



Iran Newsletter

June 2015

1. Country Overview

Iran and the five permanent members of the UN Security Council (Russia, China, France, Britain and the US) plus Germany are holding talks to finalize the text of a possible deal over Iran's nuclear program. The two sides reached mutual understanding on the key parameters of the potential deal in the Swiss city of Lausanne on April 2nd. On June 28th, the two parties announced that due to the heavy outstanding workload, the negotiation would go beyond the self-imposed deadline of June 30th, at the same time reiterating that there was no desire or discussion yet on a long-term extension. Prior to the meetings held on June 27th and 28th between the US and Iranian foreign ministers, Zarif had told reporters that hard work was needed to nail down a final nuclear deal and that he was determined to do everything he could in order to get to this important milestone. Kerry, on his part had said that he was hopeful but stressed that there was a lot of hard work to do to clinch a final agreement. The EU foreign policy chief Mogherini who had also arrived in Vienna for the talks on June 28th, told reporters that the reasons for having this agreement done were still there, probably now more than ever but it was going to be tough and that "political will" was needed to reach a comprehensive agreement.

The Iranian president held a press conference on the 2nd anniversary of his election. During the press conference, Rouhani stated that his administration had successfully stabilized the economy since he took office. The president mentioned that his government had inherited hyperinflation, a volatile foreign exchange market and a country in recession. He announced that the inflation rate had been brought down to 15% and that the local currency had been stabilized. Rouhani also elaborated on the nuclear negotiation stating that Iran was very serious about reaching a negotiated solution and that if western parties did not raise new demands, reaching a solution before the June 30th deadline would be possible. The president also stated that sanctions had not worked against the Iranian nation and that if continued, would remain ineffective. He also stressed that economic growth would be impossible if the country's doors remained closed to the global economy.

The Iranian Supreme Leader, Ayatollah Ali Khamenei, delivered a speech at Imam Hossein Military College covering domestic and international issues. He urged the Iranian nuclear negotiation team to resist excessive demands by members of the EU3+3 and reiterated that Iran would not allow inspections of its military sites under the cover of nuclear inspections. The Supreme Leader also ruled out demands by the EU3+3 for Iranian nuclear scientists to be accessible for interviews.

A number of former president Ahmadinejad's government figures including the Interior, Science and Education Ministers announced the formation of a new Party called "Yekta". Iran's Interior Minister Rahmani Fazli declared the formation and activities of the Party illegal, pointing out that any party or group is required to secure a permit from the "Commission on Article 10 of the Parties Law" to get engaged in political activities. Although some believe that Yekta will follow in the footsteps of Ahmadinejad and will help him and his inner circle have a strong showing in the upcoming parliamentary elections (Feb 2016), the Party has denied having any relationship with the former president and stated that it has no plans in relation to the elections. Meanwhile, Baghaei, a deputy to the former Iranian president and a former head of Iran's Cultural Heritage, Handicrafts and Tourism Organization was arrested through a warrant issued by the Iranian judiciary. Although the charges against Baghaei have not been made public, Iranian media has suggested that his disregard of judiciary summons for questioning was the main trigger for his arrest. Last year, Ahmadinejad's Vice President, Rahimi, had also been arrested and charged with corruption and sentenced to a 5-year prison term.

2. Economic Overview

The Central Bank of Iran has announced that the national economy expanded by 3% in the previous Iranian calendar year, which ended on March 20th, 2015. The country's Gross Domestic Product (GDP) hit about \$327 billion, in Iranian calendar year 1393 (March 2014-March 2015), a 3% rise year on year. It should be noted that the Iranian economy had contracted by 1.9% in the Iranian calendar year 1392 (March 2013-March 2014). The World Bank has forecasted Iran's GDP to grow by 1% in 2015. In its June 2015 Global Economic Prospects report with the theme of "The

Global Economy in Transition”, the World Bank said Iran’s economy expanded by 3.7% in 2014. It also predicted a 2% GDP growth for the country in 2016. Meanwhile, in its World Economic Outlook, the International Monetary Fund (IMF) has forecast a 0.6 % GDP growth for Iran in 2015. The IMF report put Iran’s GDP growth at 3% in 2014, while predicting a 1.3% GDP growth for the country in 2016. The report also stated that Iran maintained its 2013 rank as the World’s 18th largest economy in 2014 based on the purchasing power parity (PPP). In April 2014, the IMF had said that Iran had achieved considerable progress in raising per-capita income and living standards in previous decades.

