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Iran has the world's fourth largest proven oil reserves, and the world's second largest proven gas reserves after Russia. Iran is also rich in other resources aside from oil and gas, and has a strong agricultural sector. The country has one of the youngest population demography in the world and with the growth of the middle class there is a huge potential for a sizable market in selected industries.

The impending lifting of the UN and US sanction would be a milestone in Middle East economic developments and provides one of the unique opportunities for multinationals.

Here comes the most common way that many top executives approach Iran Market:

“We have the product **A** and we found there is demand in the market. We think by opening an office and hiring a local staff we can easily get 5% market share in next 2 years!!”. This is what we have heard of many foreign companies approaching Iranian market”

This is our initial answer to our customers:”Whatever know about your product and the market size is the tip of Iceberg and we would like to weigh it around **10%** in our analysis. Let us help you to explore the rest the **90%**!

Entering a new market as exciting as it seems it could carry huge potential financial risk as it has been in many cases in the past. At IranEye we are with our client from the very early step to address all the risks and shed more light on the path ahead.

Below are all the areas which will be explored and researched by our team of experts:
(This list is the very brief one giving you an idea. On each project we expand more in depth depending on the product and the entity)

1- Market Study:

- Market Size: Volume /Value
- Existing products and pricing
- Current competitors. (Local Vs. Imported)
- Product /service focus group study

2- Legal Framework study:

- What kind of legal entity works for your set up and the legal implication of each type?
- What is the regulation in term of import duty on your products/services?
- Does the trade laws of free zones in Iran would be more suitable for your set up or not
- What are the legality of a foreign company holding in Iran
- If you have a local how you will be treated in Iranian jurisdiction
- Is there any special legal consideration in your product/service offering?
- What are your liabilities against the local staff?
- What are the regulations regarding product labeling and standards?
- How to protect your patent and intellectual properties

3- Economic/Political Study

- Is the product and services you offer considered STRATEGIC by the government (there is no official public list on that . our experience of several years has all the data which we can decide)
- Is any local manufacturer receiving a subsidy or protective treatment?
- Who are your local competitors (are they private or state sponsored) what implication that would have for you.
- Who are the major importers in your field of product?
- Has there been any concession in the line of your business given to any entity. (There are concessions in Iran which are not explicitly announced but are perceive by all market participants)

4- Financial analysis

- What is the tax implication for your entity?
- What are the general tax and book keeping regulation and fiscal policies related to you
- How can you remit your corporate profit out of Iran?
- What are the local financing facilities
- Regulation surrounding banking system for import of product
- What are the customs regulation for your product and services? (How often has it been changed in the past- is there any indication that a future change is coming?)
- Regulations surrounding profit sharing/Dividend to investors
- You have taken all the calculated risk now is the time for ROI. What kind of Return on investment can you expect?
- How could you manage the currency fluctuations (This could derail the whole operation!)
- How to protect your entity against creditors and how to manage account receivables
- Instruments for raising capital from the market.

5- Operation and inception cost analysis

- What is the indirect cost of business (Guess what: That could be the biggest one!)
- What is the direct cost of operation (Office- registration- staff-Tax etc.)
- Human resource analysis (pointing out the number of staff you need, the average monthly salary)

6- Product Launch

- What marketing budget you need for launch
- Which Media instruments you need to use
- What is the message and the positioning of your brand
- What's your customer reaction to your message?
- What elements of label and communication are crucial?

We would love to play a major role on your next expansion plan. Please email us at rameen@iraneye.com and we can start the communication.