



Iran
Tourism Sector
Guide

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Major Sectors



Message from the President of Tehran Chamber of Commerce, Industry, Mines and Agriculture (TCCIMA)



Since the 2nd century BC, Iran has been at the heart of the Silk Road, facilitating trade and commerce, as well as acting as a hub for the exchange of ideas and knowledge between the East and West.

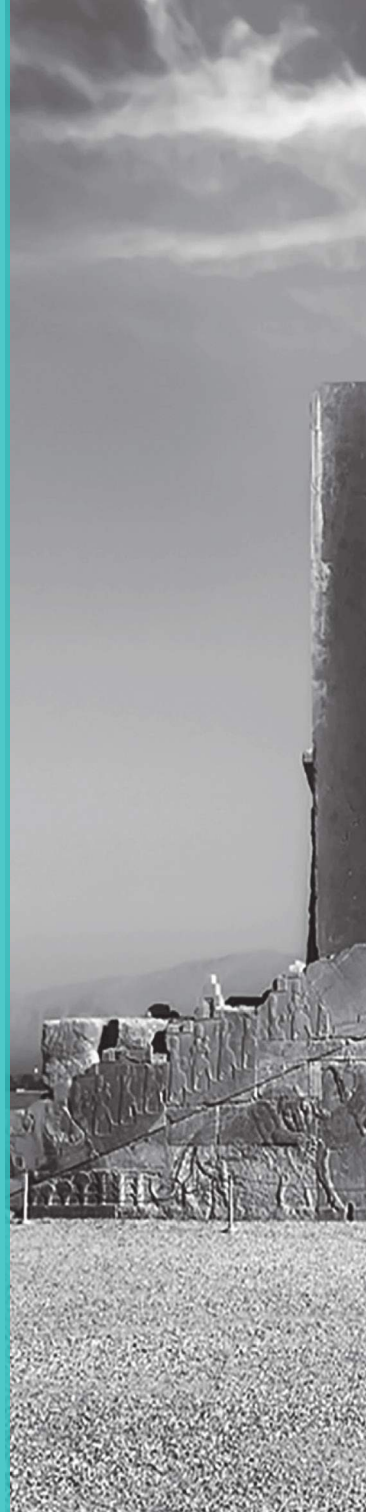
Being one of the largest countries in the world, Iran has yet to reach its full potential in the international market, which can be achieved by joining the international community.

It is our goal in Tehran Chamber of Commerce to ensure that Iran's potentials besides its human resources are utilized to boost high economic growth, through offering opportunities to

investors and the job opportunities that are created as a result of these investments.

While oil and gas are undoubtedly crucial to our economy and capable of creating a win-win situation both for the country and its partners, it is also imperative to consider Iran's investment potentials in other economic sectors in order to achieve economic prosperity via the participation of the private sector.

To this end, TCCIMA has formed an Investment Center comprising prominent members of the TCCIMA board with first-hand experience to facilitate contact between its members and their counterparts in the global ecosystem.





The Center provides a platform for offering services, exchange of ideas, sharing of experiences and has helped foster new relations and partnerships which is imperative for enabling an active participation of the private sector in the country's economy and investment.

As the president of TCCIMA, I invite you to visit Iran and witness the opportunities our country has to offer as a basis for mutually beneficial co-operations.



*H.E. Masoud Khansari
President of Tehran Chamber of
Commerce, Industries, Mines and
Agriculture*

A handwritten signature in white ink, appearing to be in Persian or Arabic script, located at the bottom right of the teal text box.

Message from the Head of Investment Center



TCCIMA has been a key player in the private sector of Iran and plays a central role in attracting foreign investment and sustaining economic development. The Chamber effectively communicates with the competent official and private authorities and helps the private sector by all facilities aiming at creating a better climate for business in the country. To boost the country's economic growth, there is need for a joint collaboration between Iran and other countries. In the Investment Center, it is our aim to provide foreign and also domestic investors with services and facilitate their investing process in Iran on the one hand, and on the other, offer a platform to Iranian private sector to flourish and reach its potentials.

Today, Iran is in a critical phase in terms of its economic history and it is our firm belief in the Investment Center that through sustainable investment, economic development of our country is not out of reach. Extending its cooperation with the international community can help highlight Iran as a new market of global significance and provide insight into the best practices. It is essential for Iran to move fast to identify gaps and provide solutions for investment promotion and economic growth. To achieve this, the private sector itself, and its chief arm, the Chamber of Commerce, adopt a leading role in defining the way forward. In the series of brochures that the Center has accumulated, an introduction and insight into investment opportunities of 7 economic sectors of Iran has been provided which we look forward to sharing with you.

