

Iran in Western Asia, is bordered to the northwest by Armenia and Azerbaijan; with Kazakhstan and Russia across the Caspian Sea; to the northeast by Turkmenistan; to the east by Afghanistan and Pakistan; to the south by the Persian Gulf and the Gulf of Oman; and to the west by Turkey and Iraq. Comprising a land area of 1,648,195 km², it is the second-largest nation in the Middle East and the 18th-largest in the world. With 79.1 million inhabitants, Iran is the world's 17th most populous nation. It is the only country that has both a Caspian Sea and an Indian Ocean coastline. Iran has long been of geostrategic importance because of its central location in Eurasia and Western Asia, and its proximity to the Strait of Hormuz.



Iran is home to one of the world's oldest civilizations, beginning in 3200–2800 BC. Iran reached the pinnacle of its power in 550 BC, which at its greatest extent comprised major portions of the ancient world, making it the largest empire the world had yet seen.

Iran is a major regional power, exerting considerable influence in international energy security and the world economy through its large reserves of fossil fuels, which include the largest natural gas supply in the world and the fourth-largest proven oil reserves. It hosts Asia's 4th-largest number of UNESCO World Heritage Sites.

Economy & Industries of Iran

Iran is ranked by the World Bank as an upper-middle income economy and the second largest economy in MENA region. World Bank believes Growth rates in 2017-19 are expected to retreat to slightly above 4 percent.

According to World Bank, the Iranian economy recovered, following two years of recession. The inflation rate declined from a year-on-year peak of 45.1% in 2012 to 15.6% in June 2015 in line with the lifting of sanctions.

In 2010, the economic reform plan was approved by parliament to cut subsidies gradually and replace them with targeted social assistance. The objective is to move towards free market .



Iranian authorities have adopted a comprehensive strategy encompassing market-based reforms as reflected in the government's vision document, the development plan envisages an annual economic growth rate of 8% and considers the implementation of reforms of state-owned enterprises, the financial and banking sector, and the allocation and management of oil revenues among the main priorities of the government during the five-year period.

Iran has leading manufacturing industries in the fields of car-manufacturing and transportation, construction materials, home appliances, food and agricultural products, armaments, pharmaceuticals, information technology, power and petrochemicals in the Middle East.

Iran's GDP is to hit 548 billion USD in 2016, as estimated by IMF.

Agriculture

in Iran

Iran, a country of 81 million inhabitants, is according to many international experts and prominent economists, the next major market in the Middle East region. Iran has a strong potential to emerge as a major player in the global market as it has one of the world's largest oil and natural gas reserves. In recent months, Iranian economy has been thriving due to the stability of policies in national and international level.



The agricultural sector is one of the most important sectors of the Iranian economy, accounting about 11% of GDP, 23% of the employed population and 15% of the foreign exchange revenues from nonoil export, according to Iranian Organization for Investment, Economic and Technical Assistance. Agriculture faces a number of challenges in Iran, the most important being low rainfall. Unsurprisingly, agricultural production is directly correlated to the amount of rainfall. The relatively dry climate of most of Iran's regions makes water availability a vital factor in production. The western and northwestern portions of the country have the most fertile soils. Roughly one-third of Iran's total surface area is suited for farmland, but because of poor soil and lack of adequate water distribution in many areas, most of it is not under cultivation. The cultivated area of the country is 16.5 million hectares as stated by Statistical Center of Iran, out of which 52% is equipped for irrigation.

Iranian agricultural policy is intended to support farmers and encourage the production of strategically important crops. The policy is to purchase certain crops at guaranteed prices and also, to encourage the production of specific crops through farm subsidies.

Because wheat is considered Iran's most strategically important crop, it received the largest subsidies, and its production grew at the fastest rate between 1990 and 2005. The government also pays a wide range of subsidies for improvements in production methods, the use of fertilizers and pesticides, and agricultural research. However, there still exist considerable opportunities to improve efficiency in the agricultural sector.

Crops



Wide range of temperature fluctuation in different parts of the country and the multiplicity of climatic zones make it possible to cultivate a diverse variety of crops, including cereals, fruits, vegetables, and many other products. The top 10 agricultural commodities produced in Iran are: Wheat, Milk, Sugar cane, Tomatoes, Potatoes, Watermelons, Vegetables, Sugar beet, Rice and Onions as stated by FAOSTAT in 2013.

According to FAO, the rank of Iran in producing different agricultural commodities is as below:

- Ranked first in production of Pistachios, stone Fruit, Berries
- Ranked second in production of Walnuts, Dates, Apricots, and Watermelons
- Ranked among the top 5 producers of Cherries, Sour Cherries, Figs, Eggplants, Almonds, Vegetable.

The export commodities of Iran are: Pistachios, Spices, Pastry, Raisins, Dates, Tomatoes Paste, Cucumbers and gherkins, Sugar Confectionery, Apples, Ice Cream and Edible Ice, Cheese of Whole Cow Milk, Potatoes, Watermelons, Kiwi fruit, peppers, green Tomatoes, Cabbages and other brassicas, Fruit, Fresh Cream.

Maize, Cake of Soybeans, Soybean oil, Meat, Palm oil, Raw Centrifugal Sugar, Soybeans, Bananas, Barley, Butter, Tea, Natural rubber, Chicken meat, Sunflower oil, Oranges, Cotton lint, Cigarettes, and Tobacco are among the imported agricultural commodities to Iran.

