

INTERNATIONAL SEMINAR ON FOREIGN INVESTMENT IN IRAN

(EXECUTIVE SUMMARY)



May 30, 2009

Specialized Panel Sessions

To illustrate and emphasize the inherent potentials that exist in all 8 sectors originally depicted, and due to demands for external financing the final sectors were expanded to eleven. The sectors were then grouped as per their respective functionalities, into three different groups. The groups explored their

specialized areas in three different sessions (attached please find the schedule for the afternoon sessions). Each panel was chaired by prominent figures in Iranian financial and industrial sectors, from public as well as private sectors.

International Seminar on Foreign Investment in Iran (Executive Summary)

PANEL SESSIONS

ABOUT THIS SEMINAR - RECAP

On the basis of signed agreement with the Islamic Development Bank (IDB), a one day specialized seminar titled “International Seminar on Foreign Investment in Iran” was held in May 30, 2009 in Tehran aiming at introducing foreign investment opportunities and potentialities in the Country.

The Seminar provided ground for exchange of views and interaction on investment opportunities & potential capacities. Eleven sectors were targeted as per below:

1. **Petrochemical products**
2. **Car and automotive parts manufacturing**
3. **Construction industry**
4. **Tourism Industry**
5. **Upstream and Downstream Steel Products**
6. **Energy Sector**
7. **Telecommunication Projects**
8. **Food industry**
9. **Agriculture**
10. **Aquaculture**
11. **Pharmaceutical**

Objectives

The primary objective was to create a B to B environment and to present and explore the many untapped areas of investment potentials and opportunities, and providing the foreign investment policies and regulatory framework.

Structure

To achieve the objective, the targeted sectors and their related participants were categorised and divided in to three separate panels. Each panel was chaired by a prominent person in the said panels. It was also decided that the speaker/presenters provide more time for the potential and prosperous investors. And to facilitate and respond to their inquires as best as they can and should there be any need for comments from other authorities, the relevant representative be present. The three panels A, B & C started their session at 14:00 pm as scheduled.

Below please find a summary of each sessions.

Panel | A

Panel A comprised of **Petrochemical Products, Upstream & Downstream products in Steel Industry** and the **Energy Sector** in Iran. The Panel was chaired by Mr. Mohammad Bagher Kiaei, Member of the Board for RAHSHAHR International Group (Private Sector). To his credit, Mr. Kiaei, has given many seminars in the related field both locally and abroad. The session began at 14:00 pm, after a brief introduction to the member of the panel and the different speaker that would elaborate and explore their fields of expertise, giving the audience ample opportunities to ask questions.

Petrochemical Products

Presented by: *Mr. Mohtashami Pour, General Manager for Petrochemical Down Stream Industries Development Department at National Petrochemical Company of Iran.*

Presentation Highlights:

- **An Introduction to Petrochemical Industries in Iran**
- **Basic Petrochemical Products**
- **Upstream & Downstream Production units & Zones**
- **The Many Investment Opportunities**
- **On Going Projects**

The many potentials that exist in this area were explored. The highly concentrated, specially built for petrochemical industries in Iran; namely Mahshahr & Assaloyeh Zones were introduced. The existing, on-going projects as well as on-the-shelf prospects were discussed and debated amongst the attendees.

Attached is the Complete Power Point Presentation

Steel Industry (Upstream & Down Stream Projects)

Presented by: Mr. Kashani Movahed, I Manager of Economics & International Affairs, Iranian Mines and Mining Industries, Development & Renovation Organization (IMIDRO).

Presentation Highlights:

- **An Introduction to Iran and its capabilities**
- **Foreign Investment privileges & advantages in Iran**
- **An Introduction to IMIDRO ... mineral deposits, production**
- **Status of IMIDRO's investment opportunities in Steel Industry**

Historically, IMIDRO, has been in forefront of investors wishing to engage in any mode of financing in this infrastructure industries in Iran. Therefore, a thorough introduction to this strong arm of Iranian Ministry of Industries and Mines were necessary. The on-going projects were discussed, the amount of investment required by different projects, the foreign investment protections and tax relieves were amongst the topics that were addressed.

