

Investment in Pardis Technology Park

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پارادیس
مستقبل
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PARADIS
TECHNOLOGY PARK

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| Iran at a Glance |

Located in the Middle East and North Africa (MENA) region, Iran boasts the fifth-largest economy, with a GDP of \$388.54 billion international dollars in 2022. Despite the challenges posed by the COVID-19 pandemic, the country's total merchandise exports surpassed \$48 billion in the fiscal year that concluded on March 2022. Furthermore, Iran attracted \$1500 million in foreign direct investment (FDI) in 2022 and it proudly holds one of the highest Human Development Index (HDI) rankings worldwide.



| Competitive Advantage: Low Energy and Labor Cost |



Iran possesses abundant natural resources, including oil, gas, coal, and various minerals. It has the second-largest proven reserves of natural gas in the world and the fourth-largest proven reserves of crude oil. The abundance of energy resources as well as the provision of a substantial amount of government subsidies have resulted in Iran having some of the lowest energy prices in the world:

- **Gasoline (per liter): \$0.029 (ranking 2nd worldwide)**
- **Diesel (per liter): \$0.006 (ranking 2nd worldwide)**
- **Household Electricity (per kWh): \$0.002 (ranking 2nd worldwide)**
- **Natural Gas for Household (per unit): \$0.001 (ranking 1st worldwide)**

Aside from low energy costs in Iran, the cost of the labor also stands at a minimum, i.e., 1,769,428 IRR per day.

| Iran's Strategic Location |

Iran's strategic location in the Western Asia enhances its accessibility for goods transport to the neighboring markets. With 5,800 km of coastal strip in the north and south, Iran enjoys a privileged position in transit, providing access to both Eurasia, South Asia and Eastern Africa. Situated at the transatlantic crossroads, the country has become a crucial transit path for the North-South and East-West corridors, playing a significant role in the international economy.

| Investment Advantages in Iran |

Iran presents itself as a highly appealing market located at the heart of West Asia. It not only provides easy access to neighboring markets in the Middle East and Central Asia, but also serves as a strategic trade hub connecting Europe and China. Therefore, it qualifies as an excellent investment destination, offering various advantages such as:

- Resource-rich Economy
- Diversified Economy and Broad Industrial Base directly involved in Tehran Stock Exchange (TES)
- Labor Privileges
- Low Utility and Production Cost
- Young and Educated Population
- Large Domestic and Regional Market
- Developed Infrastructure in Transportation, Telecommunications and Energy
- Temperate Climate
- Abundant Natural Resources
- Tax Exemptions and Incentives

| Organization for Investment, Economic and Technical Assistance of Iran |

To encourage investment in Iran, the Organization for Investment, Economic and Technical Assistance of Iran provides foreign investors with the following incentives:

- No restriction on the percentage of foreign shareholding
- Possibility of registering an Iranian company with 100% foreign capital
- Transfer of principal capital, dividends, and profits in foreign currency or goods
- Equal treatment for foreign investors compared to domestic investors



- Open investment opportunities for foreign individuals and entities, including Iranians living abroad
- Protection coverage for various foreign investment schemes
- Quick approval of Foreign Investment Applications
- Issuing three-years multiple entry visas and residence permits for Foreign Investors, directors, experts, and their immediate family members
- Guarantee of foreign capital against nationalization and expropriation, with compensation in such cases
- Freedom to export goods produced by the Investee Firm, with the option to sell domestically if export is prohibited, and proceeds transferable abroad in foreign currency through the Country's Official Monetary Network.
- Investment allowed in all areas permitted for the private sector



| The Impact of E-commerce on Economic Growth and Technology Advancement |

E-commerce, as one of the main components of the digital economy, plays an undeniable role in the economic development of countries and its impact on the global economy cannot be overlooked. It is also heavily influenced by technological innovations, and in turn, it drives further technological advancements. Overall, the relationship between e-commerce development and innovation and technology is intertwined, as they mutually drive and facilitate each other's growth and progression.

In recent years, our country, Iran, has also experienced a growing trend in the field of e-commerce.

According to UNCTAD's report in 2020, Iran ranked 44 th out of 152 countries in the e-commerce sector.

The following infographic represents Iran's annual report on e-commerce, covering aspects such as infrastructure, market size, methods and demography.

Iran e-Commerce Annual Report Mar 2021 - Mar 2022

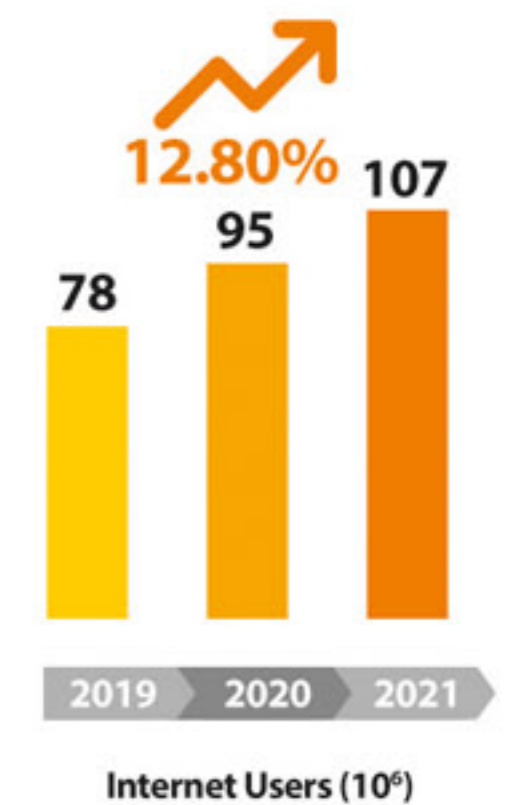
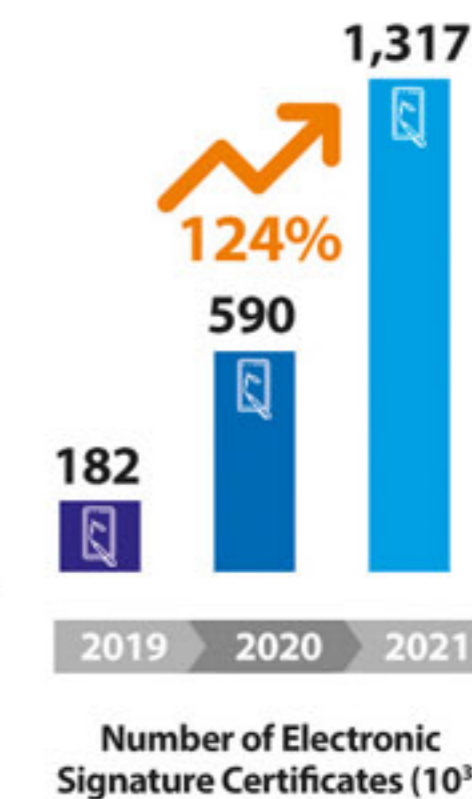
e-Commerce Infrastructure



