

Iran Mining Sector Guide

2nd Edition

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Message from the President of Tehran Chamber of Commerce, Industry, Mines and Agriculture (TCCIMA)



For centuries, Iran has been a central player in the Silk Road, fostering trade, commerce, and the interchange of ideas and knowledge between the East and West. Despite being a large economy, Iran has yet to fully tap into its potential in the global market by actively engaging with the international community.

At the **Tehran Chamber of Commerce**, our objective is to ensure the utilization of Iran's vast potential, including its valuable human resources, to drive robust economic growth. We achieve this by providing enticing investment opportunities that generate job prospects and contribute to high economic expansion.

To this end, TCCIMA has established an Investment Center comprising esteemed members of the TCCIMA board, who bring firsthand experience to facilitate connections between our members and their counterparts in the global ecosystem. The primary aim of this initiative is to provide a dynamic platform for exchanging ideas, sharing experiences, and developing new professional services. This platform is crucial for fostering new relationships and partnerships, which are imperative for creating and successfully realizing joint ventures that serve the interests of Iran and the region.

As the president of TCCIMA, I extend a warm invitation to you to visit Iran and witness the abundant opportunities our country has to offer as a foundation for mutually beneficial collaborations.

H.E. Dr. Mahmoud Najafi Arab
President of Tehran Chamber of
Commerce, Industries, Mines and Agriculture

Message from the President of Organization for Investment, Economic & Technical Assistance of Iran



Foreign investment plays a significant and multifaceted role in driving the growth and economic development of nations. It encompasses not only the acquisition of skills, technical expertise, and market supply but also the creation of value, fostering entrepreneurship, stimulating employment, expanding exports, and facilitating the infusion of essential currency and capital into investment endeavors. The establishment of a favorable economic environment, along with ensuring the security of foreign investments and implementing robust legal frameworks, while concurrently formulating investment incentives, lays the fundamental groundwork for attracting foreign capital. It is widely recognized that these factors collectively contribute to bolstering foreign investment inflows.

The Islamic Republic of Iran holds a prominent status on the global stage as an investment destination, thanks to its abundant mineral resources, expansive domestic and regional market, and strategic regional position. In line with the policies of the 13th government, which focus on fostering interaction and economic cooperation with neighboring and like-minded countries, the **Organization for Investment, Economic &Technical Assistance of Iran** has emerged as the official entity entrusted with attracting foreign capital from these nations. The primary objective is to facilitate collaborative Iranian-foreign investments, fortify economic ties with partner nations, and address the economic needs of regional countries through joint production of goods and services. By directing these investments towards fruitful economic and developmental activities, the aim is to create a conducive environment that promotes shared prosperity and sustainable growth.

H.E. Dr. Ali Fekry
President of Organization for
Investment,Economic & Technical Assistance of Iran

Message from the Head of Investment Center



TCCIMA has been a key player in the private sector of Iran and plays a central role in attracting foreign investment and sustaining economic development. The Chamber effectively communicates with the competent official and private authorities and helps the private sector by all facilities aiming at creating a better climate for business in the country. To boost the country's economic growth, there is need for a joint collaboration between Iran and other countries. In the **Investment Center**, it is our aim to provide foreign and also domestic investors with services and facilitate their investing process in Iran on the one hand, and on the other, offer a platform to Iranian private sector to flourish and reach its potentials.

Today, Iran is in a critical phase in terms of its economic history and it is our firm belief in the Investment Center that through sustainable investment, economic development of our country is not out of reach. Extending its cooperation with the international community can help highlight Iran as a new market of global significance and provide insight into the best practices.It is essential for Iran to move fast to identify gaps and provide solutions for investment promotion and economic growth. To achieve this, the private sector itself, and its chief arm, the Chamber of Commerce, adopt a leading role in defining the way forward. In the series of brochures that the Center has accumulated, an introduction and insight into investment opportunities of various economic sectors of Iran has been provided which we look forward to sharing with you.

Ferial Mostofi
President of Center of Investment & Consultancy Services



Center Missions

- To provide a platform for networking, cooperation, sharing and dissemination of ideas and information
- To provide consultation to investors on related issues (i.e. laws, regulations, tax, insurance, etc.)
- To outline different economic sectors' landscape and introduce investment opportunities and projects
- To identify investment regulation gaps, and propose mechanisms for facilitating investment processes to the related government bodies
- To facilitate more active participation of the private sector in the global value chains
- To hold training courses related to finance and investment training purposes



Overview



Overall Description of the Sector

The mining sector currently accounts for around 2.5% of Iran's GDP in the year ending March 2022 and it contributes to 1% of the country's employment.

According to the latest report released by the Ministry of Industries, Mining and Trade, Iran has 7250 mines 6025 of which were operational in Iran in the fiscal year ending March 2022, indicating a 4.2% increase (243 more operational mines) compared with the year before. The total amount of revenue generated by these mines stood at USD 2 million which registered a 61.2% year-on-year growth.

A total of 485.6 million tonnes of minerals were produced in the fiscal year ending March 2022, showing an increase of 8.8% in terms of weight compared with the year before.

Iran's export of mineral products in the year ending March 2022 stood at 17.8 million tonnes worth USD 139 million based on the latest data released by the Statistical Center of Iran. According to IMMIDRO, steel topped the list of exports in terms of value with USD 7.3 billion and was followed by copper with USD 2.1 billion and aluminum with USD 753 billion.