Ferial Mostofi
President of Center of Investment & Consultancy Services



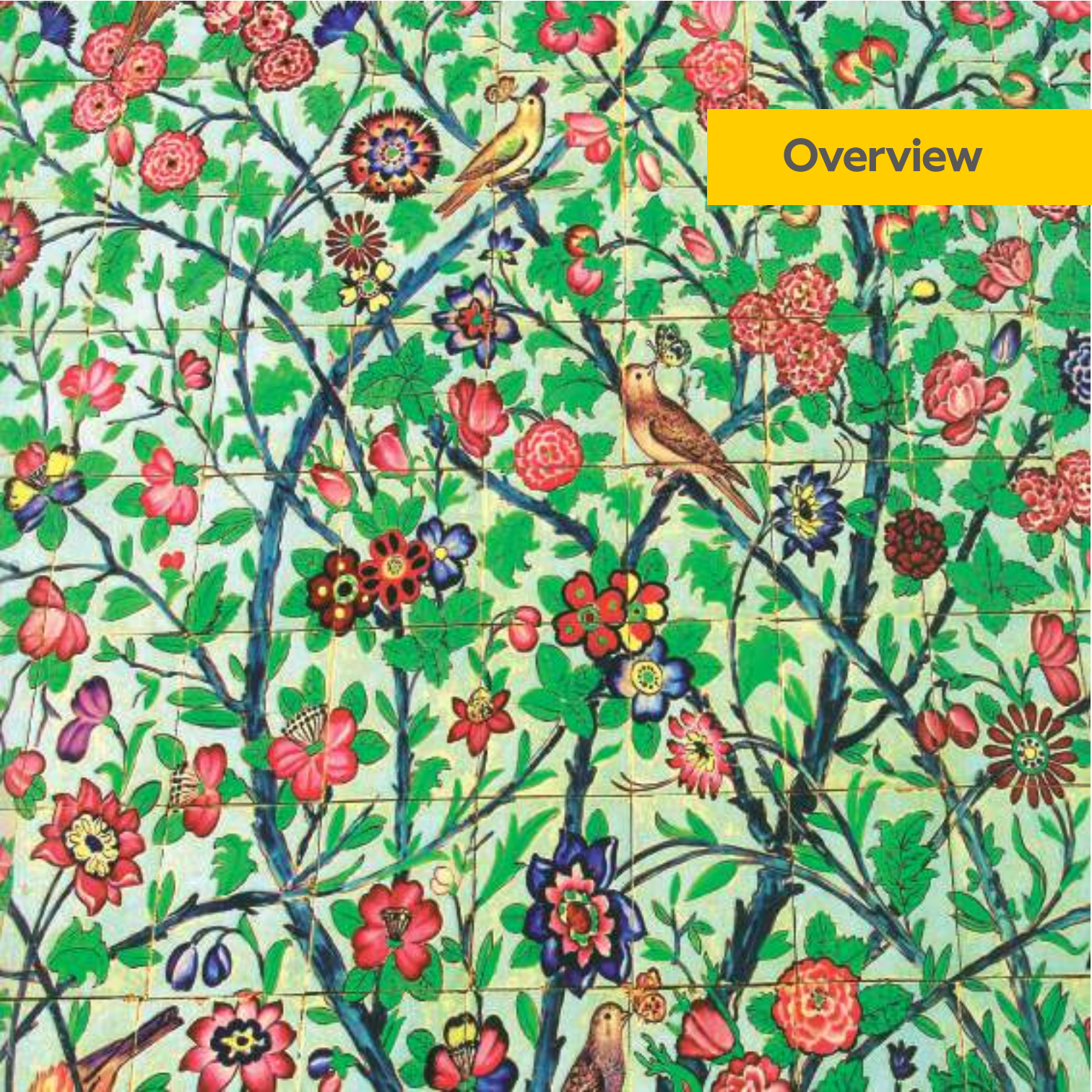
Damavand_Mountain_Tehran



Center Missions

- To provide a platform for networking, cooperation, sharing and dissemination of ideas and information
- To provide consultation to investors on related issues (i.e. laws, regulations, tax, insurance, etc.)
- To outline different economic sectors' landscape and introduce investment opportunities and projects
- To identify investment regulation gaps, and propose mechanisms for facilitating investment processes to the related government bodies
- To facilitate more active participation of the private sector in the global value chains
- To hold training courses related to finance and investment training purposes





Overview

Overall Description of The Sector

Travel & tourism is nowadays an important part of countries' economies around the world and has proven to have significant direct as well as indirect impacts on their economies. The tourism industry is one of the world's largest and fastest-growing service sectors and a vital area for economic development and job creation in any country. With its diverse attractions ranging from ecological ones to cultural, historical and architectural sites, Iran benefits from high potentials in the tourism industry and has been listed among the top 20 countries with the highest number of tourist attractions.

Iran enjoys an ancient history: It owns historical monuments and architectural remnants some of which date back to 2000 years ago; It also has unique cultural treasures, and is home to some 24 World Heritage sites. Around 9.1 million international tourists arrived in Iran in 2019. According to the World Travel & Tourism Council's latest report, Iraq is constituted the largest proportion of inbound tourists for Iran in 2019.

Competitiveness

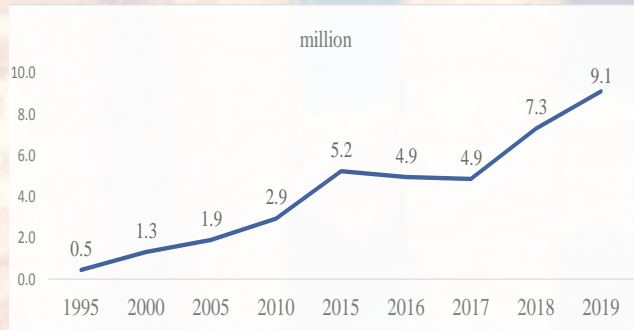
With a score of 6.7 in "Travel and Tourism Competitiveness Report 2019" Iran has been ranked first worldwide in terms of price competitiveness. According to the report published by the World Economic Forum (WEF) which includes 166 countries and shows their performance in 14 categories, Iran stands ahead of countries such as Egypt, Malaysia, Germany, Greece, Spain, France and Italy, in terms of price competitiveness.





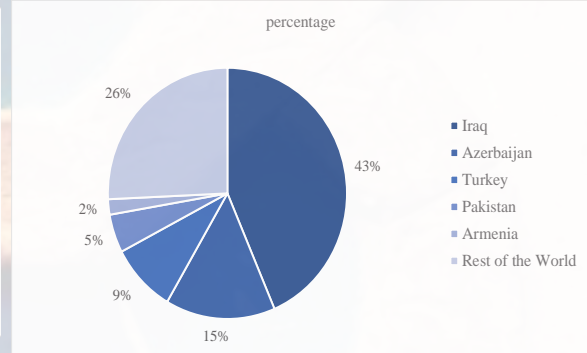
The number of arrivals to Iran increased from 1.34 million in 2000 to 9.11 million in 2019 growing by 600%.

Number of International Tourism Arrivals to Iran (1995-2019)



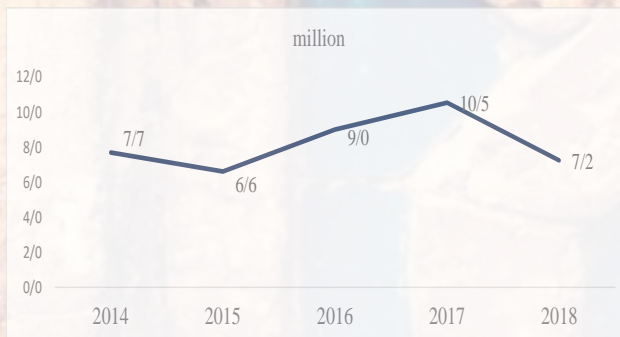
Source: World Bank

Inbound Arrivals in 2019



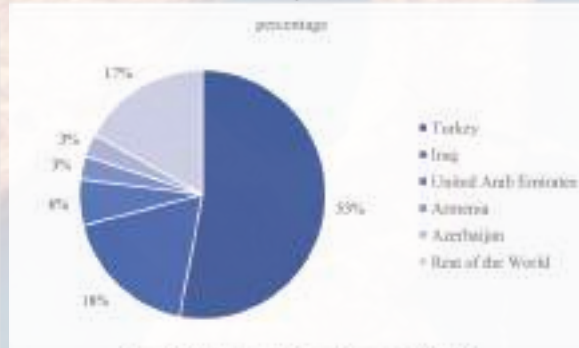
Source: Oxford Economics, National Sources and UNWTO

Number of International Tourism Departures from Iran (2014-2018)



Source: World Bank

Outbound Departures in 2019

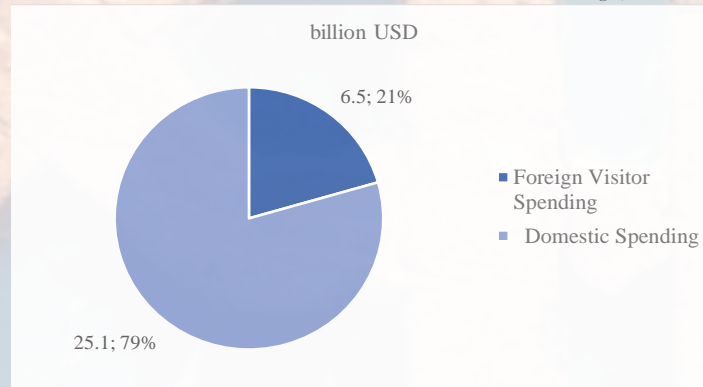


Source: Oxford Economics, National Sources and UNWTO

GDP

According to the World Travel & Tourism Council (WTTTC), the contribution of the Travel & Tourism to the country's GDP was a total of USD 41.8 billion accounting for 7.9% of the total GDP in 2019.

