

Trade and Competitiveness Monitoring Note

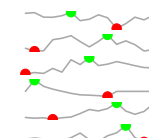


Iran, Islamic Rep.

| GDP (US\$ billions) (2016) | Population (millions) (2016) | Income per capita (current US\$) (2016) | Poverty rate (2013) | Unemployment rate (2014) |
|----------------------------|------------------------------|---|---------------------|--------------------------|
| 525.20 | 80.04 | 6,561.47 | 0.08 | 12.80 |

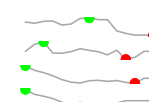
Macro Indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|--------|-------|-------|-------|--------|
| GDP growth (annual %) | 5.09 | -6.61 | -1.91 | 4.30 | 1.72 | 6.06 |
| Current account balance | 4.42 | 4.02 | 6.31 | 3.81 | -0.30 | 0.64 |
| Fiscal balance (% of GDP) | -6.24 | -4.50 | -5.10 | -5.77 | -6.35 | -6.42 |
| Remittances, received (% of GDP) [1] | 0.39 | — | — | — | — | — |
| Real Effective Exchange Rate (2010=100) | 88.53 | 119.77 | 99.74 | 91.79 | 98.78 | 116.98 |
| Consumer Price Index, annual percent change | 15.34 | 25.98 | 39.27 | 17.24 | 9.48 | 9.48 |



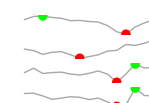
Investment indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|-------|-------|-------|-------|-------|
| Gross domestic investment (% GDP) | 30.93 | 26.27 | 24.94 | 23.99 | 24.08 | 23.85 |
| Gross domestic investment, of w: Private investment (% GDP) [1] | 38.31 | 38.21 | 32.09 | 33.39 | — | — |
| Inward FDI (% of GDP) [2] | 1.24 | 0.84 | 0.62 | 0.53 | — | — |
| Inward FDI, % of private investment [2] | 4.63 | 3.61 | NA | — | — | — |



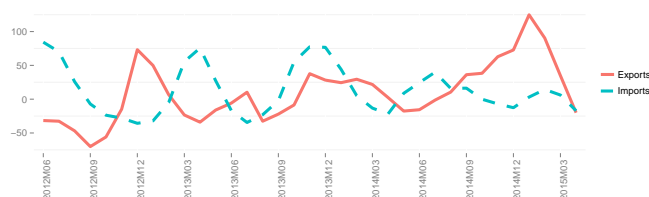
Trade Indicators

| | Avg 2002-2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|---------|---------|--------|--------|--------|
| Total Trade in Goods and Services (% of GDP, real terms) | 48.735 | 35.611 | 33.049 | 40.907 | 45.490 | 48.914 |
| Trade balance (% GDP, real terms) | 1.177 | 1.507 | 4.777 | 4.303 | 5.510 | 7.324 |
| Exports, Goods and Services, annual percent change (real terms) | 2.425 | -20.463 | -0.039 | 24.661 | 14.743 | 16.951 |
| Imports, Goods and Services, annual percent change (real terms) | 6.463 | -23.100 | -18.683 | 35.036 | 11.098 | 10.333 |



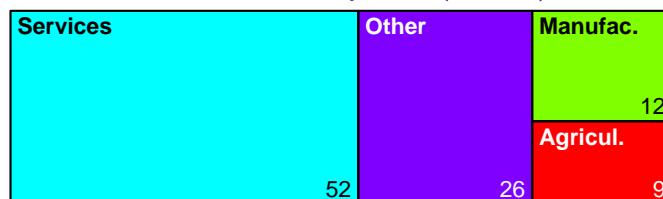
Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

Goods Export and Import volume growth, 2012-2015



Source: Development Prospects Group (DECPG)

Gross Value Added by Economic Activity 2013 (% GDP)



Source: World Development Indicators (WDI)