57.19 M



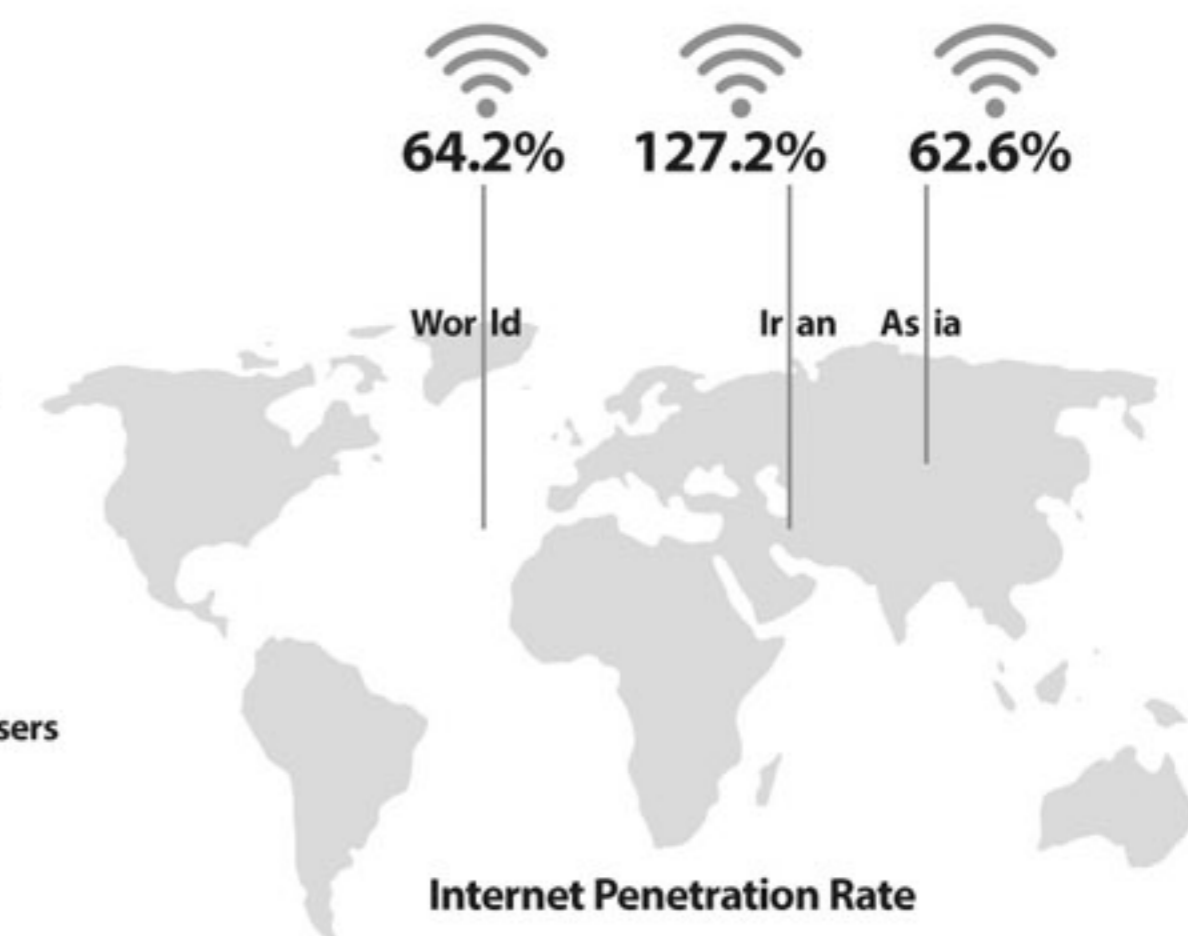
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