Travel & Tourism's Contribution to GDP: Domestic vs. Foreign, 2019.



Source: The World Travel & Tourism Council (WTTTC)

Based on the Travel & Tourism Economic Impact 2019 report, 1,852,000 direct and indirect jobs (3.11% of country's total employment) were created by the tourism industry.

Direct Contribution of Travel & Tourism to Employment (2012-2020)



Source: The World Travel & Tourism Council (WTTTC)



#Silver_Conins
of_Various_
Parthian_Kings



Why to Invest



#Si_o_Se_Pol_Isfahan

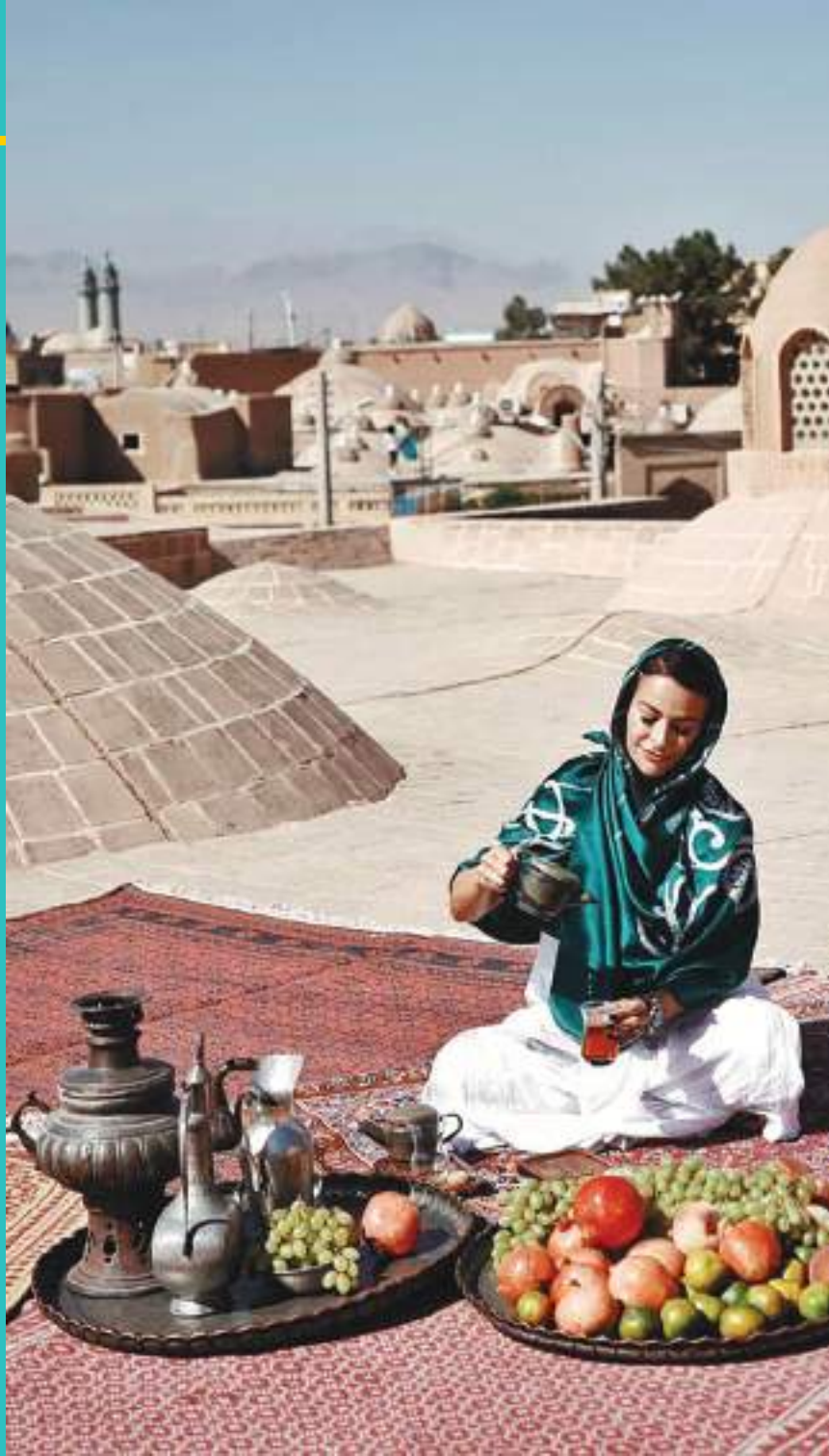
Various Forms of Attractions

Cultural Tourism

Iran is amongst ultimate destinations for those interested in visiting rich and diverse cultures and making a time travel and visiting historical lands and monuments.

With the recent addition of “Hawraman” rural landscape and the Trans-Iranian Railway in Kurdistan province to Iran’s inscribed World Heritage sites, Iran is now home to 24 World Heritage sites, which makes Iran the first country in the Middle East with the highest number of inscribed World Heritage sites and 11th worldwide.

Iran has a large number of museums that offer a rich insight into thousands of years of national art and culture of one of the world’s oldest civilizations. For over 70 years, 300,000 museum items have been kept and exhibited in Iran National Museum in a surface area of over 20,000 square meters. In terms of the size, variety, and nature of its gigantic monuments, not only does it serve as the largest museum for history and archaeology in the region, but it is also among the world’s most prestigious museums. Amongst the most visited museums in Iran are Reza Abassi Museum, Glassware and Ceramic Museum, National Jewelry Museum, Tehran Museum of Contemporary Art (TMOCA), Shiraz Pars Museum and Iran Carpet Museum.