Population: 85.3 million

Urban Population 76%

Land Area: 1,64 million km

Mining and Related Industries GDP Share in 2021

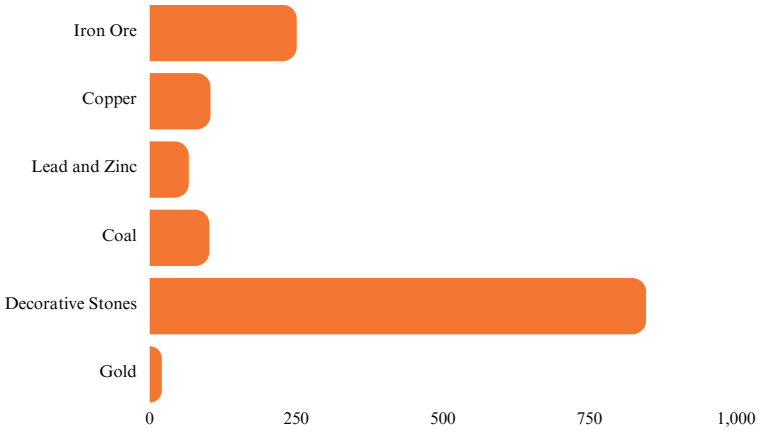


Owns 7% of world's total mineral reserves

Ranks 1st country in the Middle East with rich mineral resources

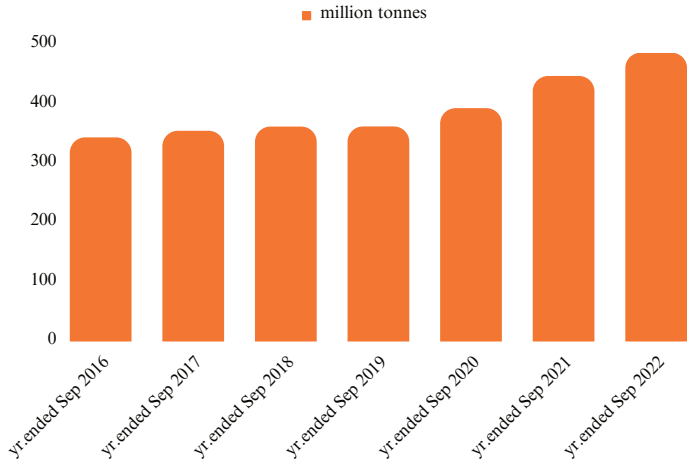
Has 6,000 active mines with 68 types of minerals

Number of Active Mines Based on the Mineral Products in the Fiscal Year Ending March 2022



Source: Statistical Center of Iran

Mineral Production by Volume (2016-2022)



Source: Statistical Center of Iran



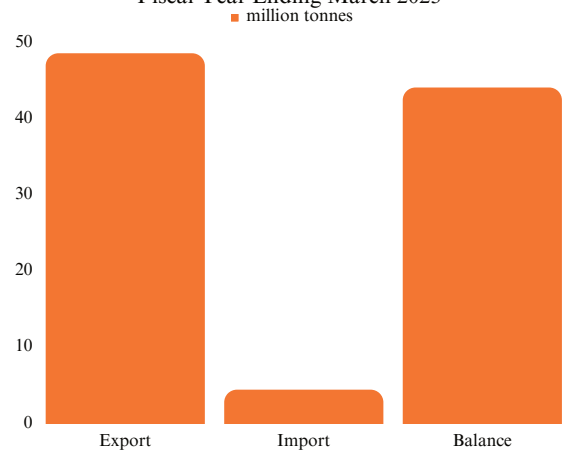
Major Trade Figures

The mining trade in Iran is governed by the Ministry of Industry, Mine, and Trade, which sets regulations and issues licenses for exploration and exploitation activities.

Iran's mining sector has been attracting both domestic and foreign investments, aiming to leverage its mineral wealth and increase value-added activities within the supply chain.

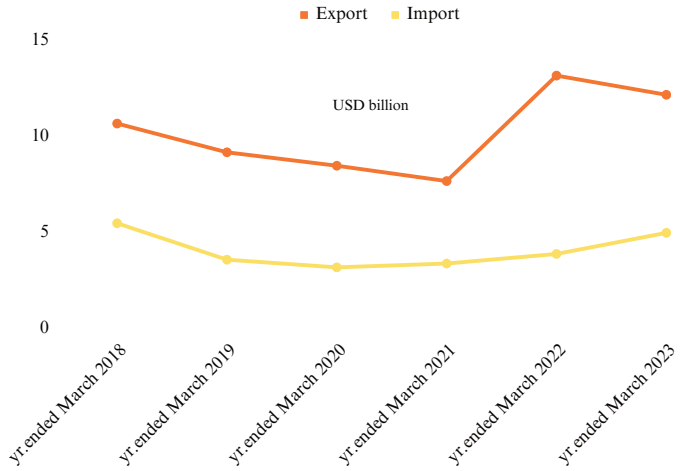
The mining trade in Iran plays a crucial role in generating revenue, creating job opportunities, and contributing to the overall economic development of the country.

Import and Export of Mining Sector and related Industries by Volume in the Fiscal Year Ending March 2023



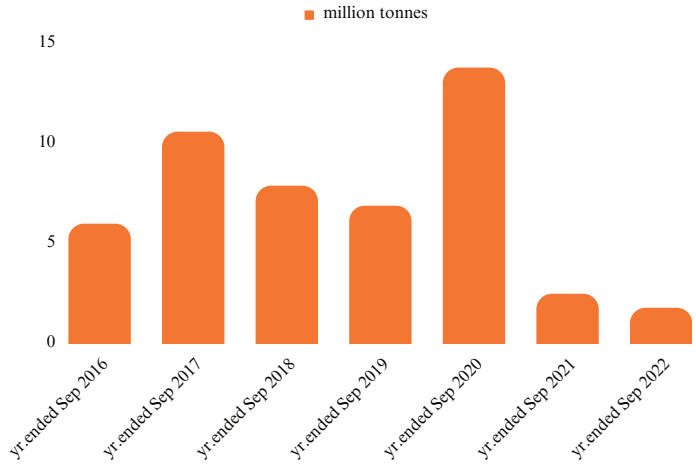
Source: IMMIDRO

Import and Export of Mining Sector and Related Industries by Value (2018-2023)