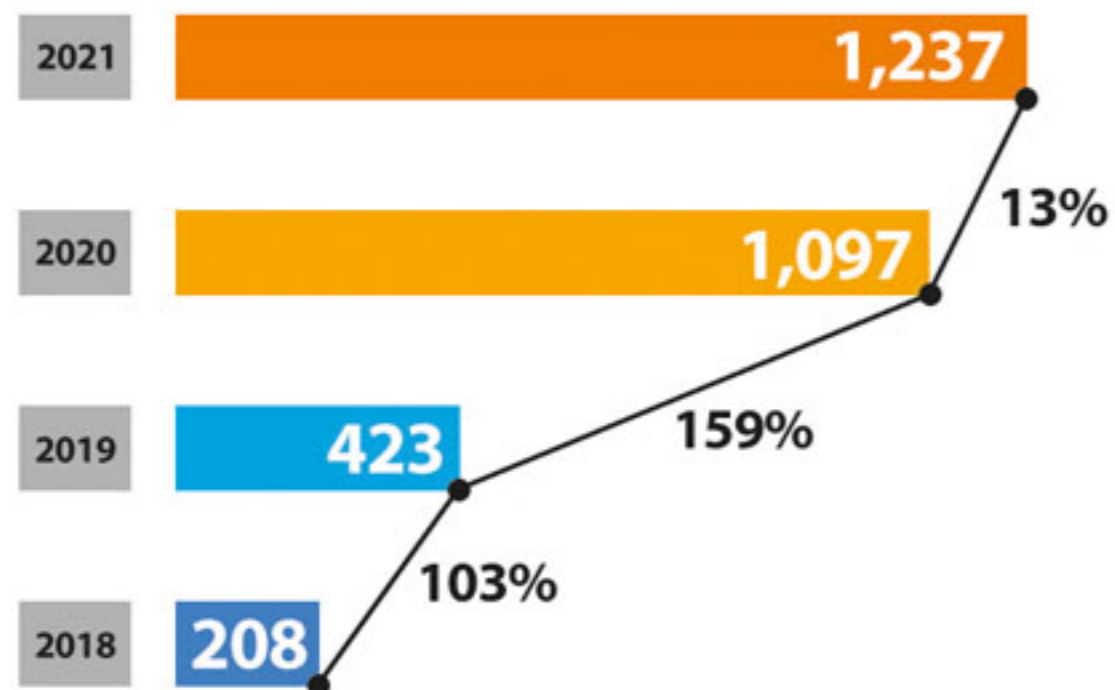
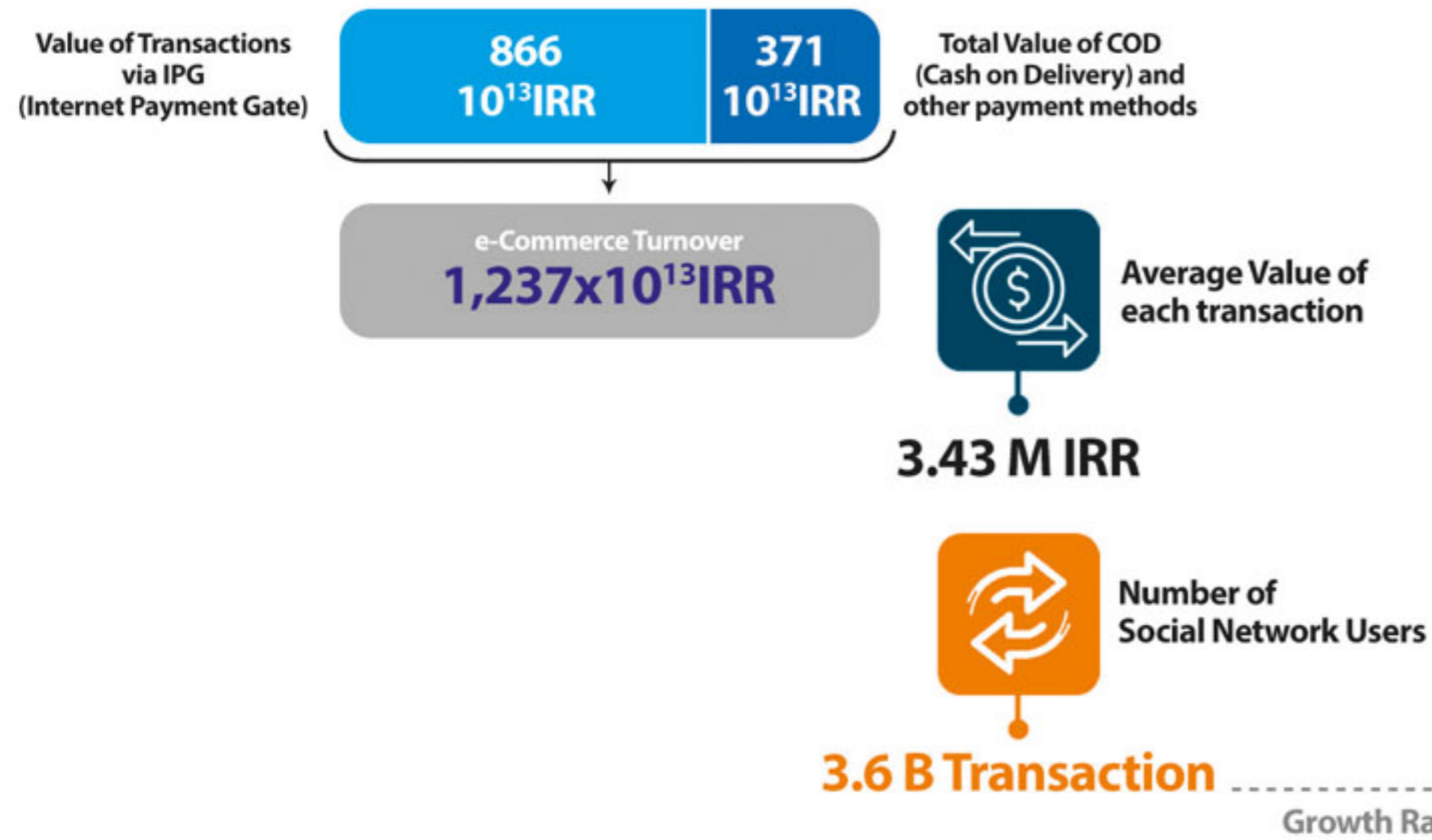
56%