#Vakil_Mosque_Shiraz



Iran's cultural properties inscribed on the World Heritage List:

- Persepolis (1979)
- Meidan Emam, Esfahan (1979)
- Tchogha Zanbil (1979)
- Takht-e Soleyman (2003)
- Pasargadae (2004)
- Bam and its Cultural Landscape (2004)
- Soltaniyeh (2005)
- Bisotun (2006)
- Armenian Monastic Ensembles of Iran (2008)
- Shushtar Historical Hydraulic System (2009)
- Sheikh Safi al-din Khānegāh and Shrine Ensemble in Ardabil (2010)
- Tabriz Historic Bazaar Complex (2010)
- The Persian Garden (2011)
- Gonbad-e Qābus (2012)
- Masjed-e Jāmé of Isfahan (2012)
- Golestan Palace (2013)
- Shahr-i Sokhta (2014)
- Susa (2015)
- Cultural Landscape of Maymand (2015)
- The Persian Qanat (2016)
- Historic City of Yazd (2017)
- Sassanid Archaeological Landscape of Fars Region (2018)
- Cultural Landscape of Hawraman/Uramanat (2021)
- Trans-Iranian Railway (2021)

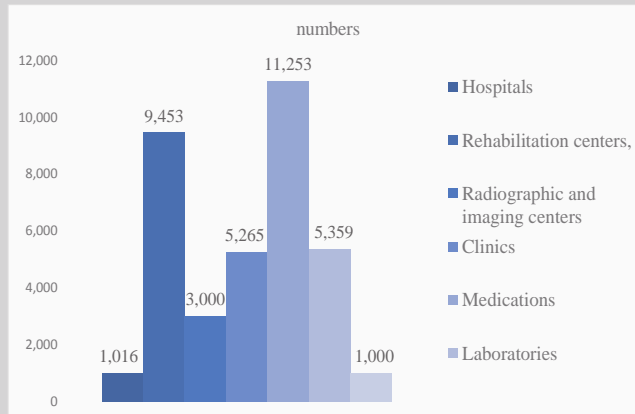


#Badab_Sort_Mazandaran

Health Tourism

Over the past few years, Iran has been moving towards becoming a regional hub for health tourism and has been attracting medical tourists from Islamic, neighboring and regional countries with medical and health related inquiries. Iran's geographic location, multiple hot and cold springs, low medical costs and high-quality health services across different parts of the country offer good opportunities for health tourists seeking treatment concerning pregnancy, stem cell therapy, dialysis, cardio, cosmetic surgeries, eye surgeries, dental care, organ transplant and so on. Iran also manufactures innovative high-tech medicines thanks to its established pharmaceutical companies. In addition, the country provides medical services in 166,543 hospital beds, 1016 hospitals, 9,453 rehabilitation centers, 3,000 radiographic and imaging centers, 5265 clinics, 11253 medications, 5359 laboratories and more than 1000 spas. The increasing demand for quality and at the same time low-cost health services in some countries, especially in West Asia, the fact that there are many tourists from neighboring and Central Asian countries who have weak healthcare infrastructures and facilities compared to Iran, have given the country a great opportunity to attract health and medical tourists.

Iran Health Sector Facilities in 2020



Source: Statistical Centre of Iran



Ecotourism

Iran is the most biologically diverse country in west Asia and amongst the top 5 countries in the world with the widest biodiversity range. According to the Iranian Department of Environment, with only %5 of its area occupied which is an area of over 8 million hectares, Iran is endowed with more than 31 national parks, 46 protected wildlife zones, and 169 protected areas.

Iran has 520 species of birds, 194 mammal species, 215 reptiles, 21 amphibians, 155 fish species, and 9,000 distinctive plant species.





Amongst the features that make Iran one of the five countries in the world with the widest range of biodiversity, the following can be mentioned: 548000 kilometers of coastal line along Caspian Sea (630 km) and the Persian Gulf and Oman Sea (1880 km), long mountain ranges in West and North of Iran, two well-known deserts located in the central plateau of Iran, 50 freshwater lakes, 35 natural reserves and 111 protected areas. The Golestan Forest, Dasht-e Kavir, Lar, Khosh Yellagh,



#Darak_Village



#Chah_Koh_Qeshm



Bakhtegan Lake, Bamoo Mountain and other ecotourism attractions have been listed as natural parks and protected areas. Popular nature-based activities in Iran include mountain and desert hiking, bird watching, diving and trekking. Beris port in Sistan and Baluchestan province, Chahkooh geological landmark with rain carves rocks are listed as a UNESCO GEOPARK in Qeshm island.

