

Introduction

Iran is a country located in the Middle East bordering the Gulf of Oman, the Persian Gulf, and the Caspian Sea. It has a strategic location on the Persian Gulf and Strait of Hormuz, which are vital maritime pathways for crude oil export. Neighboring countries include Afghanistan, Armenia, Azerbaijan, Iraq, Pakistan, Turkey, and Turkmenistan. The government system is a theocratic republic; the chief of state is the supreme leader, and the head of government is the president. Iran has a largely controlled economic system in which the central government directs the economy regarding the production and distribution of goods, but there is some private sector activity.



Location: Southern Asia

Capital City: Tehran (+3.5 GMT)

Chief of State: Supreme Leader Ali Hoseini-Khamenei

Head of Govt.: President Masoud Pezeshkian

Currency: Iranian Rial (IRR)

Major Languages: Persian (official), Azeri Turkic and Turkic dialects, Kurdish, Gilaki and Mazandarani, Luri, Balochi, Arabic, other

Primary Religions: Muslim (official) 99.4% (Shia 90-95%, Sunni 5-10%), other (includes Zoroastrian, Jewish, and Christian) 0.3%, unspecified 0.4%

Calling Code: 98

Voltage: 230

Key Websites

Main Government Page: president.ir

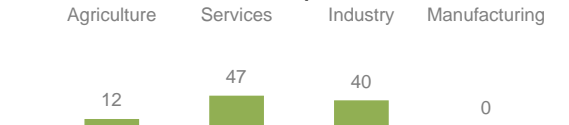
Commerce Ministry: irandataportal.syr.edu

Investment Promotion Agency: investiniran.ir

Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$1,600.56 billion (2022)
GDP growth (annual %):	2.75% (2022)
GDP per capita, PPP (current international \$):	\$18,075.05 (2022)
External debt stocks, total (DOD, current US\$):	\$10,348,874,166.90 (2021)
Manufacturing, value added (% of GDP):	21.22% (2021)
Current account balance (BoP, current US\$):	\$12.48 billion (2000)
Inflation, consumer prices (annual %):	43.39% (2021)
Labor force, total:	28,819,421 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	10.96% (2022)
Imports of goods and services (current US\$):	\$69.45 billion (2022)
Exports of goods and services (current US\$):	\$76.92 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	147 / 178
EY Globalization Index	60 / 60
Global Competitiveness Index	99 / 141
Global Enabling Trade Index	132 / 136
Index of Economic Freedom	169 / 176
International Logistics Performance Index (LPI)	64 / 160
Inward FDI Potential Index	61 / 139
KOF Index of Globalization	154 / 185
Networked Readiness Index (NRI)	92 / 139

Risk Assessment (Provided by Coface)

Country rating: E - The highest-risk political and economic situation and the most difficult business environment. Corporate default is likely.

Business Climate rating: D - The business environment is very difficult. Corporate financial information is rarely available and when available usually unreliable. The legal system makes debt collection very unpredictable. The institutional framework has very serious weaknesses. Intercompany transactions can thus be very difficult to manage in the highly risky environments rated D.

Strengths

- Second largest proven oil and gas reserves in the world
- Highly diversified economy with a strong manufacturing sector
- Low penetrated, large consumer market
- Possibly improved relations with the new U.S. administration

Weaknesses

- International sanctions weighing on trade, investments and capital flows
- Limited foreign exchange reserves, existence of multiple exchange rates
- Restricted availability of banking funds for companies due to the fragility of the financial system
- High level of inflation trimming purchasing power of households
- Lack of employment opportunities, especially for youth
- Heavy bureaucracy

U.S. Embassy

Virtual Embassy Tehran

<https://ir.usembassy.gov>