Attached is the Complete Power Point Presentation

Energy Sector

Presented by: Mr. Mohammad Bagher Kiaei, Board Member for RAHSHAHR International Group (from Private Sector)

Presentation Highlights:

- **Iran place in Global picture**
- **Water Desalination Projects**
- **Water Supplies & Waste Water Treatment (BOO & BOT Projects)**
- **Power Investment Opportunities (BOO & BOT Projects)**
- **Thermal Power Plants**
- **Hydro Power Plants**

Some Macro Economic indices were presented to illustrate the strong position that Iran holds in terms of Oil & Gas reserves. Also the Energy Intensive industries, the water demands per different industries were briefly discussed. Then the speaker touched on an important subjects of water supplies and waste water treatment. Power Investment Opportunities, both in BOO as well as BOT projects, were discussed.

Mr. Kiaei, who also was responsible to chair the Panel, recapped the issues discussed and spent considerable time in answering the many question(s) and inquires that prosperous attendees held.

Attached is the Complete Power Point Presentation

Panel | B

This panel comprised of **Food, Pharmaceutical, Agriculture** and **Aquaculture** Industries. The Panel was chaired by Dr. Rassoul Dinarvand, Professor of Pharmaceutics, Deputy Minister for Food & Drug, Ministry of Health and Medical Education. The session began with an interesting presentation by Dr. Dinarvand, who gave a complete detail with some statistical figures of Iran Pharmaceutical industries. Separate presentations, in the following order, was proceeded.

Food Industry

Presented by: Mr. Abolhassan Khalili, General Secretary for Iran 's Food Confederation

Presentation Highlights:

- *Iran as a Food Importer*
- **Some Financial Data**
- *Iran as an Exporter*
- **Iran's potential in World Wide Food Market.**
- **Possible Financing Modes**
- **Business Opportunities**

The demand vs in-land productions, the existing food processing companies, the future outlook of this fast growing industries, together with Iran's role as a major importer as well as attempts made to position it self in the global market were amongst many topics discussed. The questions were addressed. And some inquiries were directed through the propel channels.

Attached is the Complete Power Point Presentation

Pharmaceutical Industry

Presented by: Mr. Alireza Tahsirili, Managing Director , FARABI Pharmaceutical Company

Presentation Highlights:

- *Pharmaceutical Industries vs. other industries*
- **Major Pharmaceutical Industries (Global Players)**
- **Annual Investments**
- **Governing Markets**
- **Investment Opportunities in Iran**
- **Major Advantages**

The high yield in this sector were illustrated by comparing Pharmaceutical industries with other industries. The differences were highlighted, Iran's position within the global market were discussed . The annual investments made were proclaimed. The rules and regulations, the governing bodies, the many advantages that would be granted to the new investors were amongst the topics discussed. The question(s) and answers session followed by Dr. Dinarvand who was acting as the chairperson for the panel, gave a more detailed information, statistical facts and figures with regards to the past investments made in this sector.

Attached is the Complete Power Point Presentation

Agriculture Industry

Presented by: Dr. Karimi Pour, Director General, Agriculture Commission, Iran Chamber of Commerce

Presentation Highlights:

- Getting to know Agriculture in Iran
- Basic Potentials & Resources
- Vast Array of Productions
- Geographical Lay out of Productions Facilities
- Iran Position in the Region
- Economical Indices
- Potentials for investment

This sector was presented through the eyes of Iran Chamber of Commerce, an entity wholly responsible for private enterprises. The presentation started with a complete introduction to Agriculture Industry in Iran and went on to discuss the broad and versatile productions. An in-depth discussions of potentials for investments in this area was then followed.

Attached is the Complete Power Point Presentation

Aquaculture Industry

Due to poor attendants this topic was dropped. The issue was mildly touched in the Agriculture section.

