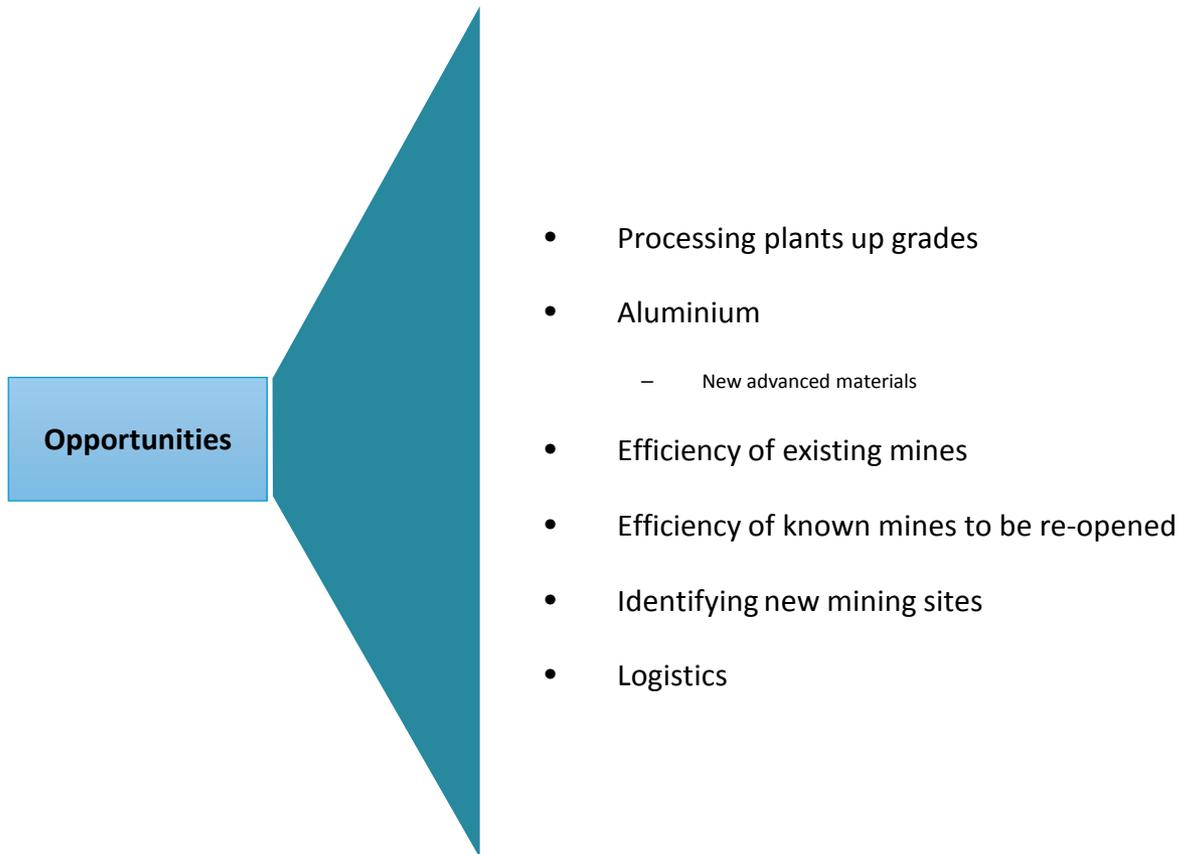
urban-superstructures

Tiss new town
Khalij-e-Fars commercial complex (Tehran-Roudehen)
Parand new town – commercial and office complex (Tehran-Saveh)
Boustan district (Isfahan)
Hashtgerd - 35 hectare (Tehran-Ghazvin)
Golbahar sports and tourism village (Mashhad)
Golbahar Imam Khomeini 800-bed hospital (Mashhad)
4th Barzan district - FooladShahr (Isfahan)
Binalood wellness parks
Baharestan tower 1st and 3rd block (Isfahan)

# Opportunities in Mining

- 29 projects worth 9 bUSD in planning currently
- By 2025 new planned projects in e.g. exploration and project development in worth of 20 bUSD
- With Vast Mining Resources: With 1% Population and 7% of Mining Reserve of the world (37B Ton Proven reserve) and a value of 700 B\$, Iran is one of the richest countries in the world of mines, holding some 68 types of minerals. These include coal, iron ore, copper, lead, zinc, chromium, barite (6th largest producer), Salt, Gypsum, Molybdenum, Uranium and gold.
- Iran Mines are mostly Open-Pit and world class, Like SarCheshmehin Kerman (1.2 B Ton-Grade 0.7%), or Anguran Zinc mine (remaining grade 9 million ton –grade 35%) in Zanjan, Mehdi Abad Zinc Mine in Yazd (160 million Ton –Grade 2%) , Sangan Iron Ore with a reserve of 1.2 Billion Ton (Ranked as 9th in the world) and Gole Gohar with 1 Billion Ton (Ranked as 10th in the world)
- Good existing road and railway network supports the development of the industry
- Skilled workers and close –by markets in neighbouring countries

## Business opportunities for Finnish companies



# Banking and payments



- **Banking and payments**

- There are state owned and private banks e.g Middle East Bank in Iran
- One of the biggest challenges has been the transfer of money
  - Payments, L/C
  - Repatriation of money
- Creating or establishing the correspondance banking relations has been slower than expected
  - Tier 2 banks more active
  - Raiffeisen and Oberbank(Austria) opening a bank in Iran
  - Italian banks are active
  - A German option in Hamburg also exist
- Investment law FIPPA also aimed at easing the transfer of money
  - OIETA
- Finnvera now grants export credit
  - Operating with standard payment instruments like L/C preferred though
- Finnfund financing

# Future Outlook



**European Union's and UAE's trade with Iran could reach USD 59 billion by 2017**

Source: Seatrade Maritime Middle East



**Jukka Hahlanterä**

Head of Middle East

Finpro

Mobile: +971 (0)5 67 82 97 45

Office: +971 4 313 2559

Tel: Business Skype: +358 294 695 753

Finland Trade Center, Embassy of Finland  
Level 05, Standard Chartered Tower Dubai  
Downtown

Regus Office Room 505, PO Box 35482

Dubai, UAE

Internet: <http://www.finpro.fi>

E-mail: [Jukka.Hahlantera@finpro.fi](mailto:Jukka.Hahlantera@finpro.fi)