48 M



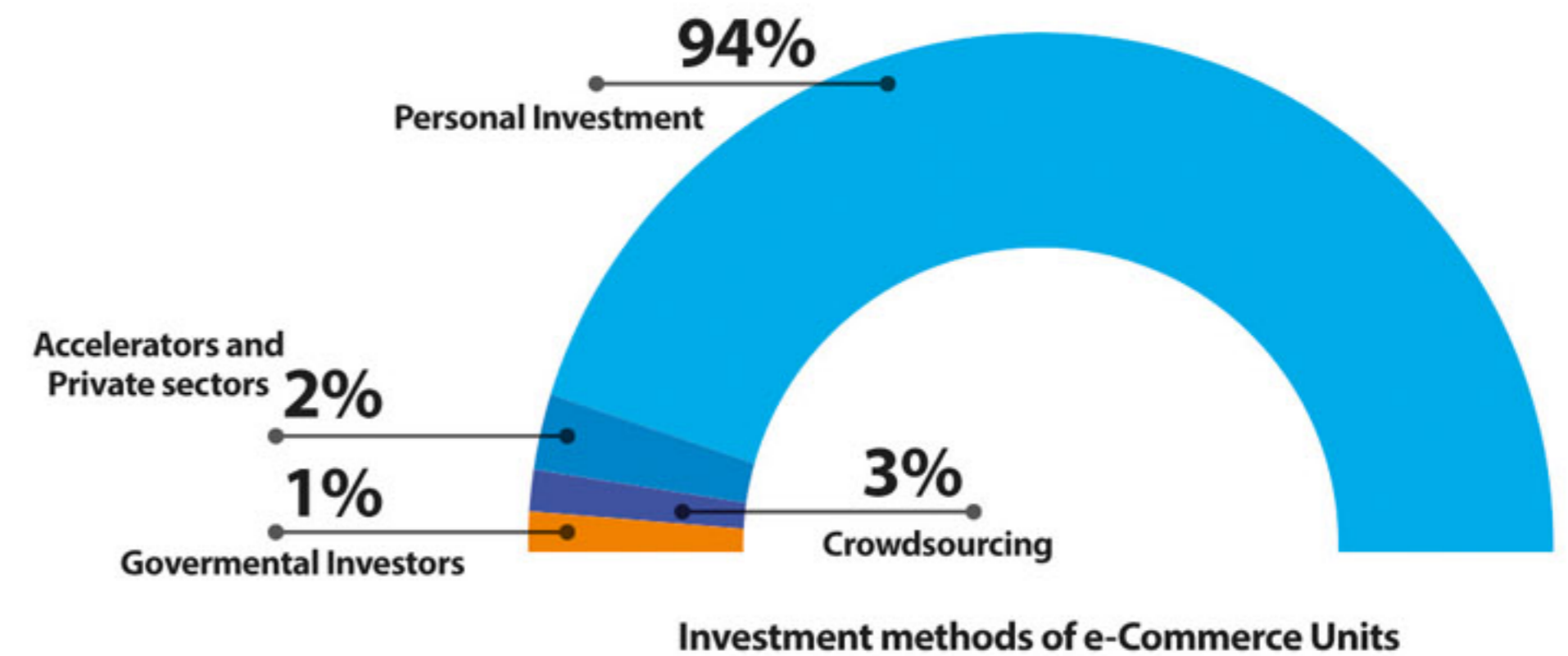
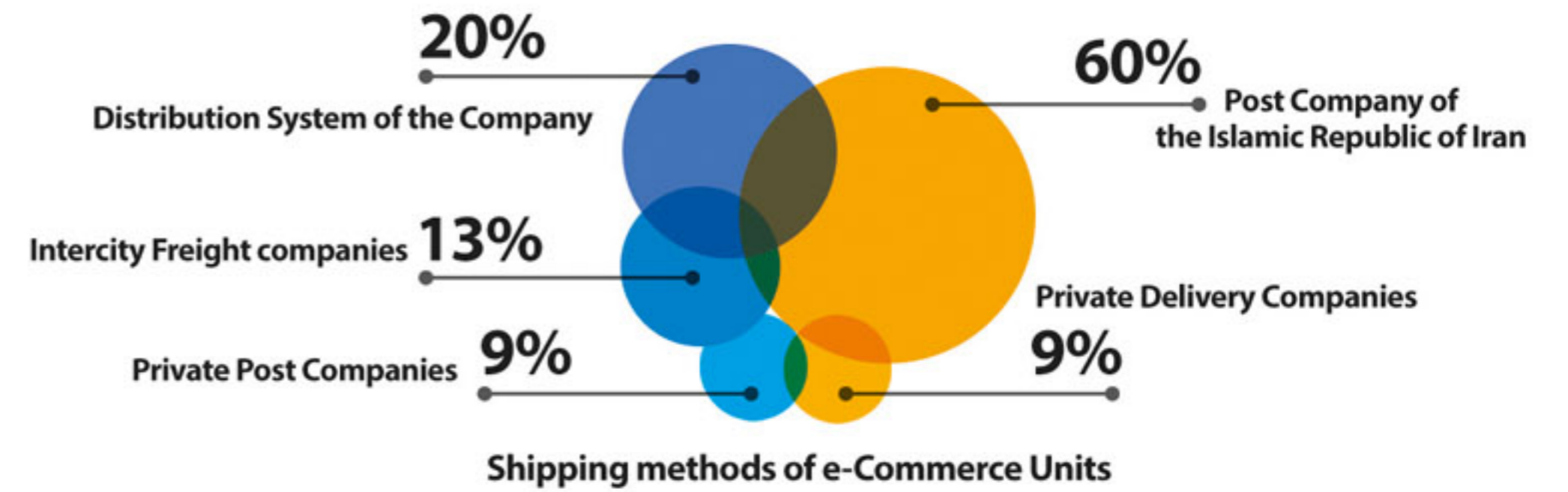
e-Commerce Market Size



