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# The Way Leading to Business

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**Current and perspective Business  
Opportunities in MENA Countries and  
Far East Countries**  
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# IRAN

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## ❑ INTRODUCTION

## ❑ COUNTRY OVERVIEW

- POLITICAL OUTLOOK
- ECONOMIC OUTLOOK
- FOREIGN TRADE
- BANKING SYSTEM

## ❑ BUSINESS SUPPORT FOR ITALIAN COMPANIES

- MAIN ISSUES
- UBAE AND THE CONSULTANT ROLE AND SUPPORT

## COUNTRY OVERVIEW: POLITICAL OUTLOOK

### □ POLITICAL OUTLOOK:

- The political situation in Iran could be considered relatively stable
- The parliamentary election in March 2012
- The next presidential election would be held in about 18 months
- Regardless of the developments the country would remain a major player in the region.

## COUNTRY OVERVIEW: ECONOMIC OUTLOOK

### □ ECONOMIC OUTLOOK:

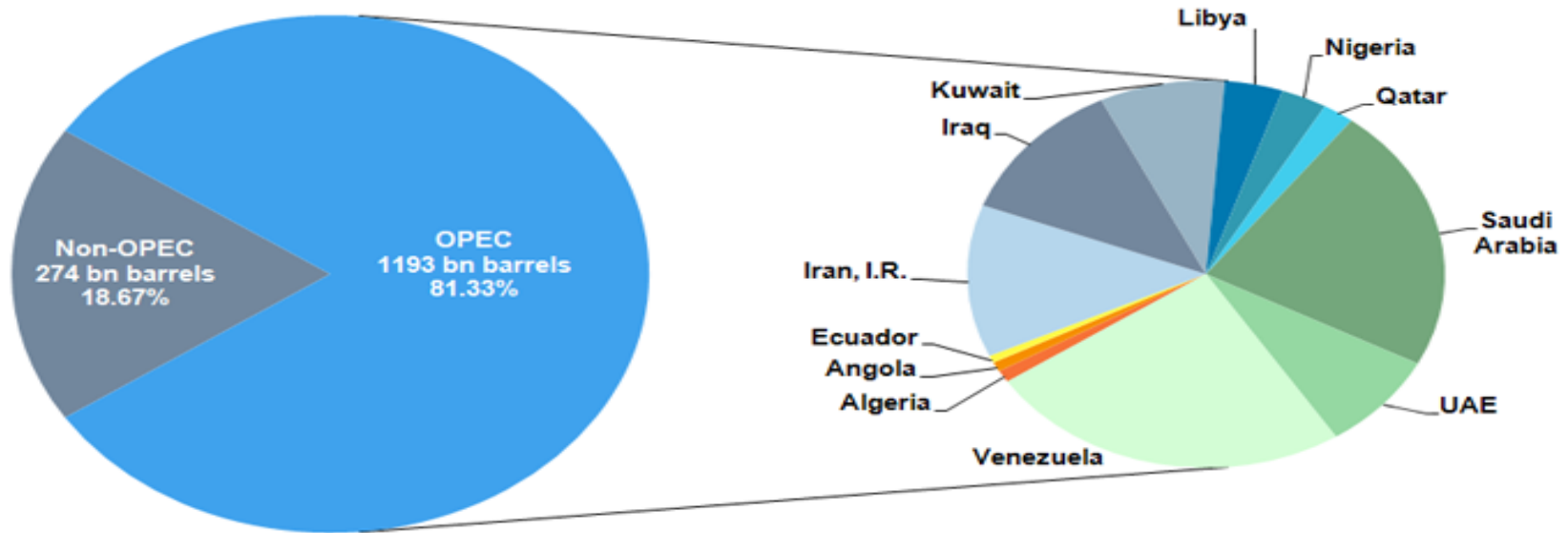
- The affects of the imposed sanctions on the overall economy
- The reasons for sanctions not having devastating impact
  - Globalization has caused easier access to different markets for various goods and services
  - BRICS (Brazil, Russia, India, China, South Africa) and the other emerging market
  - Goods imported through unofficial channels
  - General characteristics of Iran
    - Population
    - Major cities
    - Climate
    - Relatively good distribution of income
    - Well established institution
    - Self sufficiency in many industries and sectors
    - Geopolitical factors
    - Historically a huge and lucrative market for exporters
    - One of the world's major sources of energy

## COUNTRY OVERVIEW



**COUNTRY OVERVIEW: 54% of world crude oil proven reserves in the ME**

**OPEC Share of World Crude Oil Reserves 2010**



OPEC proven crude oil reserves , end 2010  
(billion barrels)