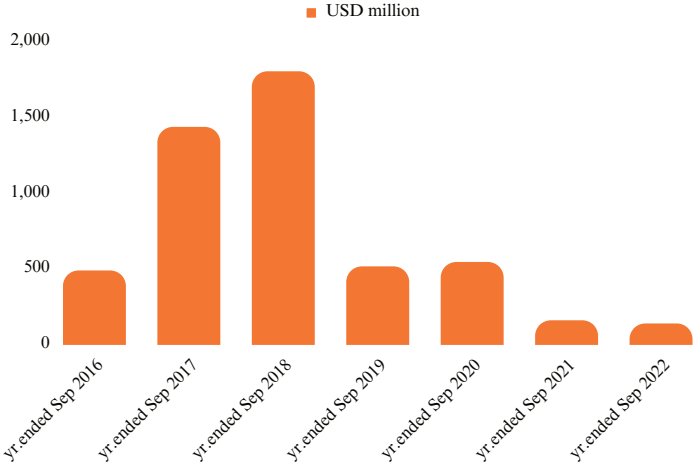
Source: IMMIDRO

Export of Mineral Products by Volume (2016-2022)



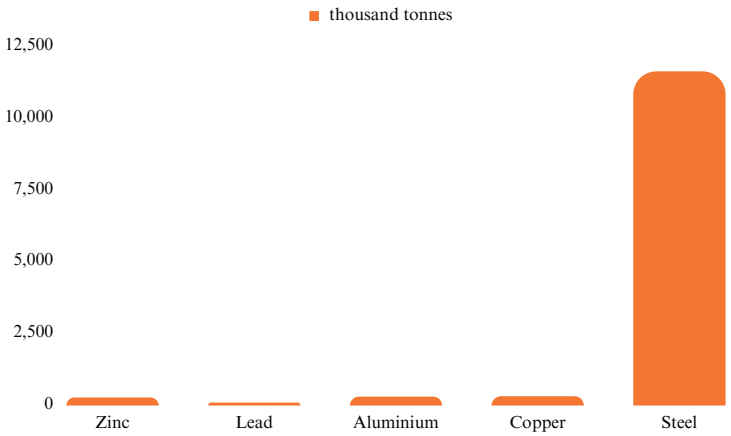
Source: Statistical Center of Iran

Export of Mineral Products by Value (2016-2022)



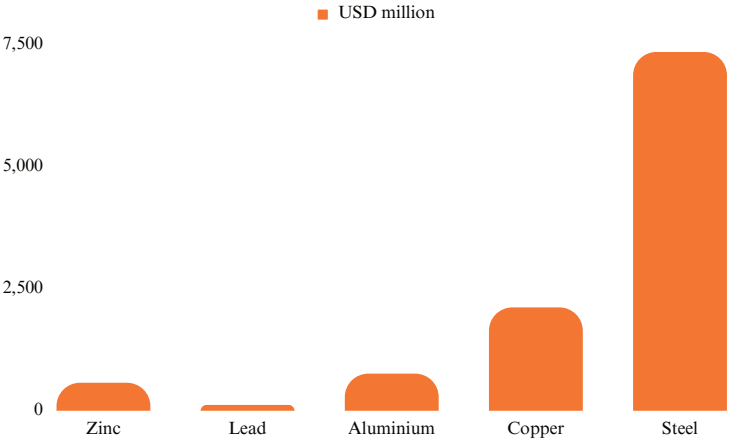
Source: Statistical Center of Iran

Export of Major Mineral Products and Related Industries by Volume in the Fiscal Year Ending March 2022



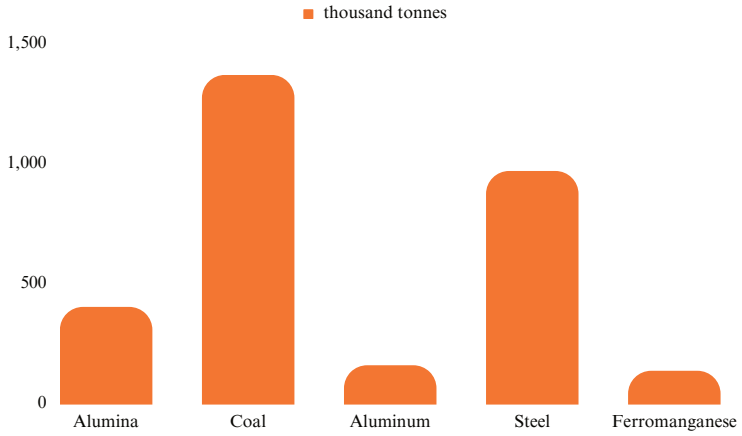
Source: IMMIDRO

Export of Major Mineral Products and Related Industries by Value in the Fiscal Year Ending March 2022



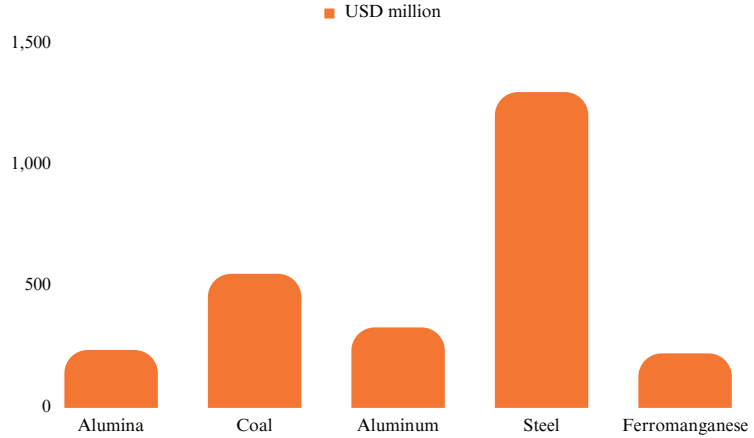
Source: IMMIDRO

Import of Major Mineral Products and Related Industries by Volume in the Fiscal Year Ending March 2022



Source: IMMIDRO

Import of Major Mineral Products and related Industries by Volume in the Fiscal Year Ending March 2022



Source: IMMIDRO


DT-0123
FMC
HITACHI
105
KOMATSU
PC
2000
107



Why to Invest

Iran is...

- One of the top 15 countries in the world and the first country in the Middle East, with rich mineral resources that account for 7% of the world's total mineral reserves worth an estimated USD 27.3 trillion.
- Home to nearly 6,000 active mines with more than 68 types of minerals and 15,000 mineral areas with proven reserves of 57 billion tonnes which obtain a revenue of over USD 770 billion.
- Endowed with the world's 6th largest zinc, 7th largest copper, 9th largest iron ore, 5th largest gypsum and barite reserves.