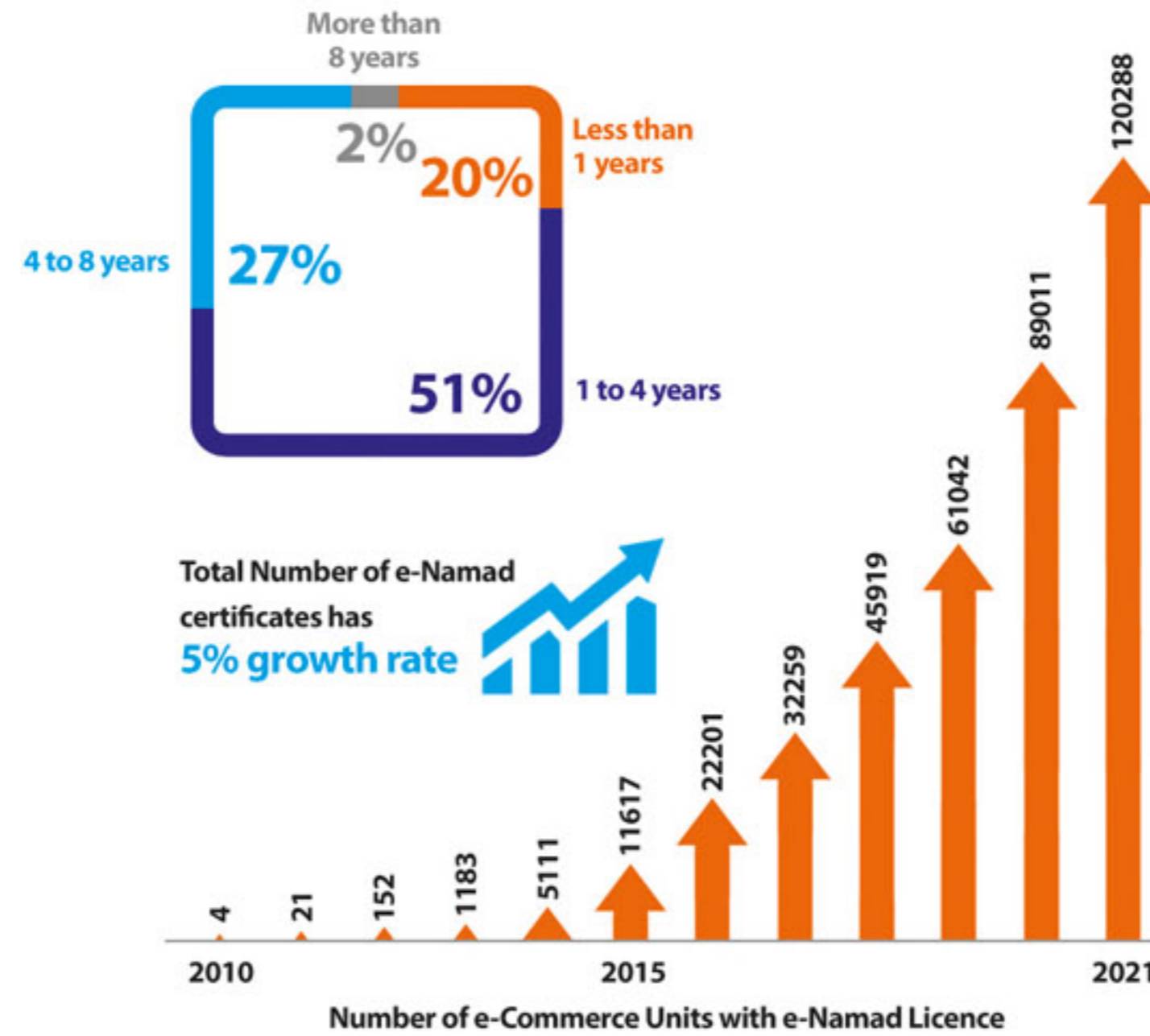
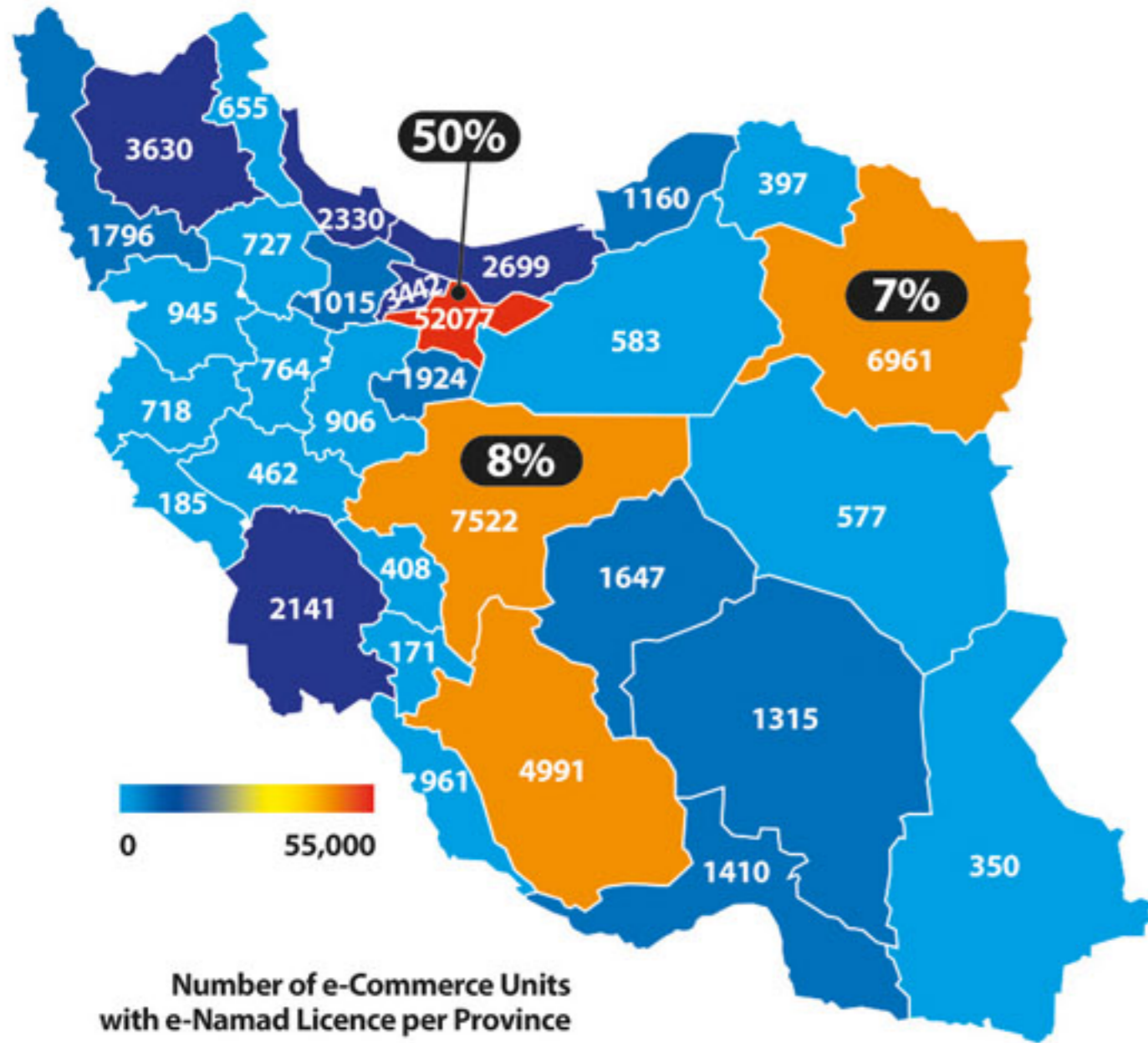
Shopping Methods of e-Commerce Units (in addition to Websites)