The Central Bank of Iran (CBI) reported that the Producer Price Index (PPI) in Iran rose by 12% in the 12 months to June 21, 2015 compared to the figure for the same period last year. The CBI said the PPI stood at 214.7 in the month to June 21st, 2015, showing a 1.7% increase compared to the figure for the previous month and a 7.5% increase compared to the figure for the same month last year.

The Organization for Investment and Economic and Technical Assistance of Iran (OIETAI) reported that foreign investment in the country has seen an unprecedented threefold rise in the second quarter of 2015. Foreign investment in Iran over the period had reached a high of \$3 billion. The figure was higher than the total of \$2.1 billion of foreign investment made in the country from March 2014-2015. The OIETAI stated that it has witnessed a surge in proposals by foreigners for investment in Iran in the first quarter of 2015 and that a large number of foreign delegations had visited the country over the same period.

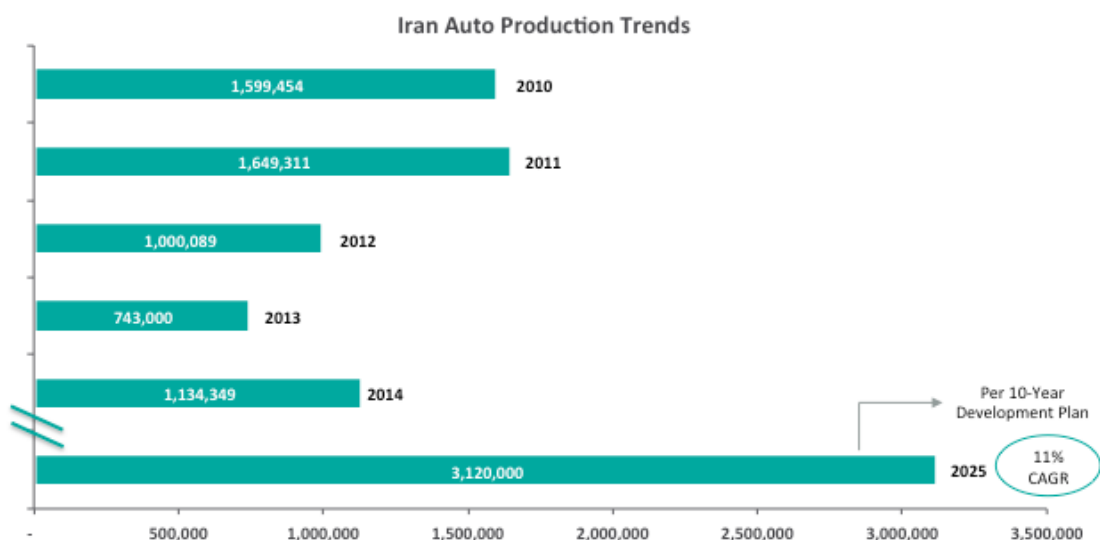
The latest data from the Iranian Customs Administration shows that in the first quarter of the current Iranian calendar year (started March 21, 2015), Iran's foreign trade volume reached \$21.21 billion. According to the report, over \$10.86 billion of the total related to exports of goods while around \$10.34 billion was attributable to the importation of commodities. China, Iraq, the United Arab Emirates, Afghanistan and India were the main importers of Iranian goods.