Venezuela	296.50	24.8%	Iraq	143.10	12.0%	Libya	47.10	3.9%	Algeria	12.20	1.0%
Saudi Arabia	264.52	22.2%	Kuwait	101.50	8.5%	Nigeria	37.20	3.1%	Angola	9.50	0.8%
Iran, I.R.	151.17	12.7%	United Arab Emirates	97.80	8.2%	Qatar	25.38	2.1%	Ecuador	7.21	0.6%

Source: OPEC Annual Statistical Bulletin 2010

## COUNTRY OVERVIEW

### □ 2010 estimated figures

- GDP (PPP) \$818 billion
- GDP (nominal) \$408 billion
- Total oil exports: 2.6 million barrel/day
- Total oil production: 4.2 million barrel/day
- World's 4<sup>th</sup> largest crude oil exporter
- OPEC's 2<sup>nd</sup> largest crude oil exporter (2011 correction)
- World 3<sup>rd</sup> largest proven oil reserves
- World 2<sup>nd</sup> largest proven gas reserves
- Crude oil exports make up 80% of the total exports
- Crude oil revenues make up approximately 50% of the government revenue
- Total imports: \$58 billion
- Main export partners: China, India, Japan, Turkey, South Korea and Italy
- Main import partners: China, UAE, Germany, South Korea, Russia, Turkey and Italy

## COUNTRY OVERVIEW

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### □ ECONOMIC OUTLOOK (continued)

- Volume of crude oil exports
- Amount of crude oil revenue earnings
- Hard currency reserves
- The CBI

## COUNTRY OVERVIEW

### ❑ FOREIGN TRADE:

- The shift of international trade from the EU to the BRICS and the other emerging markets due to imposed sanctions and lack of competitiveness in the EU
- Trade with Italy
  - **2010**  
Iran's crude oil export to Italy approximately at Euro 4.4 billion (a significant increase in comparison to 2009 figures) Italian exports to Iran over Euro 2 billion.
  - **As of July 2011**  
Italy imported Euro 3 billion of Iranian crude oil and exported Euro 1 billion of goods and services to Iran.

## COUNTRY OVERVIEW

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### □ BANKING SYSTEM:

- **The effects of the sanctions on the banking system**
  - **The main problem of the banking system due to the imposed sanctions**
  - **How is the banking system is coping with the prevailing problems**
  - **Banks that are not sanctioned under the UN and EU Regulations.**
    - **Public banks: Keshavarsi, Tejarat , Industry and Mine, Maskan and The CBI**
    - **The major private banks: Parsian,Passargad, Karafrin, Eghtesad Novin and Saman**

## COUNTRY OVERVIEW

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### □ MAIN ISSUES

- **How to work with the market under the prevailing difficulties**
- **The market historically has been very lucrative for Italian exporters**
- **Regardless of the general situation exporters should keep their contacts with the market**
- **The international, the EU and the unilateral sanctions in a way could be considered sanctions against the Italian exporters**
- **Italian exporters role in cooperating with the concerned parties to find a solution for an approved channel of payment**
- **Be prepared for new developments in the future**



## **BUSINESS SUPPORT FOR ITALIAN COMPANIES**

### **□ UBAE AND THE CONSULTANT ROLE AND SUPPORT**

- **Alireza Feizollahi (ARF)**
- **UBAE and its Consultant have been in the market for more than 15 years**
- **Our team has been present in the market during good times and very difficult times. Therefore we are very experienced in working under extreme conditions**
- **Excellent business relationship with the banking system**
- **Effective and professional contacts at the operational levels**
- **How can UBAE and the local Consultant can assist Italian exporters under the prevailing difficult and complex working environment ?**

## BUSINESS SUPPORT FOR ITALIAN COMPANIES

### □ BUSINESS SUPPORTS(continued)

#### ▪ From the market side

- Comprehensive and transparent advice on the issues related to the present trade finance situation in the market taking into consideration the general prevailing conditions
- Providing the most updated reporting on the changes and developments in the market's banking environment
- Tracking overdue payment files and preparing reliable and first hand report on the status of the transaction
- In case of new transactions recommending the available methods of handling the trade finance side of the business
- Advice on selecting the non sanctioned issuing banks with better status, ability and more effective channel of payment for fulfilling their commitments
- New applicants not well known to the exporter, checking the credit backgrounds of the applicant and reporting
- Generally speaking we would welcome inquiries and requests concerning on any issues related to the market's banking and trade finance.



## BUSINESS SUPPORT FOR ITALIAN COMPANIES

### □ BUSINESS SUPPORTS

#### ▪ From Italian side

- UBAE's commendable initiatives and efforts in trying to find solutions for trade finance problems between Italy and Iran
- The "Authorization"
- SACE case