e-Commerce Methods



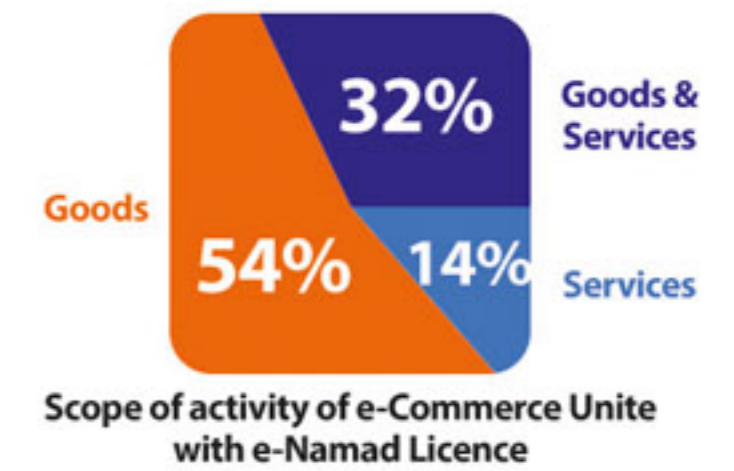
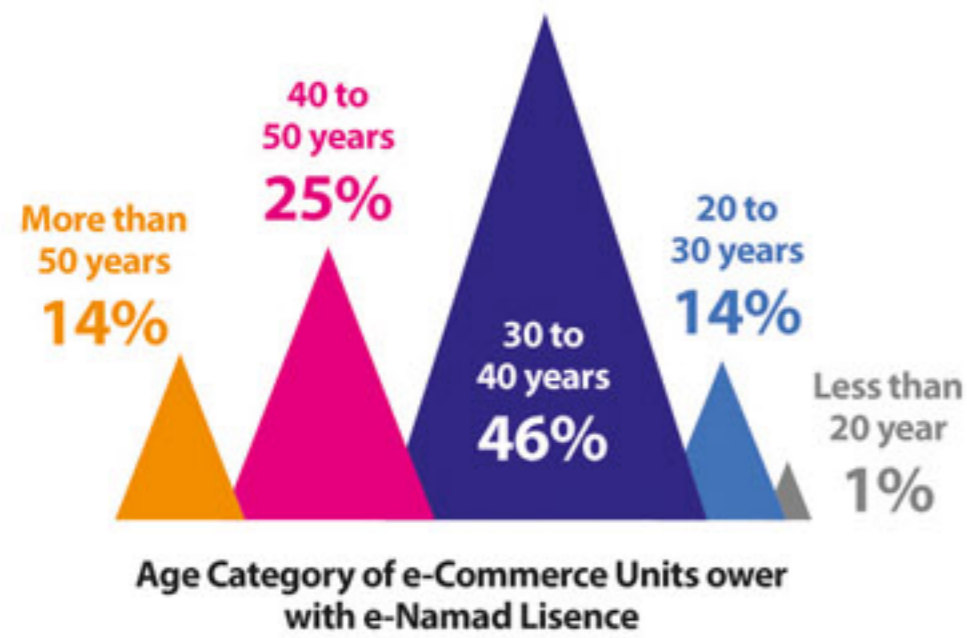
e-Commerce Demography



Number of e-Commerce Units
400,000 website

Number of e-Commerce Units with
120,228 e-Namad Licence

Number of e-Commerce Units with
Gray e-Namad Licence
More than 3,800



| Global Innovation Index (GII) |

Annually, the World Intellectual Property Organization (WIPO) releases the Global Innovation Index (GII), evaluating the performance of economies worldwide in terms of innovation ecosystem. This evaluation is based on the analysis of 80 indicators encompassing aspects like the political climate, education, infrastructure, and knowledge creation. The most recent GII in 2021 evaluates 132 economies, positioning Iran at the 60th spot. In the context of "Top Three Innovation Economies by Region," Iran secures the second position in Central and Southern Asia.

| Iran's Innovation and Startup Ecosystem |

In recent years, the innovation ecosystem has become a key element of Iran's digital economy. Iran's startup ecosystem went through three waves of development. The first wave started in 2012, propelled by universities, visionary individuals, and returning foreign-educated Iranians. The second wave emerged in 2016, featuring startups in sectors like Fintech, InsurTech, Video-onDemand and messaging apps. The third and ongoing wave started in 2018, adapted to challenges from international events, leading to the creation of localized platforms.



| Innovation and Technology Development and the Role of the Academic Elite |

It is believed that the influence of the academic elite on innovation and technology development is substantial. Iran is a country that boasts approximately 1 million academic elites, according to the Vice President of the National Elite Foundation. Having such a large number of academic elites in Iran represents a valuable asset for the country's development and progress, enabling it to stay at the forefront of innovation and technology on the global stage. These high-achieving individuals can play a critical role in shaping a country's innovation landscape in several ways:

- 1. Research and Knowledge Creation:** Academic elites contribute significantly to research and knowledge creation, driving advancements in various fields and industries.
- 2. Educational Impact:** Their expertise and teaching capabilities have a profound impact on the education sector, nurturing the next generation of innovators and intellectuals.
- 3. Entrepreneurship and Startups:** Many academic elites become entrepreneurs, launching startups that introduce groundbreaking ideas and technologies to the market.
- 4. Influence on University Policies:** Their input and expertise can shape university policies, fostering a more conducive environment for research and academic excellence.
- 5. Collaboration and Networking:** Academic elites often engage in collaborations with other experts, both nationally and internationally, to exchange ideas and fuel collective progress.
- 6. Pushing Boundaries:** Their relentless pursuit of knowledge pushes the boundaries of what is possible, leading to groundbreaking discoveries and advancements.

| Vice-Presidency for Science and Technology |

The Vice-Presidency for Science and Technology is considered as one of the most recent organizations established after the Islamic Revolution of Iran in the field of scientific progress and development, which was brought into being in 2005 based on the approval of the Supreme Council of the Cultural Revolution in order to support and strengthen the scientific and research activities of the country's elites.