Mineral Products

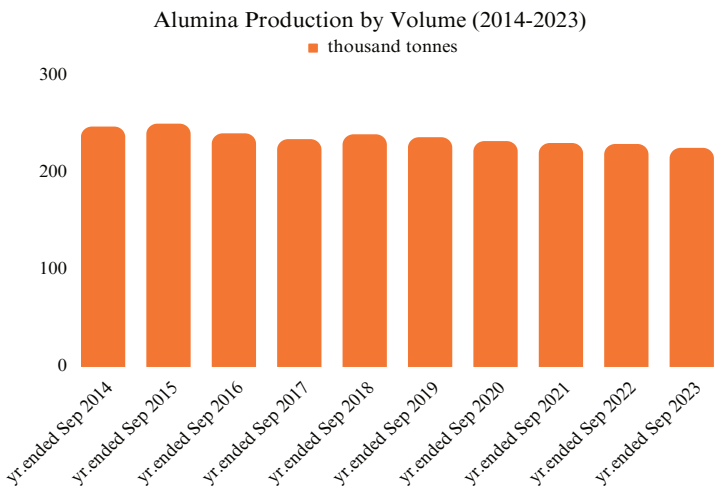
With respect to the mineral resources, it must be noted that Iran's vast resources such as zinc, iron, copper, coal, uranium, chromate and manganese amongst other products are spread across different areas of the country.

Iran owns 12 major minerals, owning 8% of zinc and 3% of the world's lead share. The second largest copper ore reserves are in «Sar Cheshmeh» mines in Kerman. The value of investment in these mines reached USD 123.68 million, registering a 56.2% increase YOY.

Aluminum

With 12% of the world's aluminum reserves in the Persian Gulf zone Iran produced around 632,000 tonnes of aluminum in the year ending September 2023. According to the latest data released by the Iranian Mines and Mining Industries Development and Renovation Organisation (IMMIDRO), Iran produced 226 thousand tonnes of alumina in the year ending March 2023

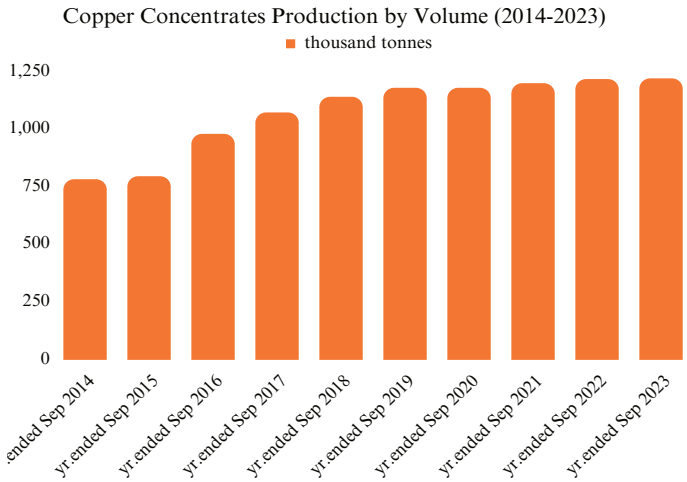
As the world's 18th producer of aluminum, Iran plans to reach the annual production of 1.5 million tonnes of aluminum ingot by 2025.



Source: IMMIDRO

Copper

Iran is currently the world›s 8th biggest producer of copper in the world. According to Iranian's officials, Iran's copper reserves make up 4.15% of the global copper reserves. There are currently 103 active copper mines in Iran and the production of copper and also copper concentrate has been growing in the past years and is still growing.



ource: IMMIDRO

Lead & Zinc

According to the United States Geological Survey, Iran holds the world's largest zinc reserves. By possessing 3% of the total world reserves of lead and zinc Iran is the 4th producer of lead and zinc concentrate in Asia after China, Kazakhstan and India. Also, in terms of lead production it stands in 5th place in Asia. Experts consider Iran in terms of geology and structure to be in possession of several important lead and zinc poles such as the zones in ***Sanandaj, Sirjan, Alborz and central Iran*** where large mines such as ***Angooran, Mehdiabad, Haft Emarat, Irankouh***, etc. are located. Lead and zinc are among industries that enjoy relative advantage in Iran but so far, the government has not made vast investment in this field. At present, the activities of the private sector in Iran has been largely responsible for the considerable growth that has been observed in lead and zinc industries. Iranian Mines and Mining Industries Development and Renovation Organization (IMMIDRO) and the company for procurement and production of mining substances in Iran have been working together to lay the ground for the exploitation of Mehdiabad mine for further development of this industry.

The high purity and structure of lead and zinc in ***Angooran mines (in Zanjan Province)*** and also the volume of lead and zinc mine reserves in ***Mehdiabad*** (in Yazd Province) are unique in the world. The amount of lead and zinc reserves in Iran is about 300 million tonnes of iron ore of which annually an average of about 5.1 million tonnes are extracted. This figure constitutes about 5.2% of the world production. Currently, Iran's lead and zinc concentrate production is approximately 700 thousand tonnes per year.

The production capacity of zinc ingots in the country is 450 thousand tonnes and that of lead ingots 420 thousand tonnes per year. The capacity of the production of lead and zinc concentrate in Iran is over 2 million tonnes of which only 35% to 40% are active because of the shortage of raw materials. The employment opportunity this metal has created in Iran is 40 thousand direct and 120 thousand indirect jobs which will triple with the growth and development of downstream industries.

As it is obvious, the development of downstream industries of lead and zinc in Iran provides a proper opportunity for international investors and entrepreneurs.



As for export of lead and zinc it can be said that only 80 to 100 thousand tonnes of produced zinc ingots and 100 to 110 thousand tonnes of lead ingots are consumed domestically and the remaining are exported to target markets. This means export of 50% to 60% of the products. The target markets for export of Iran's lead and zinc are Asia and Europe.