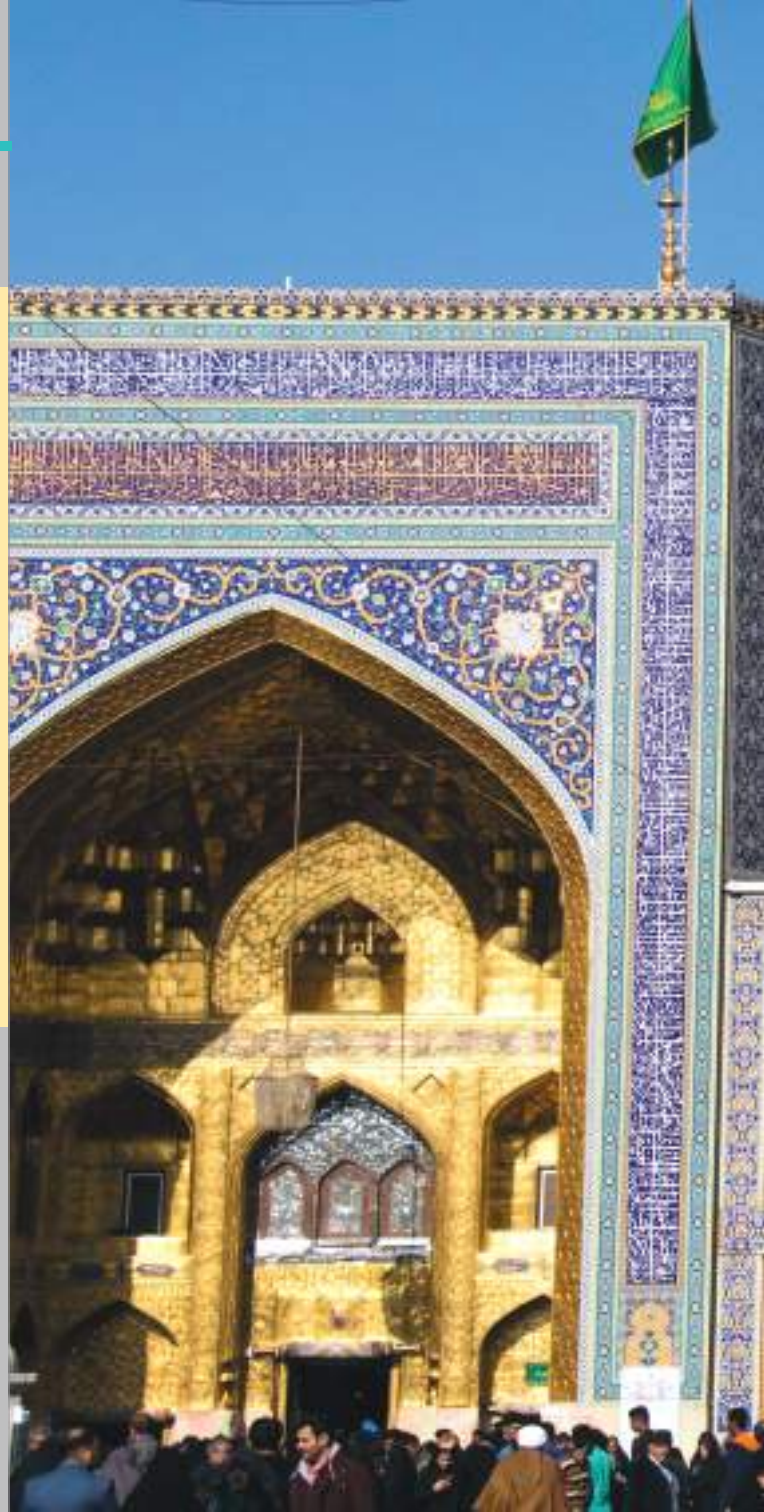
#Beris_Port_Chabahar



Religious Tourism

It is estimated that 1.5 million foreign tourists visit Mashhad each year. Mashhad is generally considered to be the holiest Shia shrine in Iran and is known to be ranked as the third holiest Shia shrine in the world.

With the expansion of Islam in Iran, the mausoleums of Imams (descendants of the Prophet of Islam and Shia religious leaders), namely Imamzades, gradually became the places of pilgrimage that attract pilgrims from all over the country. Iran is also the birthplace of Zoroaster, the founder of the Zoroastrian religion, one of the oldest religions of the world. Zoroastrianism is based on three main principles: Good Thoughts, Good Words, and Good Deeds.

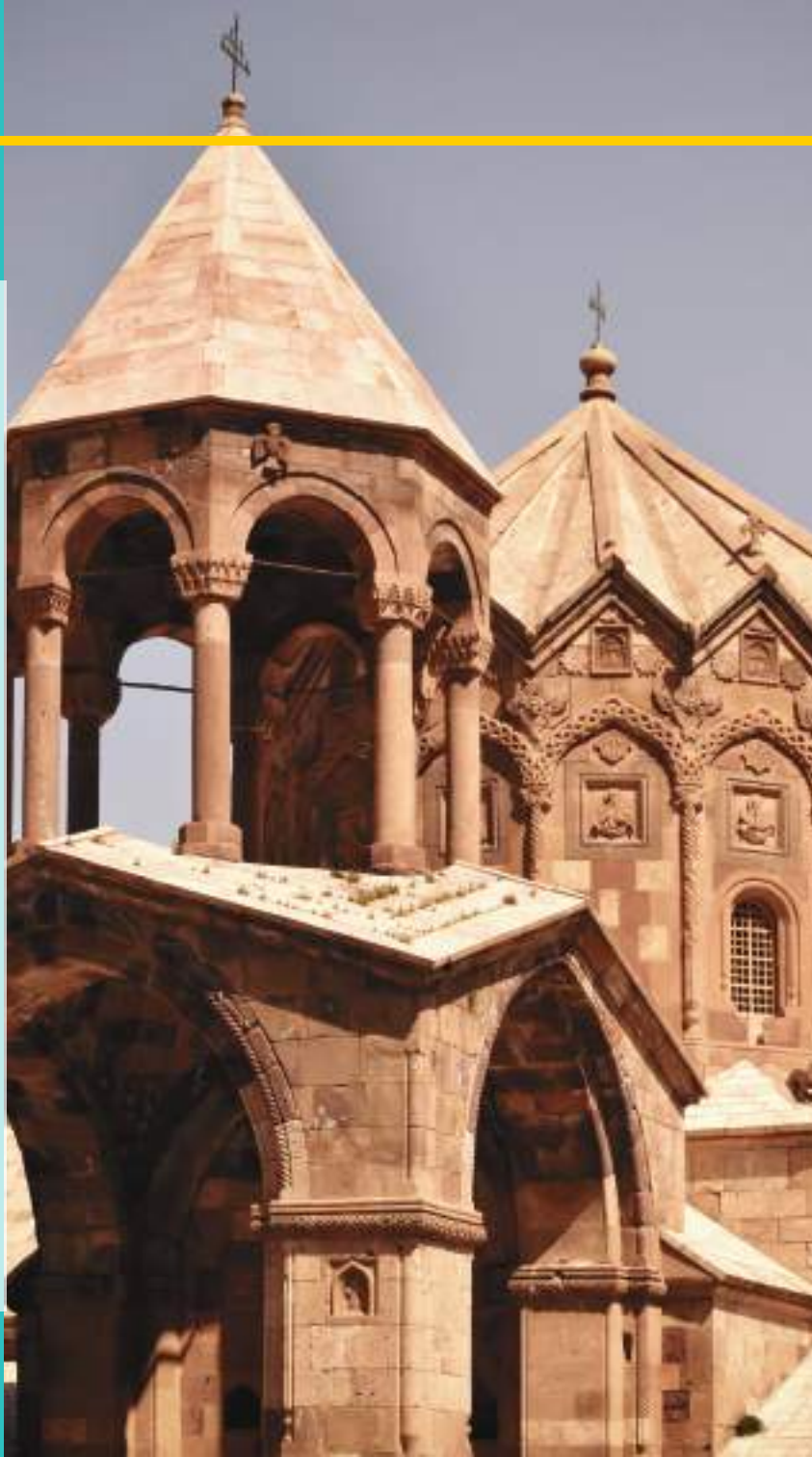





#Imam_Reza_Mashhad



There are also 13 churches in Jolfa (Esfahan), which are sacred places for Armenians, as well as many other historic churches in other parts of the country. Among them are old churches in Azerbaijan (of which the most famous one is St. Stepanous Church), Salmas, and Maku. The church of "Naneh Maryam" (which means Mother Mary in Farsi), which is also one of the oldest churches in the world is located North-West of Iran in Urmia province.





Zoroastrians of Iran, who live mostly in Yazd and Tehran travel to Persepolis, Naghsh-e-Rostam, Taq-e-Bostan and Bistoon Inscription annually for their religious ceremonies and rituals. The old Azargoshasb Fire-temple in Takht-e-Solaiman, Kashmar Tower in Khorasan, and Lake Urmia are other sacred sites for Zoroastrians. Armenians travel to St. Tataboos Church, located in Siyah Cheshmeh, close to Maku, in summers for pilgrimage. In the heart of Iran, the city of Yazd, there is a Zoroastrian temple with a sacred burning fire since 1,500 years ago.