In May 2015, Iran became the third leading oil producer within the Organization of Petroleum Exporting Countries (OPEC), outpacing the

United Arab Emirates. According to the latest OPEC monthly oil market report, Iran ranked as the third largest producer after Saudi Arabia and Iraq by producing 2.845 million barrels per day (mbd). According to the Iranian petroleum minister, Zanganeh, Iran's oil production would increase by up to 1 mbd per day within six months of the sanctions being lifted. Iran's ambitious target is to increase its production capacity to 5 mbd by 2020. During the last OPEC session, Zanganeh emphasized Iran's right to regain its pre-sanction market share. Iran's crude production experienced reductions of 3.6 to 2.8 mbd and crude exports of 2.0 to 1.1 mbd as a result of EU and US sanctions.

According to the latest BP's annual statistics report (2014), with 157.8 billion barrels of oil reserves, Iran ranks 4th after Venezuela, Saudi Arabia and Canada. In terms of gas, 0.2 trillion cubic meters have been added to Iran's proven reserves, positioning Iran as the largest proven gas reserves holder in the world.

A survey by the Business Monitor International (BMI) has indicated that the production of cars in Iran will increase by 28% while assuming that Iran and the P5+1 group of countries will reach a final deal over the Iranian nuclear energy program. This, it said, will be materialized through enabling Iranian car manufacturers to have access to foreign producers of auto parts. Iran's total auto output stood at just over 1.1 million cars in 2014 (please refer to figure below), and expected to reach 3.1 million by 2025 according to the industry's 10-year development plan.



The BMI survey also said the recent projects in Iran for production of cars through Semi Knocked Down (SKD) and Complete Knocked Down (CKD) as well as the authorization to export cars to Iran, in light of the anticipated success of Iran-P5+1 nuclear talks, could lead to an increase of 35% in the country's auto sales. Several new brands are on their way to the Iranian auto market. This, together with an anticipated rise in purchase of cars in Iran after 2016 could eventually create a market of about 2.5 million cars in the country before 2020.

3. Market Overview

Iran's main stock exchange (TSE) lost \$3.5 billion in the third month of the Iranian year ended on 21st June as a lingering recession took its toll on major businesses. Out of 55 industries on the TSE and over-the-counter Farabourse, only the agriculture industry and related services showed moderate gains above the inflation rate at 23%. Profits by other entities fell either sharply or just below the 17% inflation rate. At the beginning of the 3rd Iranian month (Started 22nd May 2015), the combined market capitalization of the more than 450 companies listed on the exchanges stood at \$114 billion. This shrank to \$110.5 billion at the end of that month (21st June 2015). The Iranian stock market had followed an upward trend for months boosted by a focus on local producers, attracting a flood of capital from investors who sought a safe haven for their money amid sanctions. In 2014, the TSE's All-Share Price Index TEPIX rose by a record 130%. The gains came on the back of a frenzy buying of gold, foreign exchange, real estate and cars which saw Iran's inflation rate shoot above 40%. These fields are currently in a deep recession, prompting the stranded capital to migrate to the securities and bonds markets. The third month of the Iranian year (21 May to 20 June 2015) saw more than 904,000 investors trade \$5.7 billion worth of shares on the TSE and Farabourse. It also marked Farabourse overtaking TSE for the first time. International interest is nevertheless growing in the Iranian Stock Market despite the downturn. Last month, a foreign delegation of asset managers including Americans visited the TSE. A group of 17 investment managers from Russia, Britain, Egypt, Greece, Switzerland, the US, Turkey, Italy and the UAE also visited the stock exchange and held talks with its chief at the last week of May.

In May 2015, the Securities and Exchange Organization (SEO) announced a new set of rules and regulations. The limit for daily price fluctuations increased from 8 to 10% meaning that a single stock can now fluctuate from -5 to +5% in value relative to the last closed price. This is considered as a positive development for the Iranian market as it moves towards a more liberalized environment. The SEO also declared that company reports are no longer required to be pre-examined before publication. As a result, there will be no time gap between the production and release of reports, which is likely to lead to more transparency and efficiency in the provision of financial data.