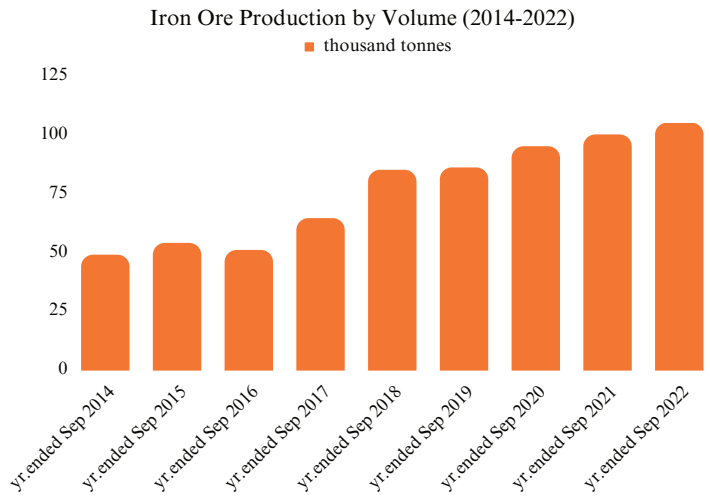
IMMIDRO has provided favorable conditions for investors through the development of exploration and required infrastructures needed by the mining sector and creation of special economic metal and mineral industry zones in Iran. Presence of active and interested private sector companies in lead and zinc industries of Iran who are ready for bilateral cooperation with foreign partners, is among advantages of investing in lead and zinc industries in Iran.

Iron Ore

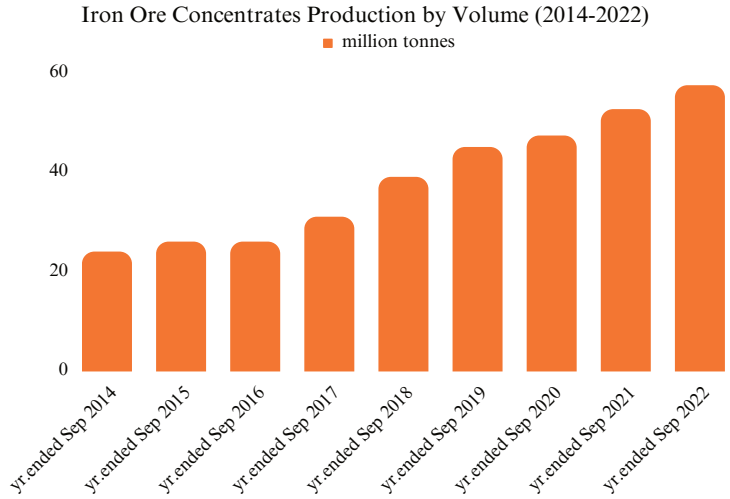
Iron ore is one of the major products which is in demand by the world's top 20 developed countries and hence one of the most important and strategic minerals. Iran is the 10th biggest owner of Iron ore reserves in the world with 1.59% of the world's iron ore reserves equal to around 2800 million tonnes. ***Chadermalu, Golgohar and Sangan*** are considered the largest iron ore mines in Iran and the region. Among major policies of the mining industry in the country include development and attraction of foreign investment in the iron ore chain, including exploration, processing, iron ore concentrate, and pelletizing.







Source: IMMIDRO

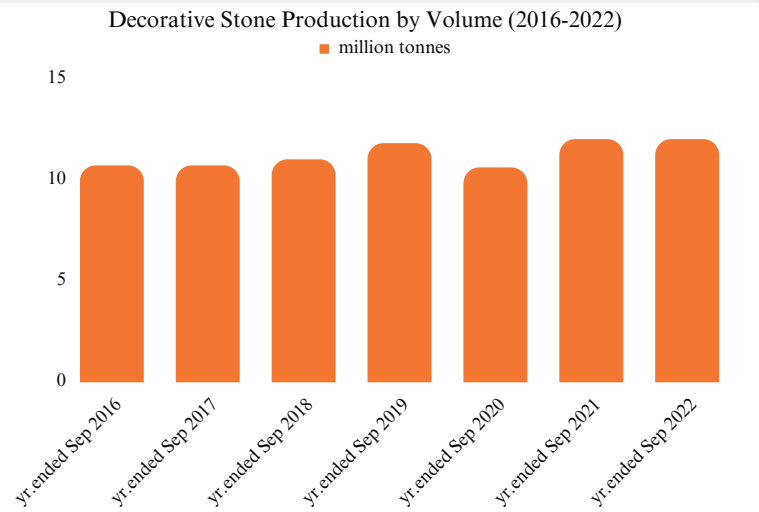


Source: IMMIDRO

Decorative Stones

Iranian stone industry has high investment potential given its vast reserves, color variation, and superior quality compared to its rivals. According to the official statistics from the Ministry of Industry, the country's annual production capacity of decorative and building stones is over 30 million tonnes. Iranian mines managed to produce 12 million tonnes of stones between by the year ended March 2023, making Iran one of the top five stone-producing countries in the world.

Over 45% of Iran's decorative and building stone mines are currently idle and in need of receiving investments to become reactivated.



Source: IMMIDRO





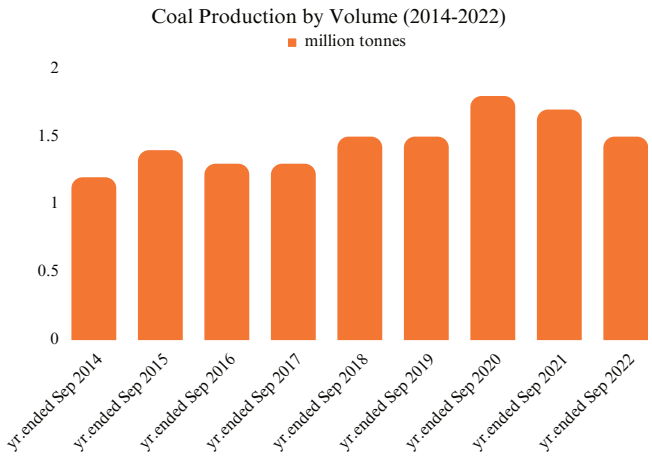
Coal

Coal is one of the oldest sources of energy supply. Based on a report released by the IEA (International Energy Agency), coal consumption in the world will be almost doubled by 2030. According to predictions, coal consumption in OECD countries (countries outside the group of developed nations), will increase by 81%. The share of coal out of the total energy consumption in the world will increase to 27% by that date. According to the report, the global consumption of coal in that year, with almost twofold increase would reach 6.1 billion tonnes.