#Nasir_al_Mulk_Mosque_Shiraz

Investment Incentives

Fixed Corporate Income Tax at a Flat Rate of 21%

Income Tax with Rate of 0.0%	Duration of Exemption
Industry, Mining & Services (Hospital & Hotel)	5 Years
Industry, Mining & Services (Hospital & Hotel) in Industrial Parks and Special Economic Zones	7 Years
Industry, Mining & Services (Hospital & Hotel) in Less Developed Areas	10 Years
Industry, Mining & Services (Hospital & Hotel) in Less Developed Areas - Located at Industrial Parks and Special Economic Zones	15 Years
100% of Income Derived Agricultural Activities	Perpetual
100 % of Income Derived From Export of Services, Non-oil Goods, Agricultural Products and 20% of Income Derived from Export of Non - Processed Goods	Perpetual



Incentives Offered by Features & Advantages of Foreign Investment Promotion & Protection Act (FIPPA)

The decree that protects and encourages foreign investors and provides a framework for activities of foreign investors in Iran referred to as Incentives Offered by Features & Advantages of Foreign Investment Promotion & Protection Act (FIPPA) was passed in 2002. This decree enables foreign investors to make investment in all economic sectors in Iran while receiving incentives and protections that are offered by the Organization for Investment, Economic and Technical Assistance of Iran.

It needs to be noted though that only investors who have obtained FIPPA license will receive these incentives and protections. The Organization for Investment, Economic and Technical Assistance of Iran is responsible for granting foreign investors with these licences and upon receiving them, the investors will receive the services offered by this organization for as long as they are carrying their businesses in Iran.

Upon receiving the FIPPA licence, all rights and interests of foreign investors are acknowledged and protection against non-commercial risks is granted.

Further, this licence ensures that the Iranian government would not only facilitate swift return of the investments made to the home country (or any other country for that matter) that the investors wish to transfer their assets to, but would also pay the full compensation price in occasions that the activities of foreign investors have been disrupted or delayed illegally.

The Organization for Investment, Economic and Technical Assistance of Iran has set up investment centers in Tehran and other major cities in Iran to offer services in all areas that are related to investment.

FIPPA License Facilities:

- Transfer of capital, dividend and the profits gained in the form of currency or goods.
- Unrestricted partnership percentage for foreign investors.
- Possibility of registering an Iranian company with 100% foreign capital.
- Same behavior with both foreign and domestic investors.
- Investment possibility for foreign real and legal persons and Iranians residing abroad.
- Investment possibility in all areas permitted to the private sector.
- Providing protection for all foreign investment plans.
- Fast and short application and approval process for foreign investors.
- Issuance of a 3 -year residence permit for investors, managers, foreign experts and their first-degree relatives.
- Receiving full protection by the government against all non-commercial risks.
- Paying towards due commitments of foreign investors by Iranian government in occasions that an investment project has been stopped or delayed by the government.
- If foreign companies use the capacity of domestic production units and export at least 20% of the total production, from the day they start their collaboration with the domestic unit, they will enjoy one year of tax-break followed by a 5-year tax exemption of 50% which is extended to 11 years in underdeveloped areas.



Other Tax Incentives

- Taxable incomes of knowledge-based institutions resulting from the contracts, research and development activities, commercialization and knowledge-based services are exempted from tax for 20 years.
- Companies with more than 50 employees: in case of increasing the employment volume up to 50% in comparison to the previous year, they will enjoy one added year of exemption.
- If foreign companies with the capacity of domestic production units start business with authentic brands and export at least 20% of their total production, they can benefit 50% of tax exemption.
- If the total taxable income is equal to or less than the registered capital, %50 of the income will be tax free.

Less Developed Areas

- If the total taxable income capital is equal to or less than the double of registered capital, 100% of the income will be tax free.
- In case of each 5% foreign investment, 10% will be added to the two incentives for a maximum of %50.



Investment Incentives in Special Economic Zones

- Import from economic zones for domestic consumption would be subordinate to export and import regulations, while export from the areas will be carried out without any formalities.
- Import from abroad, free zones, or industrial areas would be carried out with minimal customs formalities, and domestic transit are performed in accordance with the relevant Regulations.
- Goods imported from abroad, industrial areas or other commercial zones could be exported with no formalities.
- All the goods imported to the region for the required production or services are exempted from the general import-export laws. Import of goods to other parts of Iran will be subordinated to export and import regulations.
- All the goods imported to the region for the required production or services are exempted from the general import-export laws. Import of goods to other parts of Iran will be subordinated to export and import regulations.

14 special economic zones

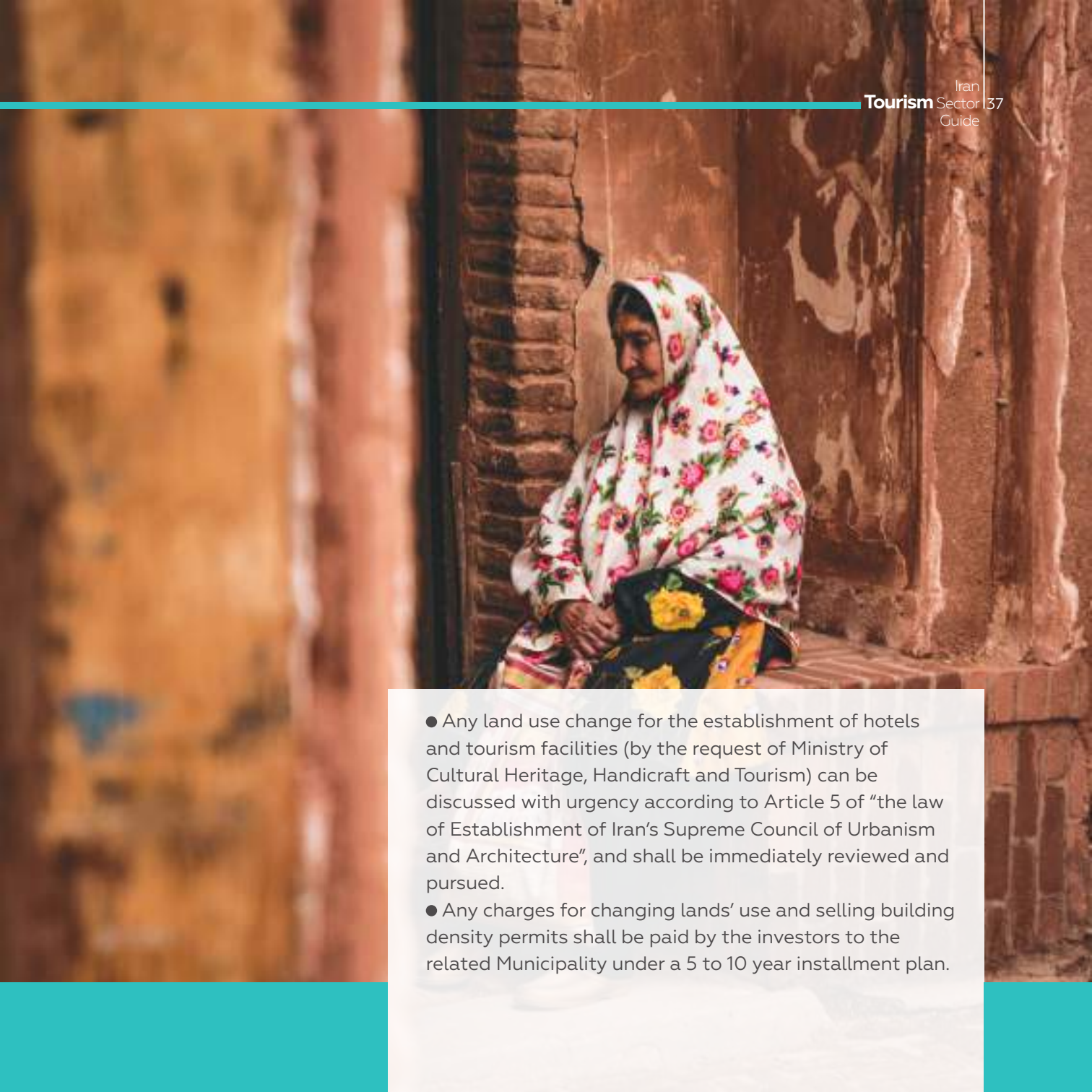
- Salafchegan Special Economic Zone
- Shiraz Special Economic Zone
- Assaluye Special Economic Zone
- Arge Jadid Special Economic Zone
- Lorestan Special Economic Zone
- Sarakhs Special Economic Zone
- Sirjan Special Economic Zone
- Yazd Special Economic Zone
- Bushehr Special Economic Zone