Market Summary

Market Statistics (May 2015)	
Average P/E	5.7
Trade Volume (\$ Billion)	0.7
Trade Volume Monthly Change (%)	-55
Market Cap (\$ Billion)	110

Top 5 Traded by Value (May 2015)			
Rank	Company Name	Turnover Value (\$ Million)	% of Total Turnover
1	Mobin Petrochemical	168	23
2	Esfahan Oil Refining Company	44	6
3	Tamin Petrochemical	37	5
4	I.R Iran Shipping Lines	33	5
5	Saderat Bank	27	4

Top 5 Companies by Market Cap (May 2015)			
Rank	Company Name	Turnover Value (\$ Million)	% of Total Turnover
1	Persian Gulf Petrochemical Industry	9,042	9
2	Mobile Communications of Iran	3,664	4
3	Tamin Petrochemical	3,573	4
4	Esfahan Mobarakeh Steel Company	3,506	4
5	Parsian Oil & Gas Development	3,363	4

4. Business Activity Overview

Agriculture

In a meeting held in the Hungarian capital, Iranian Ambassador to Budapest and Hungarian Agriculture Minister underlined the need to expand bilateral ties, particularly in the agricultural sector. During the meeting, the Iranian envoy and the Hungarian minister discussed holding exhibitions and exchanging visits by officials and experts of the two countries.

Automotive

Iran Khodro, the Middle East's leading automaker has signed a Memorandum of Understanding (MoU) with Iran's prestigious Sharif and Amir Kabir Universities for the design and production of hybrid and electric cars, with the first models expected to roll down the production line in the next three years.

Financial Services

Renaissance Capital is interested in business in Iran and has already started scoping out opportunities in the country. The top-ranked Russian investment bank is evaluating equity trading, deals and analyst coverage for Iran and is informing clients for possible ventures. RenCap, as the company is known, operates in high-opportunity emerging and frontier markets.

On the sidelines of a conference titled 'Trade with Iraq, Azerbaijan and Turkmenistan' held in Tehran, Iran's Ambassador to Baku announced that Iran plans to establish a joint bank with the Republic of Azerbaijan in the near future. The Minister underlined that in the future Iran and Azerbaijan will promote barter and the use of national currencies in their commercial activities.

The Statute of Asian Infrastructure Investment Bank (AIIB) is to be signed before the end of June in the presence of Iran's Minister of Finance and Economy Ali Tayyebnia and ministers and senior economic officials of 57 world countries. The first Memorandum of Understanding to create AIIB was signed in October 2014 in Beijing by participation of 27 countries and primary capital of 100 billion dollars for investment. Iran, as a founding member of AIIB, officially joined the AIIB on April 2015 as the 34th member. The bank is not to be a competitor for international or regional banks as it has been created to supply resources to remove needs of regional countries beyond existing banking possibilities. That is why heads of World Bank and Asian Development Bank had welcomed its establishment and expressed interest to cooperate with it.

Food

Savola, the Saudi Arabian Group has swapped its 80% shareholding in the Iranian Margarin Company for an additional 10% shareholding in the Savola Behshahr joint venture (JV). The individual shareholdings of the JV now stand at 90% and 10% in favor of Savola and Behshahr Industrial Development Holding Company respectively. Savola, which makes cooking oil and other staple foods in markets around the Middle East and North Africa, generates about 15% of its total revenue from Iran and holds more than a 50% share of the Iranian edible-oil market.

Iran, Algeria and Italy have formed a tripartite partnership to establish a date processing plant in the North African country. The date processing plant will be built in Algeria in cooperation with Italy and Iran will contribute to technical and technological aspects of the project. The plant will incorporate all stages of date processing including production of sugar from date and production of date seed oil.

Russia is due to buy dairy products, meat and fish from Iran after imposing its own sanctions on food imports from Europe, the US, Australia and Canada in retaliation. Exports of 20,000 metric tons of marine products to Russia, including canned and frozen fish and shrimps, will begin from July 22nd.