The Vice Presidency for Science and Technology has been created with the aim of promoting national authority, generating wealth and increasing people's quality of life

through increasing technological and innovative capabilities in the country and promoting the "National Innovation Establishment" and completing its components and links. In establishing this institution, other goals such as the development of "knowledge-based economy", promoting the connection of "knowledge" with "industry" and "society", facilitating exchanges between the supply and demand sectors of technology and innovation, and the commercialization of technology and innovation achievements and the development of knowledge-based companies have also been considered.





| Iran's Startup Boom and Government Backing |

Between 2014 and 2020, Iran's startup ecosystem witnessed remarkable development thanks to policy support from the Vice Presidency for Science and Technology and the Ministry of Communications. The number of startups surged from approximately 150 in 2014 to an estimated 400 in Tehran alone by 2015, indicating an impressive 150% growth rate.

The government actively assisted entrepreneurs by simplifying regulations and tax laws for startups through the "knowledge-based firms" initiative.

It also showed support for venture capitalists (VCs) and accelerators by offering university campus venue spaces. The renowned **Pardis Technology Park**, known as the "**Silicon Valley of Iran**," was established with government funding to foster the tech sector and serve as a hub for numerous entrepreneurs.

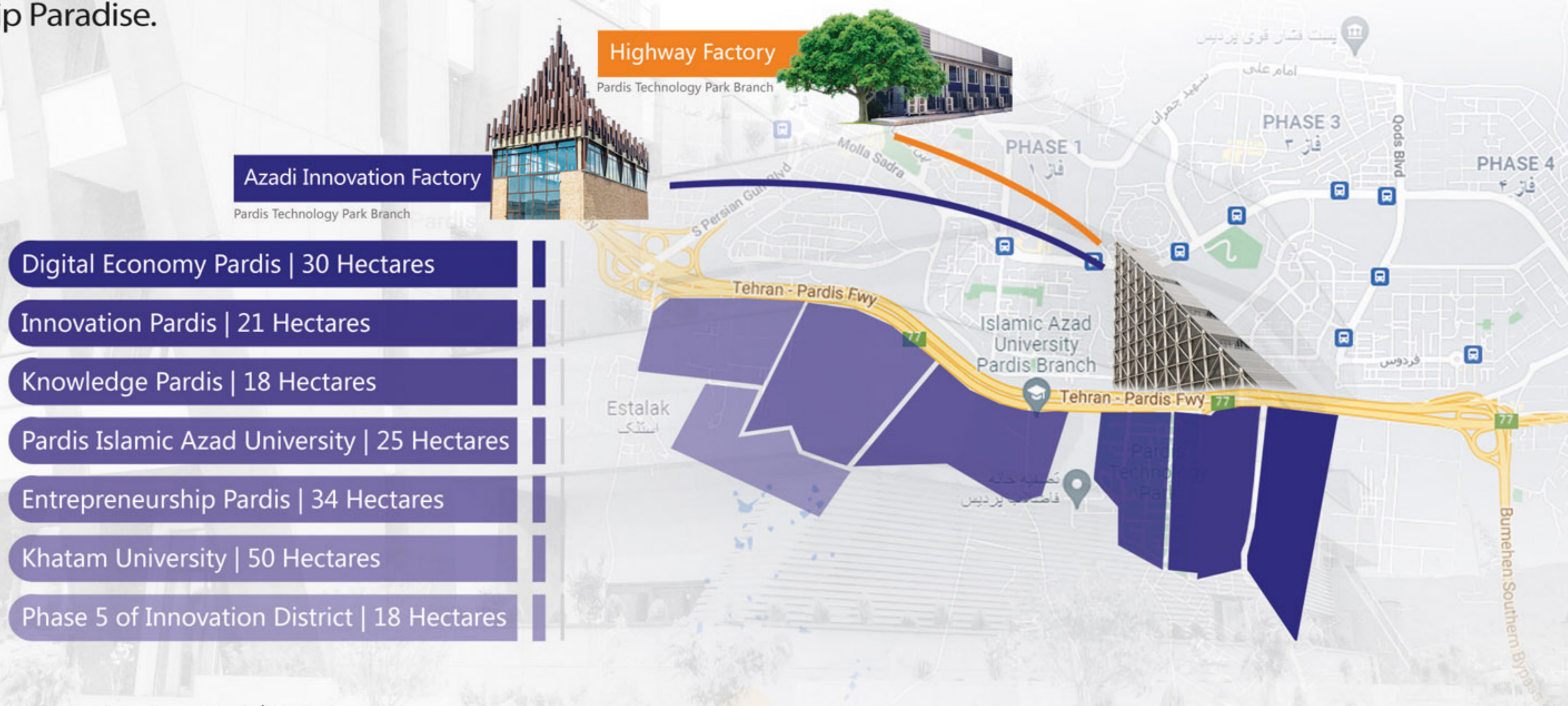


**PARDIS TECHNOLOGY
PARK (PTP)**

| PTP at a Glance |

Pardis Technology Park (PTP) stands out as one of Iran's most prominent science and technology parks, based in Pardis new town, about 20 kilometers outside Tehran. It is located in an area measuring 145 hectares, expandable to 1000 hectares in six different phases. There are three main phases in PTP, namely:

- 1 . Innovation Paradise,
- 2 . Knowledge Paradise, and
- 3 . Entrepreneurship Paradise.



Established in 2005, the park serves as a hub for technology-focused businesses, startups, research institutions, and innovative and knowledge-based companies. Pardis Technology Park aims to foster technological development, promote entrepreneurship, and drive economic growth by providing a supportive ecosystem for technology-driven ventures.