Further Incentives in Tourism

A variety of programs have been foreseen to facilitate and attract foreign investment in the tourism industry. The aim is to take into consideration investor concerns and resolve their potential problems in order to encourage investment in the tourism and hospitality industries. The following is a list of incentives offered by the Islamic Republic of Iran to encourage investment in tourism industry in the country:

- In order to attract foreign and domestic investment in the required regions of the country, 1165 special areas of tourism in compliance with the approved regulations of the government have been established and authorized. These areas are categorized into four (international, national, provincial and local) categories, based on their capacity for tourism attractions. Every city will have a set-up of community centers, leisure centers, amenities (banking services, hospitals, etc.). The area will include hotels and other types of housing, parks, and exhibitions.
- Within Section 4 of the “the Executive Regulations of Article 132 of the Direct Taxes Amendment Law, the income tax for all declared earnings arising from hotel and touristic guest house activities and activities held in the possession of non-governmental entities which obtained their operating permit from the related authorities, will be calculated at a rate of 0% for 5 years, and this can be extended for up to 10 years, if the area in which the investment takes place is situated in under-developed regions.
- The production units or service providers and other tourism related centers that have employed staff of more than 50 and continue adding to their number of staff by 50% per year will enjoy an extended year of exemption for each year during which they have increased the number of their workers by 50%.
- The National Land and Housing Organization of Iran is obliged to lease lands to investors at a peer reviewed price and with the condition that the investor can buy the land after 5 years.
- The Forests, Range and Watershed Management Organization of Iran and the provincial bureaus of natural resources along with the Land Affairs Organization of Iran (in affiliation with Ministry of Agriculture Jihad) MUST provide the investors with lands for reasonable prices.

- 
- A photograph of an elderly woman sitting on a brick ledge in front of a weathered, reddish-brown wall. She is wearing a white headscarf with a vibrant floral pattern in pink, red, and green. Her hands are resting on her lap, and she is looking slightly to the left. The background shows the texture of the brick wall and some peeling plaster.
- Any land use change for the establishment of hotels and tourism facilities (by the request of Ministry of Cultural Heritage, Handicraft and Tourism) can be discussed with urgency according to Article 5 of “the law of Establishment of Iran’s Supreme Council of Urbanism and Architecture”, and shall be immediately reviewed and pursued.
 - Any charges for changing lands’ use and selling building density permits shall be paid by the investors to the related Municipality under a 5 to 10 year installment plan.





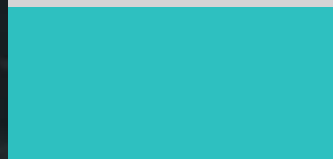
Government Vision/Outlook



As part of its 20 Year Vision Plan, Iran is hoping to attract 20 million tourists per year by 2025. The Ministry of Cultural Heritage, Tourism and Handicrafts has made plans to build 300 four and five-star hotels within five years in cooperation with the private sector and has initiated the construction of more than 170 hotels so far.



#Yazd





#Chesareyh_Isfahan



Tourism Investment Opportunities



#Ghesareyh_Isfahan



Iran is a country endowed with diverse and rich attractions that corresponds well with many types of tourism activities and niches. What make Iran a “Must See” destination are its unique features ranging from its geographical location which has created a country with four seasons and also diverse landscapes and climates, to its rich history that has made Iran a sanctuary for anyone with even a low degree of interest in history, archeology and culture.

According to a study done by McKinsey & Company, Iran has the capacity to increase the GDP generated from its tourism industry from USD 9 billion in 2014 to almost USD 60 billion by 2035. Also, according to the government’s vision, Iran is going to host 20 million tourists by 2025. Although Iran’s attractions outshine that of any other country at least in the Middle East region, the existing infrastructures and facilities of tourism industry are currently lagging behind. Thus, in order to move

towards targets that have been set by the government, the country needs to upgrade its tourism industry having investments injected into this sector. Iran’s potential in tourism industry on the one hand, and the need to develop this industry and improve its infrastructures and facilities on the other hand, has led to the creation of attractive investment opportunities in this promising sector.