Iran is endowed with vast coal reserves. The Iranian coal stocks are estimated at 116 million tonnes, about 412 million tonnes (approximately 28%) of which are coal coke, while the rest are thermal coal. Esfahan Steel Co. is chiefly responsible for coal exploration and the supply of coke required by the furnace in Iran. Turkey and China are the main export destinations for Iran's coal.

Iran enjoys appropriate conditions for investors considering the growing world prices of coal and the amount of Iran's reserves as well as relative advantage of mine processing in Iran, such as proper wages, skilled mining manpower, access to international waters, domestic and regional needs for this mineral substance, government support for investment in the coal sector and other supports for foreign investors.





Source: IMMIDRO





Investment Incentives



Income Tax with Rate of 0.0%	Duration of Exemption
Industry, Mining & Services (Hospital & Hotels)	5 Years
Industry, Mining & Services (Hospital & Hotels) in Industrial Parks and Especial Economic Zones	7 Years
Industry, Mining & Services (Hospital & Hotels) in Less Developed Areas	10 Years
Industry, Mining & Services (Hospital & Hotels) in Less Developed Areas located at Industrial Parks and Especial Economic Zones	13 Years
100% of Income Derived Agricultural Activities	Perpetual
100 % of Income Derived From Export of Services, Non-oil goods, Agricultural Products and 20% of Income Derived from Export of Non – Processed goods	Perpetual

*Fixed Corporate Income Tax at a Flat Rate of 25%

Incentives Offered by Features & Advantages of Foreign Investment Promotion & Protection Act (FIPPA)

The decree that protects and encourages foreign investors and provides a framework for activities of foreign investors in Iran referred to as Incentives Offered by Features & Advantages of Foreign Investment Promotion & Protection Act (FIPPA) was passed in 2002. This decree enables foreign investors to make investment in all economic sectors in Iran while receiving incentives and protections that are offered by the Organization for Investment, Economic and Technical Assistance of Iran.

It needs to be noted though that only investors who have obtained FIPPA license will receive these incentives and protections. The Organization for Investment, Economic and Technical Assistance of Iran is responsible for granting foreign investors with these licences and upon receiving them, the investors will receive the services offered by this organization for as long as they are carrying their businesses in Iran.

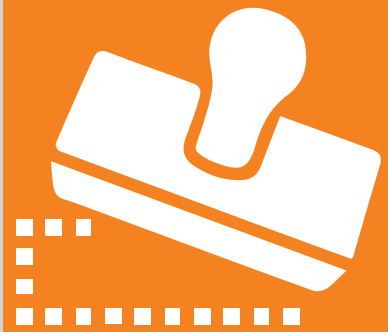
Upon receiving the FIPPA licence, all rights and interests of foreign investors are acknowledged and protection against non-commercial risks is granted.

Further, this licence ensures that the Iranian government would not only facilitate swift return of the investments made to the home country (or any other country for that matter) that the investors wish to transfer their assets to, but would also pay the full compensation price in occasions that the activities of foreign investors have been disrupted or delayed illegally.

The Organization for Investment, Economic and Technical Assistance of Iran has set up investment centers in Tehran and other major cities in Iran to offer services in all areas that are related to investment.

FIPPA License Facilities:

- Transfer of capital, dividend and the profits gained in the form of currency or goods.
- Unrestricted partnership percentage for foreign investors.
- Possibility of registering an Iranian company with 100% foreign capital.
- Same behavior with both foreign and domestic investors.
- Investment possibility for foreign real and legal persons and Iranians residing abroad.
- Investment possibility in all areas permitted to the private sector.
- Providing protection for all foreign investment plans.
- Fast and short application and approval process for foreign investors.
- Issuance of a 3 -year residence permit for investors, managers, foreign experts and their first-degree relatives.
- Receiving full protection by the government against all non-commercial risks.
- Paying towards due commitments of foreign investors by Iranian government in occasions that an investment project has been stopped or delayed by the government.
- If foreign companies use the capacity of domestic production units and export at least 20% of the total production, from the day they start their collaboration with the domestic unit, they will enjoy one year of tax-break followed by a 5-year tax exemption of 50% which is extended to 11 years in underdeveloped areas.



Other Tax Incentives

- Taxable incomes of knowledge-based institutions resulting from the contracts, research and development activities, commercialization and knowledge-based services are exempted from tax for 20 years.
- Companies with more than 50 employees: in case of increasing the employment volume up to 50% in comparison to the previous year, they will enjoy one added year of exemption.
- If foreign companies with the capacity of domestic production units start business with authentic brands and export at least 20% of their total production, they can benefit 50% of tax exemption.
- If the total taxable income is equal to or less than the registered capital, 50% of the income will be tax free.

Less Developed Areas

- If the total taxable income capital is equal to or less than the double of registered capital, 100% of the income will be tax free.
- In case of each 5% foreign investment, 10% will be added to the two incentives for a maximum of 50%.





Export Tax Exemption

- 100% of the income gained through export of non-oil goods and services and agricultural products, and 20% of raw materials is exempted from tax.
- 100% of the income gained through export of products that have been imported to Iran in the form of transit is exempted from tax payment.
- 50% of tax rate discount is offered for exporting at least 20% of the manufactured goods that are produced with foreign investment input.

Investment Incentives in Special Economic Zones

An overview of the performance of Special Economic Zones indicates that those zones are particularly points for production, export, transit, technology transfer and provision of resources, utilizing geographical capacities and economic advantages, within the goals set by the legislator for specific regions. So far, the Islamic Consultative Assembly (the Parliament) has approved the law on the establishment of 79 Special Economic Zones and 33 Zones have a State responsible organization.