Top 5 Exports by % of Total Value, NA

Data not available

Imports Categories by % of Total Value, NA

Data not available

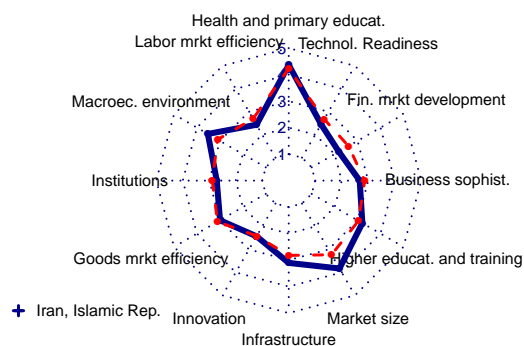
Doing Business 2015 Ranks (among all countries)

| | DB 2015 Rank | DB 2016 Rank | Change in Rank |
|-----------------------------------|--------------|--------------|----------------|
| Dealing with Construction Permits | 98 | 69 | 29 |
| Ease of Doing Business Rank | 119 | 118 | 1 |
| Enforcing Contracts | 62 | 62 | 0 |
| Getting Credit | 90 | 97 | -7 |
| Getting Electricity | 94 | 88 | 6 |
| Paying Taxes | 122 | 123 | -1 |
| Protecting Minority Investors | 149 | 150 | -1 |
| Registering Property | 89 | 91 | -2 |
| Resolving Insolvency | 137 | 140 | -3 |
| Starting a Business | 82 | 87 | -5 |
| Trading Across Borders | 166 | 167 | -1 |

Source: World Integrated Trade Solution (WITS)

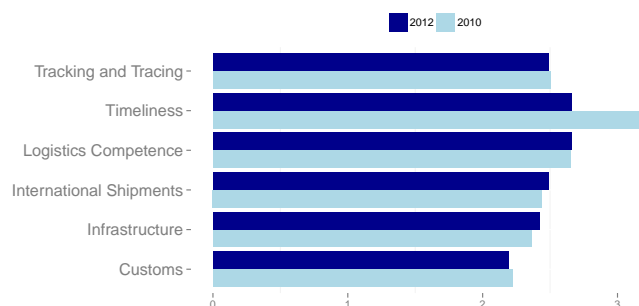
Source: Doing Business Report 2015

WEF Competitiveness Indicators (Scale 1-5, 5=best)



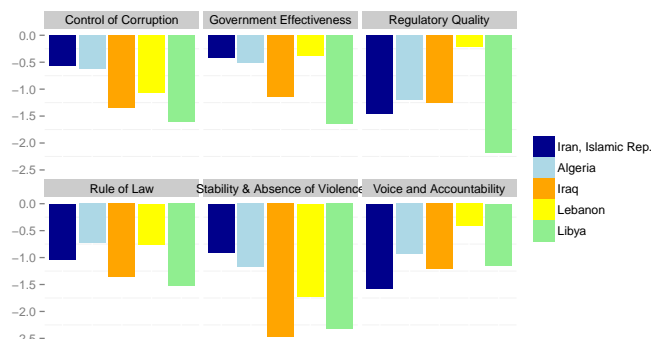
Source: WEF Global Competitiveness Report 2015

Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

Trade Policy

| | 2011 |
|--|------|
| Applied Tariff (Incl. Prefers. and Trade-Weighted) | 20.9 |
| Dispersion (Standard Deviation) | 27 |
| Import duties collected (% , 2007-2009) [1] | 7.1 |
| MFN Tariff (Agriculture) | 30.4 |
| MFN Tariff (Non-Agriculture) | 26.3 |
| MFN Tariff (Simple Average) | 26.6 |
| Services sectors with GATS commitments [1] | — |

Sources: WITS, [1] WTO Trade Profiles

Private Sector's Views

Enterprise Survey 2013

Key Subsection CountryCode Period Scale Observation Source IndicatorShort

Source: Enterprise Survey 2013

Top 5 constraints according to ES 2013 (% respondents)

Data not available

Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015