Free Trade Zones

A one-day international conference on the investment opportunities in Iran's free trade zones was held in Dubai. The conference, which was organized by the Iranian Business Council in Dubai, was attended by a group of Iranian businesspeople, investors and a number of businesspeople from the UAE and Saudi Arabia. Addressing the inaugural of the conference, Iran's Ambassador to the UAE said Iran has adopted a sustainable strategy for the development of its free trade zones in order to attract foreign capital and boost trade with other countries. He added that Iran's free zones have the potential to turn into regional export and import gateways, especially for Iran's neighboring countries on the southern rim of the Persian Gulf. The position of free zones in the economic development of Iran, mechanism of attracting foreign capital and technology and major

grounds for investment in Arvand and Chabahar free trade zones were major topics of discussion during the one-day event.

Energy

Oil

Iran has received positive feedback from international oil companies on the new contracts being prepared for the return of foreign investors if and when nuclear sanctions are lifted. While attending a meeting of the Organization of Petroleum Exporting Countries in Vienna, Iran's Oil Minister said that so far the feedback has been positive and that he wants a win-win contract so the foreigners can return. He also said American companies alongside the Europeans would be welcomed back. Iran needs \$200 billion of investment in its oil industry and is planning to announce the new contract at a roadshow in London in September.

Iran has marked the resumption of Caspian oil swaps by taking delivery of the first gasoline cargo since 2010 when such deals were halted. The first cargo of swapped gasoline was unloaded at the Bandar Anzali port, stored and transferred to an oil terminal in Rasht. Although the origin of the cargo was not revealed, such swaps used to be made with Kazakhstan, Turkmenistan and Azerbaijan.

Iranian companies accelerated the development of the joint oilfield with Iraq and have drilled 53 wells so far following the departure of the Chinese contractor from South Azadegan oilfield. After the cancellation of the \$2.5 billion deal with China National Petroleum Corporation International (CNPCI) for the development of the South Azadegan field which came as a result of the Chinese oil giant failing to fulfill its commitments and lagging behind schedule, Iranian companies undertook the drilling of 100 wells of which 40 were assigned to the National Iranian Drilling Company, 40 to the National Iranian South Oil Company and 20 to the private sector.

Gas

Iran has announced it is in need of \$100 billion of investment in its gas industry as updated British Petroleum data put the country's reserves above those of Russia as the World's largest. Natural gas will be the main

fuel in the next 20 to 30 years and will be the second most used fuel after oil. Iran plans to increase gas exports sevenfold to 200 million cubic meters a day in four years and raise the existing 800 million production to 1.2 billion cubic meters a day in five years.

The National Iranian Gas Export Company (NIGEC) has announced that is in talks with 170 foreign companies to export gas during the Iranian year ending March 20, 2016. NIGEC's stated that Iran has scored a positive balance in gas sales for the first time and prioritized regional states for gas export citing Turkmenistan, Armenia, Azerbaijan and Turkey. He added that NIGEC is in talks to export gas to the UAE, Kuwait, Bahrain and Oman.

Iran has announced that it plans to offer a barter scheme to Turkmenistan through which it would pay for natural gas imports by gas industry equipment as well as technical services. The value of the barter scheme will be \$30 billion for a period of 10 years. Turkmenistan is currently exporting a daily 25 million cubic meters of natural gas to Iran.

Iran has announced it is planning to build 8 new refineries stretching over an area of about 300 hectares in the Siraf region of Bushehr province, between phases 13 and 19 of South Pars Gas Field. The eight refineries, each with a capacity to process 60,000 barrels of condensates will be implemented by eight companies each contributing \$300 million as their share. A total of 480,000 barrels of condensates will be supplied daily to Siraf refineries for conversion to various products.

The Iranian capital will host the 3rd Gas Summit of the Gas Exporting Countries Forum (GECF) on November 23, 2015. The GECF has 18 members and observers. Member states include Iran, Russia, Qatar, Algeria, Bolivia, Egypt, Equatorial Guinea, Libya, Nigeria, Trinidad and Tobago, Venezuela, Peru, the UAE and Oman. The observer members are the Netherlands, Kazakhstan, Iraq and Norway.

