

3RD EUROPE- IRAN FORUM

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Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO)

Distinguished guests, ladies and gentlemen,

It's my pleasure and honor to be here with you in Zurich, for the Third Europe- Iran Forum.

First of all, I'd like to extend my special thanks to BHB Emissary to arrange this event, to share our information and ideas and to find opportunities for a better mutual, win-win cooperation between Iran and European community in very near future. I'd like also welcome to all distinguished Guests and participants.

As you know Iran and Europe have been close partners for thousands of years and our cultural exchanges and trade were always helpful for a better co understanding and of course for a better human civilization as well. Now today, as Iran and Global powers reached a compromise in Nuclear Issues, and sanctions and barriers are being removed, I believe it's the right time to turn the page and open a new chapter of relations based on common interest and mutual trust in this new era of history. What is Iran looking for is to be melted and more integrated in the Global Economy to develop its share and to be considered as a Major trading partner interacting with Global and Regional players like European Community.

Since the Implementation of **Joint Comprehensive Plan of Action** Iran has started to accelerate its bilateral ties with global communities such

as **China** that agreed to expand the trade between two nations to more than **600 B\$** within 10 years, during an official visit of president Xi Jinping. Also, in an official visit of President Rouhani to **Italy and France in January 2016**, several major MOUs/Contracts worth of **40 B\$** have been signed. Specifically in mine and metal sector, **DANIELI** of Italy announced a JV with IMIDRO for **6 B\$**, and several other agreements with European companies such as SMS INNSE, FIVES... have been drafted.

Europe always has been considered as Iran's largest trading partner before the sanctions and now in post sanction era, we are looking for not only a normal relation but also much more extended than before. With huge reserves of **oil** and **gas**, we are planning for expansion of capacities to export more to Europe as one of the major **Energy** importers. This will bring more security to future of Energy Supply in EU on the one hand. On the other hand, Iran is seeking for **250 B\$ investment** in infrastructures, Oil and Gas, Industries, mine and mining Industries and so on based on its Sixth Development Plan which began from March 2017, hence there would be great opportunities for European firms, Investors, banks, Financial institutions, contractors, suppliers to not only participate in the projects as contractors and financiers, but also as investors and longtime shareholders, and this will drive us toward a long term business relation and a strategic partnership.

Ladies and gentlemen,

Now I'd like to draw your kind attention more focused, Iran With a **Population** of **80 million** and a GDP of close to **400 B\$**, located in heart

of the Middle East with Persian Gulf in south, Iraq and Turkey in the west, Afghanistan & Pakistan in the east and Turkmenistan , Kazakhstan, Azerbaijan, Armenia and CIS Countries in the north. We are a hub for future transportation and a route to international seas and markets for more than 10 countries.

I'd like to draw your kind attention to the Iranian Mines and Mining Industries Development and Renovation Organization (IMIDRO). IMIDRO is Iran's largest state owned holding company that covers all major mine and mining Industries in Iran. IMIDRO is a government company, however, has got its own flexibility and freedom like a private company which this makes IMIDRO a reliable partner for foreign companies which are looking for a safe, reliable partner to develop their business in Iran's mine & metal sector. Some of IMIDRO responsibilities include: Planning new projects, allocating budgets, making policies for Iran's Mines and Mining Industries and etc.

Unlike some other Oil Export Countries, Iran is not so dependent on oil revenue and relies on a wide range of industries like Auto, Petrochemicals, Carpet, Agriculture, Food industries, Shipbuilding and of course Mines and Mining Industries and IMIDRO is heavily involved on development of this section.

Iranian government is planning to reach a growth rate of **8%** in its 6th Development plan in which Mines and Mining Industries sector will have to grow annually more than **8.8%** (according to MPO-management & planning Organization) to meet demand, so it means that a huge investment, more than **40 B\$**, required to invest in steel, Aluminum. Copper, Zinc and related mines and exploration as well as its infrastructures.

Now let's talk about Exploration which is IMIDRO's priority to develop as the first cycle of the mining chain. We have a comprehensive plan to increase our exploration activities to a new level of **250,000** Square Kilometer, of which, **50%** has already been completed, and fortunately, we have found some new potentials resource for Zinc, Iron, Copper and Gold and we are willing to share these potentials with interested partners and investors to complete the job.