#Pasargad



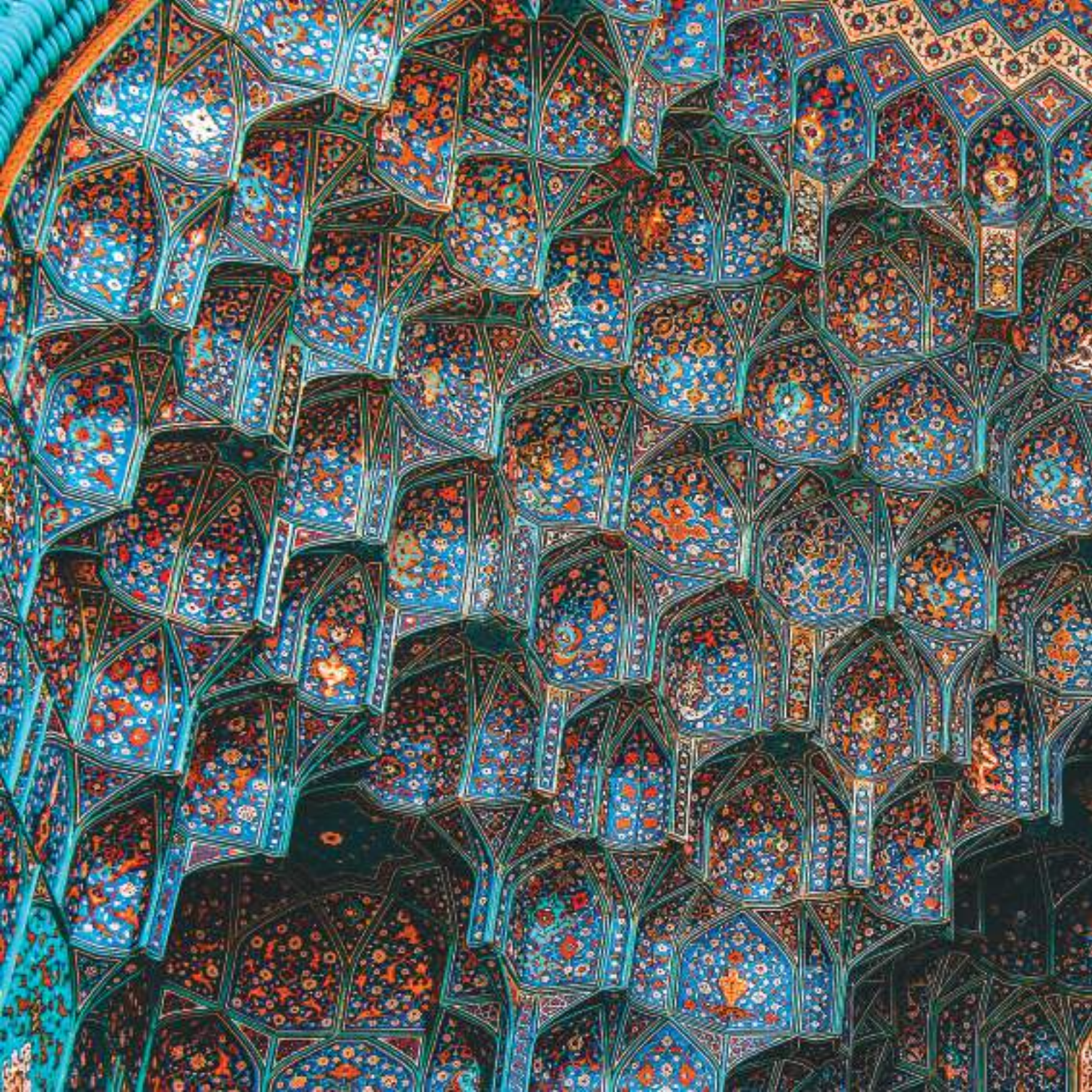
Following are some of the investment opportunities of Iran's tourism industry:

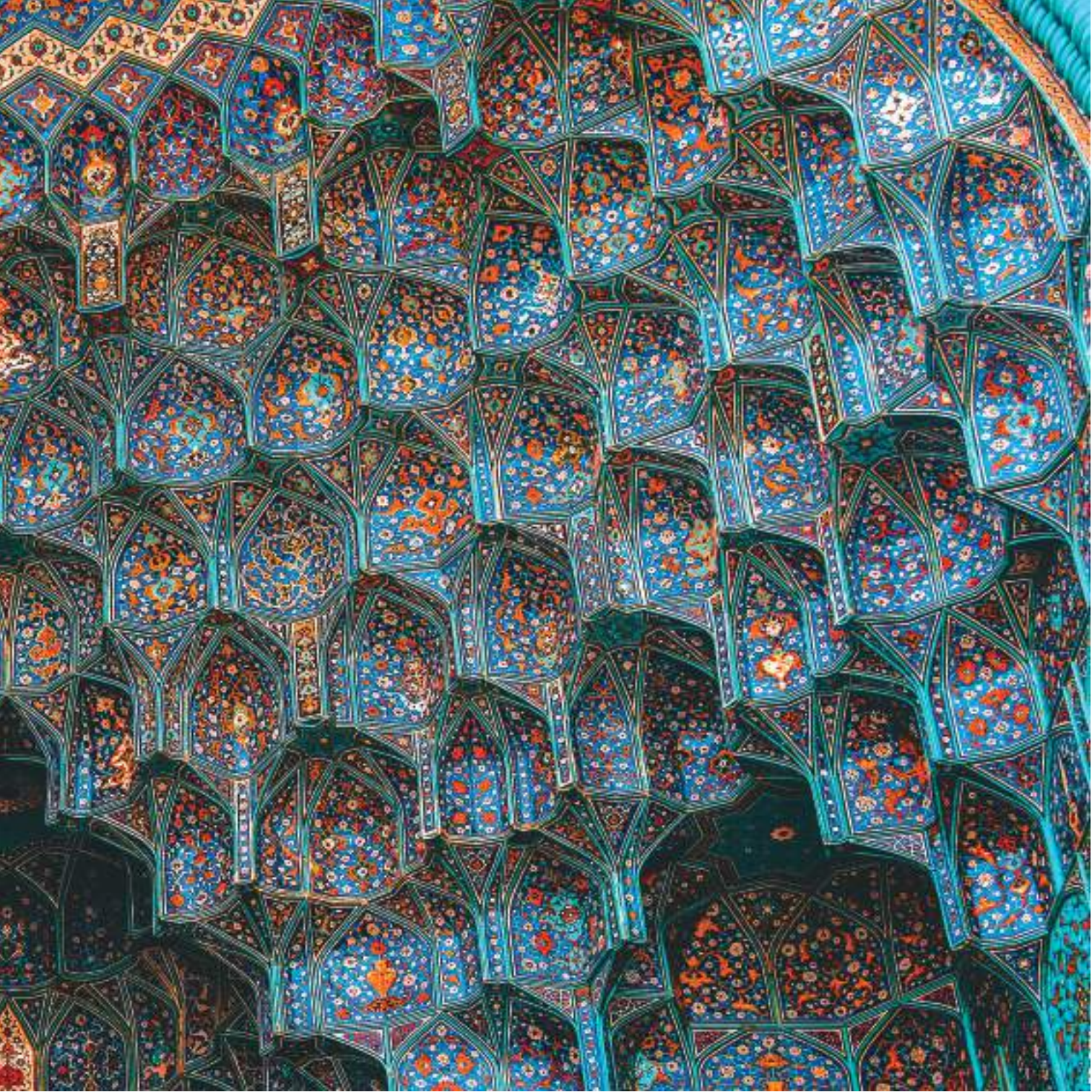
- Expansion and upgrade of transportation infrastructure especially that of railway and air transportation
- Restoring historical sites and old buildings, and turning them into tourism facilities such as boutique hotels, shops, restaurants, etc.
- Building hotels and accommodation facilities
- Establishing restaurants that provide organic food or food that is suitable for those with certain diet requirements (diabetics, elderly, vegans, etc.)
- Investing on ecotourism facilities and services
- Investing on health tourism and offering medical services to tourists
- Developing recreational and maintenance facilities of coastlines
- Educating tour guides that are specialized on various tourism niches and types
- Improving the packaging and presentation of Iranian handicrafts and cultural heritage
- Support start-ups that are active in the tourism sector

#Hanna_Boutique_Hotel



#Darb_e_Shazdeh_Hotel







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