Electricity

In a meeting with Armenian Energy and Natural Resources Minister in the Armenian capital, Iran's Deputy Foreign Minister for Asia and Oceania, underlined the need for further expansion of economic cooperation, particularly in increasing power exchanges between the two countries. The

Armenian Energy Minister said that annual power exchanges between Armenia and Iran currently exceeds 1 billion Kilowatt-hours (KWH) and that the figure will increase considerably after the third electricity transmission line between the two countries becomes operational. The construction of the third power transmission line will begin in less than two months and will be accomplished by 2018.

The National Iranian Gas Export Company (NIGEC) has announced that Iranian companies are planning to export gas-generated electricity to five neighboring countries of Turkey, Afghanistan, Pakistan, Iraq and the United Arab Emirates.

Russian officials were in Tehran for final talks on a multibillion-dollar agreement, which includes sales of Iranian oil in exchange for electricity. Negotiations are underway at expert level for the construction of new power plants and optimization of existing units based on an MoU signed last year. Oil-for-electricity barter constitutes a major part of the \$12-billion agreement under which Iran will import 500 megawatt-hours (MWH) of power from Negotiations have also been held with Azerbaijan, Armenia and Georgia to synchronize power grids to transfer Russian electricity via their territories.

Wind

The Renewable Energy Organization of Iran (SUNA) has announced that it will buy 80 wind turbines in the year ending 20 March 2016 for power generation. SUNA also stated that it is open to cooperation with investors and supporting them in setting up wind farms. The southeastern Sistan-Baluchestan province is the primary candidate site. More than 200 wind turbines are currently operating in Manjil in northern Iran, which generated 300 million kilowatt-hours (KWH) of power last year.

Mining

The Turkish industrial group Yildirim Holding AS has indicated interest in investing in Iran's ferrochrome production as part of a 10-year cooperation deal. Yildirim Holding, a subsidiary of Turkish industrial conglomerate Yildirim Group of Companies is already producing ferrochrome in Turkey,

Russia and Kazakhstan. The Holding said it is ready to purchase Iran's ferrochrome production units or their products and mines to produce chrome ores. It is also ready to cooperate with Iran in the production of potash, phosphates, fertilizers and mining equipment.

Petrochemical

It has been reported that the German company, Basel, which is among the largest in the world in the petrochemical sector, is expected to maintain the technology and technical knowledge of one of Iran's petrochemical units worth \$300 million. Officials of the German company have also been in talks to this end with their Iranian counterparts. Currently Iran's annual petrochemical production capacity stands at about 60 million tons and this will be increased to 120 million tons once the incomplete projects become operational.

Tourism

In a meeting with Swedish Ambassador to Tehran, the Governor General of the mid-western Lorestan Province stated that the tourism industry is among the most important industries of the province and that there is readiness for cooperation with Sweden in this area. Lorestan is home to more than five thousand registered historical sites and with its natural and scientific geo-parks, has been chosen as the capital of geo-tourism of Iran.

Transportation

Aviation

Visiting on the invitation of the French government to attend the International Paris Air Show, Iran's Minister of Transportation and Housing met Airbus's Chief Executive and the French Minister of Territorial Equality and Housing. Iran's participation at the Paris Air Show was aimed at meeting international plane manufacturers to discuss sales of commercial aircraft to Tehran and invite foreign investors to airport development projects in the country. Iran specifically needs to upgrade its planes and build airports that would be equipped with the new generation of aviation technologies. Iranian airlines are currently operating with a fleet of about

140 aircraft and officials have already announced that Iran needs to buy up to 500 passenger planes in the next 10 years to renovate the country's aging fleet.

Railway

Iran and Pakistan inaugurated a freight train service, which will carry goods from the Iranian southeastern city of Zahedan to the city of Quetta in Pakistan. The Iranian city of Zahedan sits along major transit corridors and development of the railroad network that will connect it to the northeastern city of Mashhad at one end and to the southeastern port city of Chabahar and southern port city of Bandar Abbas at the other, will greatly facilitate transport of commodities from Central Asia to the free waters of the Sea of Oman and the Indian Ocean. Iran needs to invest \$1.5 billion a year in the railway sector during the next six years.