In Steel section, Iran with a **production capacity** of **23** million ton ranks **14th** in the world. In Copper, we stand as **12th** with annual production of **350,000** and in Aluminum; we stand as **17th** with **200,000** ton annual production.

As part of our **Road Map**, our steel demand will increase to **40** Million ton by **2025**, so we are planning to meet a **production capacity** of **55** Mt, which includes a **15 Mt for export**. IMIDRO estimate that more than 30 B\$ investment is required to achieve this goal in steel supply chain as well as infrastructures.

Our outlook for **Aluminum** and **Copper**(demand and export) by **2025** is **1.5 million MT** and **450,000 MT** and another **10 B\$** investment requires to achieve this goal.

Also for other mining products like Pigment(Tio2), Petroleum coke, value added products in metal and mining sector, in both up and down streams, and strategic materials like Rare Earth Element (REE) that recently we have produced more than **six elements** such as: **Cerium(iv) Oxide- Praseodymium- Neodymium oxide- Ferrotitanium-Mischmetal –Yttrium Oxide** in pilot plan and precious metals, as well. We are planning to setup some plants in Iran so we are much interested to cooperate with some well-known partners who deliver a first class

know-how and technology in global scale and willing to invest on the above-mentioned projects.

Ladies and Gentlemen,

From the cost point of view, Iran has one of the lowest production cost for mines & mining Industries due to low price of energy, low cost of royalty, low labor costs and other advantages such as access to international sea, railway and transport systems with suitable tariff. We have a very efficient network of electricity as well as natural gas pipelines that would be shortly accessible in most of projects.

Since the beginning of president Rouhani government, **point to point Inflation rate** reduced from **40% to 13%** in last months, while this rate decreased to 9.6%.

According to international reports, our global competitiveness has been improved by 17 steps (**83 to 66**), and in some cases like “**Market Size index**” we ranked as **19th** in the world and in **Education**, we rank **47th**.

In 2016, the government has set a tone of seeking growth while maintaining stability in the market and currency, with efforts going to stabilize growth, overhaul the Tax Law in favor of investment (came to force by 22th March 2016). In currency and stock market, we have seen upward trend, Rial now stronger by **10%**, also despite turmoil in World Stock Market, Tehran Stock Exchange raised up to **20%** and still Ascending. Oil revenue is also rising again and export to Europe restarted (the first tanker delivered to Spain).

As there is going to be more stability in economy, we are expecting more investors willing to invest in Iran's mine and mining industries sector that seem so beneficial for both parties.

Ladies and Gentleman

As Iranian Economy is going to experience a much faster growth in the coming Iranian year, IMIDRO is working to increase international competitiveness of mine and mining industries sector in Iran. With a proven and probable reserve of 57 billion tons, 68 kind of mineral resources, we have defined a plenty of projects and willing to discuss those as well as other projects in Mines and Mining Industries with any interested parties, Banks and Financial institutions.

Based on investors' priorities and willingness, IMIDRO shall participate as a shareholder in a form of JV Company on behalf of government to help and speed up the approval process, receiving required licenses as well as investment. Also we will support investors in the process of getting **Foreign Investment Protection and Promotion Act (FIPPA)** application, which is a guarantee from I.R. Iran government to protect the investors' capital in case of any changes in laws and regulations and to ensure return of revenue outside of the country.

We have different new and upcoming projects in exploration, mine development and mining industries which are ready for investment and are willing to start discussion with potential interested parties to find a common way to move forward.

To sum up, I would like to invite you to pay a visit to Iran and IMIDRO to discover more and we are also going to hold Iran's second **Annual Mining Event** called **IMIS2016** (Iran's Mines & Mining Industries Summit-www.iicic.com/imis2016) which is to be held on **July 11-12** ,

2016.

I'd like to thank BHB Emissary once more for arranging such a landmark summit.

For more information, please contact IMIDRO at the following address or visit our website: www.Imidro.gov.ir

You are warmly welcome to visit our Head office at:

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For further information, you may contact:

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Meanwhile, for further information on Iran's investment rules & regulation please refer to the following website:

<http://www.investiniran.ir/en/ebook>

Thank you.