The Most important Special Economic Zones include: ***Energy Pars, Bandar Imam Khomeini Petrochemicals, Persian Gulf Mining and Metal Industries, Persian Gulf Shipbuilding, Bushehr, Salafchegan, Shiraz, Sarakhs, Yazd, Sirjan, Arg Jadid Bam, Lorestan, Payam, Shahid Rajaee Port, Bushehr Port, Amirabad Behshahr Port, Lamard, Dogharoon, Imam Khomeini Port, Noshahr Port, Rafsanjan, Lavan, Kaveh, Zarandieh, Sahlan, Astara Port, Islam Abad Gharb.***

Investment Incentives in Trade-Industrial Zones

"Trade-Industrial Zones", have been included in the program of work of the Government of the Islamic Republic of Iran from two decades ago. Today, development of their domain of action, with the purpose of boosting and facilitating production of goods and services, and their export, alongside assisting with and contributing to the transfer of advanced technologies, boosting and facilitating the provision of requirements and urgent needs, as well as provision of financial resources and foreign investment, together with development of strategic ties and expansion of cooperation and participation of countries from the region and the world, have been all emphasized at the highest levels of policy-making of the country which have also been ratified by the Supreme Leader of the Islamic Republic of Iran. To achieve the above-mentioned objectives, the eight Iranian trade-industrial free zones of ***Kish, Qeshm, Chabahar, Arvand, Aras, Anzali, Maku, Imam Khomeini Airport*** located in all around boundaries of the country, welcome investors and international economic activists to participate in a variety of opportunities for investment and business in those free trade industrial zones. They are ready to facilitate and expedite all the relevant process as they have prepared the physical infrastructures of utilities, transportation and communications, while introducing facilitating rules and regulations beside financial and tax incentives. The Iranian Free zones are prepared and attractive platforms for small European and non-European companies and enterprises.

A comparison of Privileges and Legal Exemptions between Mainland, Free Zones and Special Economic Zones

Topic	Mainland	Free Zones	Special Economic Zones
Foreign nationals visa	Visa Requirement	No Visa Requirement	No Visa Requirement
Foreigners' employment	Subject to the issuance of an employment permit and in accordance with the rules of employment of foreign nationals	Specific incentives in accordance with the regulations of the Employment of Manpower	Specific incentives in accordance with the regulations of the Employment of Manpower
Possibility of importing goods and raw materials without paying customs duties and customs benefit taxes	In limited particular cases	Exempted	Exempted
Customs duties on import of manufactured goods to mainland	Subject to customs procedures	In- part exemptions on the basis of added value and domestic raw materials (Value Added Commission)	In- part exemptions on the basis of added value and domestic raw materials (Value Added Commission)
Export of goods and equipment abroad	Subject to mainland export regulation	Without the changes subject to export regulations	Without the changes subject to export regulations
Import of commercial goods into mainland	Subject to customs procedures	Applying specific incentives to reduce customs benefit taxes	Subject to customs procedures
Tax exemption on economic activities	Only in industrial parks and deprived regions from 5 to 13 years	20-year exemption	Between 7 to 13 years
Monetary and banking operations	In accordance with national monetary and banking regulations	Establishment of bank and credit institutions with domestic and foreign capital is permitted	In accordance with national monetary and banking regulations
Cross border banking	Not allowed	Possibility to establish branch and foreign bank	Not allowed
External car traffic	Allowed temporary passage in limited time	Allowed in the authorized radius	Not allowed
Import of machinery and equipment	Tariff payment according to the year of manufacture required	Exempt from paying tariffs disregard of year of manufacture	Exempt from paying tariffs disregard of year of manufacture

Further Tax Incentives for Mining and Related Industries

Further to the above mentioned incentives, below is the list of some of the incentive protocols exclusive to mining sector:

- Establishment of the Investment Insurance Fund for Mineral Activity to cover all or part of the financial losses incurred by mine exploration-related activities
- Post-excavation tax exemption for 10 years.
- Customs exemption of up to 100% of the value of machineries, facilities and equipment required for exploration and excavation.
- Customs exemption for the import of raw materials and spare parts in accordance with article 29 of the Customs Service.
- The income gained through mining activities of legal non-governmental entities is excluded from paying taxes for 5 years which can be extended to 10 for less developed areas.
- All units that have more than 50 employees are exempted from paying any taxes. For the duration in which this exemption is applied for every year that the number of employments is increased by 50%, the exemption period will be extended by one year.
- 80% of the claimed income for mining and production activities of non-governmental entities which have obtained required licences from corresponding ministries and organizations in less developed areas is exempted from taxes for any legal persons since the start of exploitation or extraction for 4 years. The figure for the same activities in less developed areas is tax exemption of 100% of claimed income for 10 years.
- The tax rate for the above-mentioned activities for entities that are located in industrial parks or special economic zones is 0% which lasts for 2 years and if the industrial parks or special economic zones are in less developed areas, the 0% tax rate duration is for 3 years.
- If foreign investment is attracted for mining projects with the verification of Organization for Investment and Economic Technical Assistance of Iran, for every 5% of participation share of foreign investment, an equivalent of 10% of investment incentives with a maximum amount of 50% will be applied to the total amount of the investment made for the project.
- Investment in mineral exploration leading to the issuance of an exploitation license will be exempted from tax payment



Government Vision/Outlook



Iran's Five-Year Development Plans set out the goals and objectives to be achieved by the country during five-year timespans. The 7th Development Plan,(2023-2027) which is about to be launched, emphasizes on sustainable economic development and also foresees an economic growth rate of 8%. Along with this goal, the general policies of the 7th program have been approved in 7 areas including: «**Economic**», «**Infrastructural Affairs**», «**Cultural and Social**», «**Scientific, Technological and Educational**», «**Political and Foreign Policy**», «**Defense and Security**», «**Administrative and Legal**» and «**Judicial**».