Iranian and Chinese officials have finalized a two-billion-dollar deal to electrify the railroad linking Tehran to the holy city of Mashhad in northeastern Iran and the project will be implemented in less than four years. The engineering, procurement, construction and finance (EPCF) project will be implemented through 85% foreign financing. The Iranian government will finance the remaining 15%. The project is due to be implemented by an Iranian-Chinese consortium, including the Iranian companies of MAPNA, MAPNA Ehdas, MAPNA International and the Chinese CMC and SU Power firms.

An Austrian trade delegation visiting Iran underlined Vienna's willingness to develop cooperation with Tehran on railroad transportation, the steel industry, modern irrigation systems, drugs and medical equipment, recycling and wastewater treatment.

Zitron, the largest Spanish manufacturer of mining and tunneling ventilation fans has signed a contract to supply 50 ventilation fans for Mashhad metro by the end of the current Iranian year (20 march 2016). Mashhad is an important city 850 kilometers east of Tehran close to the borders of Afghanistan and Turkmenistan.

Ports & Shipping

Iran is building a multipurpose port near the Strait of Hormuz with 700 million Euros foreign investment from an undisclosed source. It is hoped that the new port on the shores of Suza on the Qeshm island will become a shipping hub for international trade and transit. Qeshm island on the Persian Gulf lies along the North-South Transport Corridor which provides a rail, road and sea route for moving freight linking Iran, Pakistan, India, Russia, the Central Asia, the Arabian Peninsula and Europe.

The Indian government has decided to speed up the process of investment in the southeastern Iranian Chabahar Port City in accordance with an agreement signed last month by Iran's and Indian ministers of roads and transport. The Indian transport and shipping ministry said that the contract will be finalized within six-month period and tenders will be issued to attract the required capital for development of the Port. According to the contract, India will invest some \$86 million on the construction of a luggage terminal and a multipurpose transport terminal.

Iran has prepared three ports in the Caspian Sea and added six ships to its fleet for cargo trade with Russia as the two countries are forging stepped-up commercial relationship to counter Western sanctions on both countries. The new shipping route allows Russia to sell Iran's crude oil abroad and deposit the money in a fund, which Tehran would use to buy goods from Moscow. The arrangement is for Iran to sell about 500,000 bpd of crude oil to Russia and use the money for purchase of goods from that country. A separate deal allows Iran to import increased quantities of Russian grain in exchange for Iranian foodstuff, including fish from the Caspian Sea.

A group of economic and administrative directors from Guangdong Province of China visited the port of Bandar Abbas in the Hormuzgan province to consider investment opportunities. The Deputy Governor General of Guangdong expressed hope that an MoU in different fields of cooperation (naval/land transportation as well as port/railway transportation network) could eventually be signed between the Chinese delegation and Hormuzgan provincial officials.

The Head of Trade Promotion Organization of Iran (TPOI) has announced that an MoU has been signed with the Islamic Republic of Iran Shipping Lines (IRISL) for launching of a regular shipping line in the Caspian Sea. The main objective of launching the new shipping line is to assist Iranian export of goods to Russia.

Malta Freeport has renewed its contracts with Iran's Hafez Darya Shipping Lines (HDS) amid rising anticipation of sanctions removal on Iran. Malta was the Mediterranean transit hub of Iranian national shipping line IRISL en route to Europe before trade was cut due to intensified sanctions in 2011. HDS took over ISIL's operations when the Iranian government began privatizing state-owned entities. The company was Malta's second biggest client before sanctions forced it to pull out. US sanctions bar IRISL fleet of about 170 vessels from sailing in international waters. They also prohibit international shipping companies from calling on Iranian ports.

Roads

Iran has announced its readiness to give partnership stakes without a formal bidding process to Turkish companies in its construction of roads, airports and railways, for which the country has put aside \$10 billion. Ankara-based construction company Bergiz Insaat has already won a \$1.2 billion project to build a highway between Iran's northwestern city of Tabriz and Bazargan on the border with Turkey. It is also building an \$800 million subway in Tabriz.

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