Panel | C

The panel was chaired by Dr. Hossein Abdoh Tabrizi, currently C.E.O., Novin Investment Bank with years of experience in Capital Market (3 years as Secretary General for Tehran Stock Exchange) and for many years as the Senior Advisor to the Minister of Housing and Urban Development. The primary objective of the session was highlighted by the chairman. The structured approach and the order of the speakers were described. To present their fields of expertise, each presenter took the podium in the following order:

ICT & Telecommunication Projects

Presented by: *Dr. Mahmoud Zargar, Advisor to the Ministry of Commerce*

Presentation Highlights:

- **Adjusted Models for Iran**
- **Feasibility Studies for Solutions**
- **Inhibitors & Risks**
- **Infrastructures in Iran**
- **Licenses & Governing Rules**

Dr. Zargar started his presentation by giving a thorough analysis of different communication models currently in use in and around the World. Then some applicable models were characterized for Iran.

The existing potentials were discussed. Heavy emphasis were placed on e-commerce. Some specific cases were discussed. The prosperous investors were encouraged to continue their enquiries after the session.

Attached is the Complete Power Point Presentation

Car & Automotive Parts Industry

Presented by: Dr. Rajal, Secretary General for Iranian Auto Parts Manufacturers Association

Presentation Highlights:

- An Introduction to Iran; some macro indices
- New Development Policies
- Automotive Industry in Iran vs world wide
- Vehicle Production
- Major Alliances in Automotive Industry in Iran

Dr. Rajal, a well known figure in the automotive Parts Manufacturers began his presentation by giving some macro economic details. The global auto industries as per different countries and major international players were discussed and Iran position and market share in the car & automotive parts were analyzed. The many different car manufactures were introduced. The utilized capacities and the future expansion as well as potentials for new establishments were discussed. The existing alliances with some major international companies such as Renault, Nissan and Toyota were discussed. Dr. Rajal, continued his presentation by describing the complete investment protection that Iran offers.

At this stage the floor was given to OITAEI representative who gave a thorough accounts of FIPPA protection Act. Some questions and inquiries were addressed.

Attached is the Complete Power Point Presentation

Tourism Industry

Presented by: Mr. Seifzadeh, from Shiraz Chamber of Commerce, Industries & Mines, Member of Managing

Committee. Secretary General for the Tourism Confederation

Presentation Highlights:

- **An Introduction**
- **Investment Potential in Tourism Sector in Iran**
- **Trend in Development of Tourism Industry**
- **Government Supports & Governing Rules**

Mr. Seifzadeh, strong promoter of tourism industry, whilst introducing Iran Historical & Cultural heritage, gave a complete account of investment potential in tourism industry in Iran, and also the many supports that government offers and honors prospectus investors.

Attached is the Complete Power Point Presentation

Construction Industry

Presented by: *Dr. Hossein Abdoh Tabrizi, currently C.E.O., Novin Investment Bank with years of experience in Capital Market (3 years as Secretary General for Tehran Stock Exchange) and for many years as the Senior Advisor to the Minister of Housing and Urban Development. A very prominent figure in financial & Capital Markets.*

Presentation Highlights:

- **Vast Opportunities**
- **Evaluation of Operations & Transactional Risks in Iran**
- **Limitation of Mortgage Market in Iran**
- **Potential of Securitization of Loans for Home Buyers**

The Panel chairperson as well as presenter of this highly demanded industry wished to run his panel more in terms of Q&A and learn and exchange the different views and experiences of foreign and domestic participants. As such no power point presentation was projected. Dr. Abdoh, discussed the vast opportunities that exist in the Housing & Construction markets. Dr. Abdoh drew some parallels

with US housing dilemma, which triggered the global financial crisis. He detailed the trends of this lucrative market and pointed out the many pitfalls that the market has experienced. Dr. Abdoh, explained in details the operations and transactional risks, the minute mortgage market in Iran and also the rising demand for securitization of loans agreement for home buyers in Iran.

The floor then was open. Foreign potential and prosperous investors were asking question spanning from capacity of building materials such as cement, bricks, steel irons to more modern wall panels and pre-fabricated materials. The different experiences in other parts of the world were compared and exchanged.

There was no Power Point Presentation