The overall goals of the 7th Development Plan

- To generate an annual economic growth of 8%
- To generate an annual gross investment capital formation of 22.6%
- To increase oil exports by an average of 12.4%
- To increase non-oil exports by an average of 22.6%
- To increase products' imports by 16.2%





Overall Strategies of the 7th Development Plan

- To channel liquidity and banking credits towards productive activities while reducing investment in non-productive activities
- To transform the Islamic Republic of Iran into a prominent hub for trade, energy, communications, and transportation services by leveraging its geographical and political advantages through the streamlining of regulations and the establishment and development of essential infrastructure
- To implement comprehensive land development policies that leverage existing and potential advantages, with a particular focus on the sea, coasts, ports, and border waters, while simultaneously enhancing infrastructure
- To strengthen economic ties with neighboring countries, foster meaningful and constructive interactions with regional nations, and promote the development of non-oil exports by adopting an economy-centric approach in foreign policy and regional and global relationships
- To transform the administrative system and its structural reform, guided by comprehensive administrative policies, with a strong emphasis on digitalization and the implementation of e-government which entails the elimination of redundant and unnecessary institutions.
- To update laws and regulations, reforming methods, and combating corruption and its manifestations in administrative affairs
- To provide legal and judicial support for investment, economic security, and improvement of the business environment
- To reduce monopolies and government interventions in the economy, increase competition, transparency, and maximize private sector participation in the economy.
- To pay attention to transit and a maritime-oriented economy.

Mining Outlook

Given that the mining and its related industries play a crucial role as an intermediary between the mining and industry sectors, they are of great importance. Therefore, in order to achieve maximum value-added in the mineral supply chain, investment is required. Thus, strengthening the value chain in the mining, oil, and gas industries, modernizing heavy machinery, utilizing new technologies in mining exploration, attracting investments through incentives and organizing industrial unit licenses by the Ministry of Industry, Mine, and Trade with the aim of creating maximum value-added, balancing the production chain, and adhering to the considerations of the National Development Plan and utilizing the idle capacity of downstream industries in the mining sector and supplying the energy required by mining units through the energy exchange market to compensate for the country's lag in exploring new reserves, modernizing mining machinery fleets, and upgrading technology for efficient mining operations can be considered as resources resulting from these price reforms.

These goals are part of the new (7th) development program. An annual growth rate of 11.8% has been envisioned for the mining sector in the 7th Development Plan.



Further, according to the Constitution Law, the government is obliged to spend the income gained from the mining sector in the following areas:

- Completing the infrastructure required for mines and general infrastructure of mining industries
- Encouraging export of high value-added mineral products
- Completing topographic maps and finding full mining capacity of Iran
- Encouraging the private sector to participate in mining development and exploration projects and offering a tax-free income for such projects

In its outlook plan for the year (2026-2025) Iran has envisaged production of 55 million tonnes of steel per annum, and to achieve this target the country requires to produce 160 million tonnes of iron ore concentrate.

- Increase its capacity to produce **steel** from the present 25 million tonnes to 55 million tonnes by 2025
- Increase its **aluminum** production rate to 1.5 million tonnes by 2025 from the present 335,000 tonnes, becoming one of the top ten aluminum producers worldwide.
- Increase **lead & Zinc** production to 300,000 tonnes by 2025 from its current 140,000 tonnes.











Mining Investment Opportunities

With the world's growing population, the demand for energy supplies is constantly increasing on the one hand, and on the other, fossil fuel resources are running low. This imbalance in supply-demand chain of these products for a country like Iran which relies heavily on its oil and gas income causes serious problems. In order to downplay the effects created by these problems on the country's economy it needs to move towards increasing its non-oil revenue.

Given the abundance and diversity of mineral resources and their high value added, the country can gradually move away from oil economy and increase its export of mineral products and share of mining sector in its economy.

The areas within the mining sector which offer promising investment opportunities are as follows:

Explorations

Due to the shortage of exploration facilities and equipment in Iran, deep explorations are difficult to pursue and the less accessible mines that are located at a greater depth have remained untouched to this day. Therefore, developing mine exploration alongside mine extraction can potentially lead to an increase in the country's mineral resources and is an area that can receive investment.

Furthermore, the industry sector which has accounted for 38% of Iran's economy, relies on mining exploration in order to keep up at this rate and even increase its contribution to the country's economy.

Making investment in mining exploration can help bring huge revenues for mine owners and also create investment projects in this sector as well.





Extraction

The investment priorities of this area include mechanized extraction of coal mines, extraction of Potassium and Magnesium from brines; extraction of raw materials that are required for producing aluminum such as bauxite and other types of metallic and non-metallic minerals.

Processing of Mineral Products

Given Iran's vast and diverse mineral resources, it has always held a high position in international markets including that of China, Italy, India, etc. By processing its mineral products, Iran can fulfill its potentials.
The production of decorative stones requires modern technologies which would help reduce the final cost, generate more value-added and ultimately create an opportunity to export a high-quality product that can compete in international markets.

Process Industries

one of the reasons why mining sector is very strategic is that if the raw materials are processed and final products are obtained from them, a high value-added can be gained. Therefore, process industries are closely related to and linked with mining sector.
Given that the fuel cost in Iran is relatively low, if Iran can embark on opportunities similar to that of the Belt and Road project, it can have a better access to international markets and create investment opportunities in process industries as well as other areas.

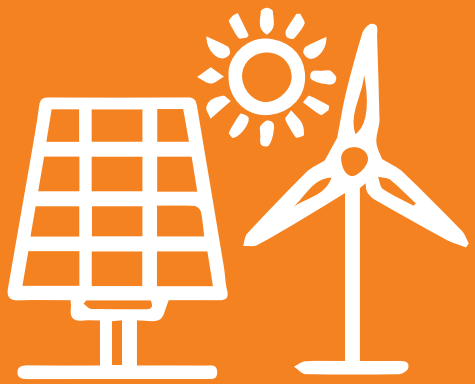
Renovation of Mining Machinery and Using Modern Equipment and Technologies

Investing in new technologies and equipment can help improve the quality of extracted mineral products, increase the mining capacity, reduce mining time and ultimately generate more revenue.

Using Renewable forms of Energies for Mining

Making a simultaneous investment in mining and renewable forms of energy would reduce the cost of the project.

Given the geographical location of mines in Iran and also sufficient sunlight there is a great opportunity to maintain 100% of the energy required for mineral projects from renewable resources (i.e. solar and wind farms) which would also make the project in compliance with environmental requirements and considerations.



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