Livestock

Of the country's livestock, sheep are by far the most numerous, followed by goats, cattle, donkeys, and horses. According to Statistical Center of Iran, there are 3,164,000 animal husbandry units with 31,421,000 sheep, and also 696,000 units with 4,232,000 cattle.



The raising of poultry for eggs and meat is widespread. One area where production infrastructure has progressed rapidly is the poultry sector. The face of the industry has now been transformed dramatically so that the entire supply chain process can take place domestically. According to Statistical Center of Iran, there are over 20,000 industrial active units in this field, with a capacity of around 484,000. According to FAOSTAT there are 934,600 poultry birds in Iran in 2014.

Fishing



Access to the Caspian Sea, the Persian Gulf, the Gulf of Oman, and many river basins provides Iran the potential to develop excellent fisheries. Iran has 1,786 kilometers of coastline on the Persian Gulf and the Gulf of Oman. These southern waters are rich in fish and other marine resources.

Moreover, there are 20,400 fish farming units in Iran, producing about 372,000 metric tons of different fishes.

Food Industries

About 12% of all entities in the industry sector of Iran are engaged in the food industry, employing approximately 328,000 people or 16.1% of the entire industry sector's workforce and represent \$ 7.7 billion of investment, that is, approximately 18% of total investment in Iranian industry, as stated by Iranian Organization for Investment, Economic and Technical Assistance.



According to Statistical Center of Iran, 14,697 industrial establishments (with +10 workers) are active in Iran, out of which 2,759 units are food processing industries. 18.67% of industrial establishments (with +50 workers) of Iran, are active in food processing industries, ranking first in total fields. Production value of industrial establishments of the country (with 10-49 workers) is about 273,693 billion IRR, 31% of it is produced by food processing industries, ranking first in total fields. Production value of industrial establishments of the country (with +10 workers) is about 4,971,279 billion IRR, 8.6% of it is produced by food processing industries.

Food Machinery

The Iranian food technology market is perceived to be the most important by international investors interested in the Middle East, with Iran being the second largest economy in the MENA region.

More specifically, there has been a constant increase in demand for packaging technology within Iran, resulting from the growing and young population, increasing urbanization,



a growing middle class and working women and the spread of organized trade in supermarkets and hypermarkets contribute to the rising demand for modern processed and packaged foods and beverages. According to estimates 18 million tons of packaged foods will be sold in Iran – with an upbeat tendency.

According to the German Engineering Association (VDMA), the imported food processing machinery and packaging equipment worth a total of \$ 191.1 million in 2013, after 235.6 million in 2012. The last data published by The Iranian Customs Administration (IRICA) shows that the country imported over 195 million USD of different food machinery in the last 9 months of 2016.

As reported by Packaging Europe, the main requirements of the Iranian food processing and packaging market regard technologies that further the automation of production lines, systems for the monitoring and control of production and productive processes, and a greater focus on health and hygiene controls.



The value of food and agricultural exports hit 6.7 billion USD as of March 2014, comprising horticultural products (41.38%), processed food (23.82%), cultivated products (19.74%), poultry and livestock, fish and forestry products, according to the Iranian Ministry of Agriculture Jihad. The share of food and agricultural sector in Iran's non-oil export is about 19%.

The top exported items in this period are pistachio (1623 million USD), tomato paste (358 million USD), saffron (227 million USD), watermelon, apple, tomato, Persian yoghurt, cheese, sweets and biscuits.

Iranian government policy aims to reach self-sufficiency in food production and by 2007, Iran had attained 96% self-sufficiency in essential agricultural products, as stated by Iranian Ministry of Agriculture Jihad (IRAN DAILY Jan 22, 2009). However, Iran is also importing different items of food and agricultural products. In March 2014 the value of food and agricultural imports was 12.2 billion USD, sharing 23.3% of Iran's non-oil import.



The top imported items in this period are wheat, maize, oilcake, soybean oil, banana, sunflower oil, raw sugar, and frozen red meat.



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- Iran is the second largest economy in MENA region, and also has the second largest population of the region.
- Following years of recession, the Iranian economy recovered, according to World Bank.
- Iran has adopted a comprehensive strategy with market-based reforms, visualizing an annual economic growth rate of 8%.
- World Bank believes Growth rates in 2017-19 are expected to retreat to slightly above 4 percent.
- Iran is the biggest producer of Pistachios, stone Fruit, and Berries, and also the second producer of Walnuts, Dates, Apricots, and Watermelons
- Iran is ranked among the top 5 producers of Cherries, Sour Cherries, Figs, Eggplants, Almonds, and Vegetable.
- About 19% of industrial units (with +50 workers) of Iran, are active in food processing industries, ranking first in total fields.
- About 31% of production value of industrial units (with 10-49 workers) is produced by food processing industries.
- The country imported over 195 million USD of different food machinery in the last 9 months of 2016.
- About 20% of non-oil exports of Iran is in food and agriculture sector.
- The value share of food and agricultural imports in non-oil products exceeds 23%.
- About 18% of total investment in Iranian industry is invested in food industry.
- Iranian agricultural policy supports the production of strategically important crops by purchasing certain crops at guaranteed prices and encouraging the production of specific crops through farm subsidies.
- The government also pays a wide range of subsidies for improvements in production methods, the use of fertilizers and pesticides, and agricultural research.
- The income derived from all agriculture activities are tax exempted for all Iranian and foreigners.

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