PTP hosts more than 441 high-tech companies employing more than 8000 specialists as direct and established members, and more than 2000 companies and startups as sub members. Moreover, PTP offers a extensive range of 2000 products and services.





| PTP Subsidiary Branches |

In 2018, Pardis Technology Park has set up two subsidiary branches of innovation factories in Tehran, known as **Azadi Innovation Factory** and **Highway Innovation Factory**. These entities represent the largest startup ecosystems in the region.

Azadi Innovation Factory, the pioneering branch of Pardis Technology Park, was established with the backing of the Vice Presidency for Science and Technology and with active involvement from both the government and the private sector.

It encompasses nine accelerators and specialized innovation centers dedicated to fields such as information technology, e-health, content production, insurance, and finance. At present, the factory is bustling with over 150 startups and a population of more than 1,200 individuals, utilizing half of its capacity to deliver more than 30 innovative products and services during its initial year of operation.

The Highway Innovation Factory, the second of its kind in Iran and a the second branch of Pardis Technology Park, offers a diverse ecosystem for startups, investors, mentors, and freelancers. Backed by the Vice Presidency for Science and Technology, the factory provides a conducive environment for over 300 individuals to thrive and access valuable support, including mentorship and connections to investors and VCs. The factory also features amenities like a café, restaurant, and meeting rooms.



| PTP's International Projects |

PTP serves as both the founder and the organizer of prominent international projects, such as **INOTEX**, the largest technology and innovation event in Iran. Additionally, PTP hosts the prestigious **Mustafa (PBUH) Prize**, recognized as the biggest Islamic scientific award worldwide. Furthermore, it plays a significant role in managing the **D-8 TTEN**, a technology transfer and exchange network encompassing member states of the D-8 organization.



| PTP Professional Services |



1 . Technology Services

- Services for Domestic Marketing and Development
- Legal Support for Technology Matters
- Pharmaceutical Research and Medical Equipment
- Laboratory Solutions
- Educational Offerings
- Design, Prototyping, and Reverse Engineering Support
- Quality Management Services and Company Systematization
- Strategic Management Assistance



2 . Financial Services

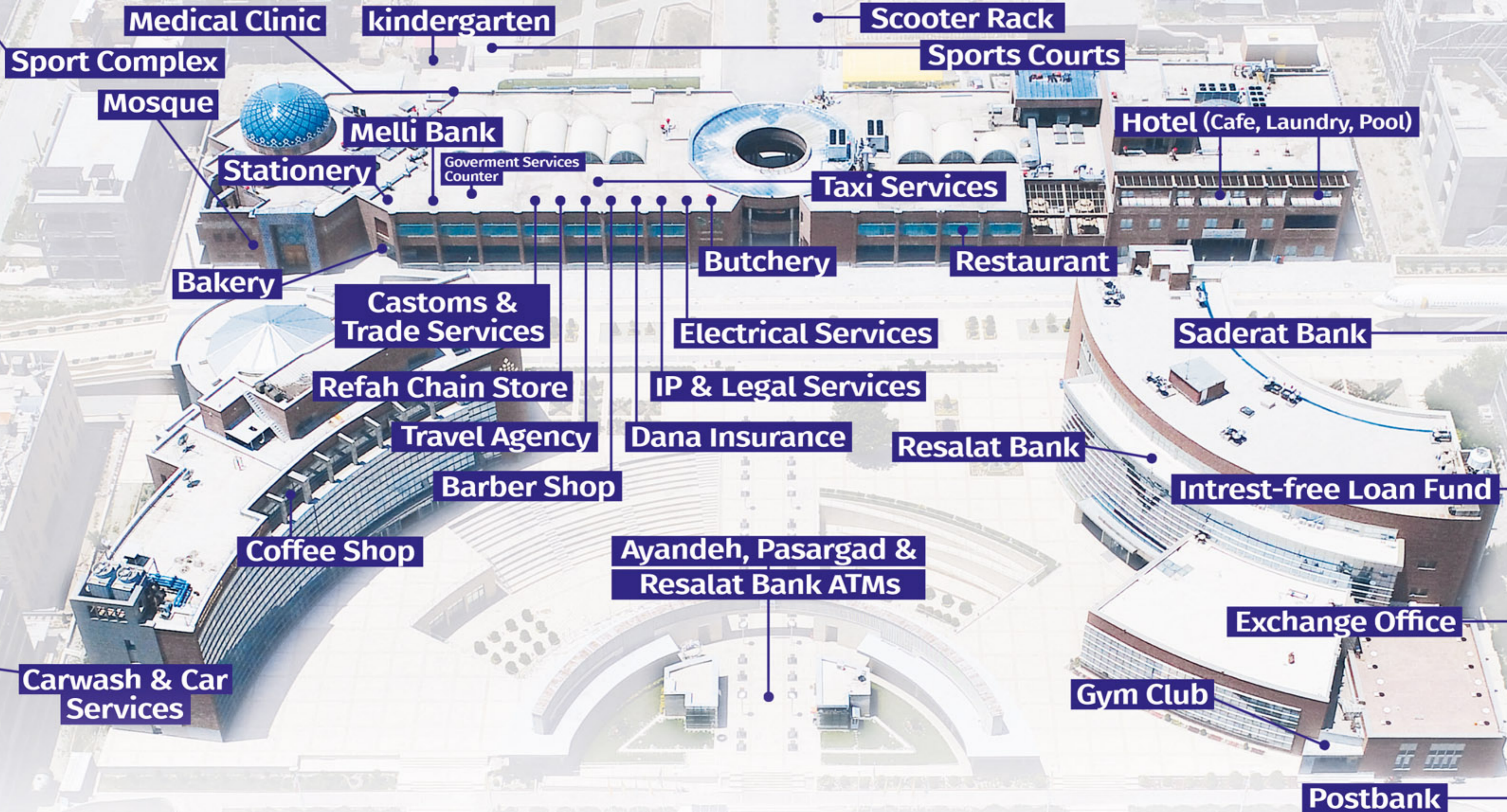
- Financial and Credit Services
- Accounting and Auditing Services
- Investment Services
- Insurance and Tax Services



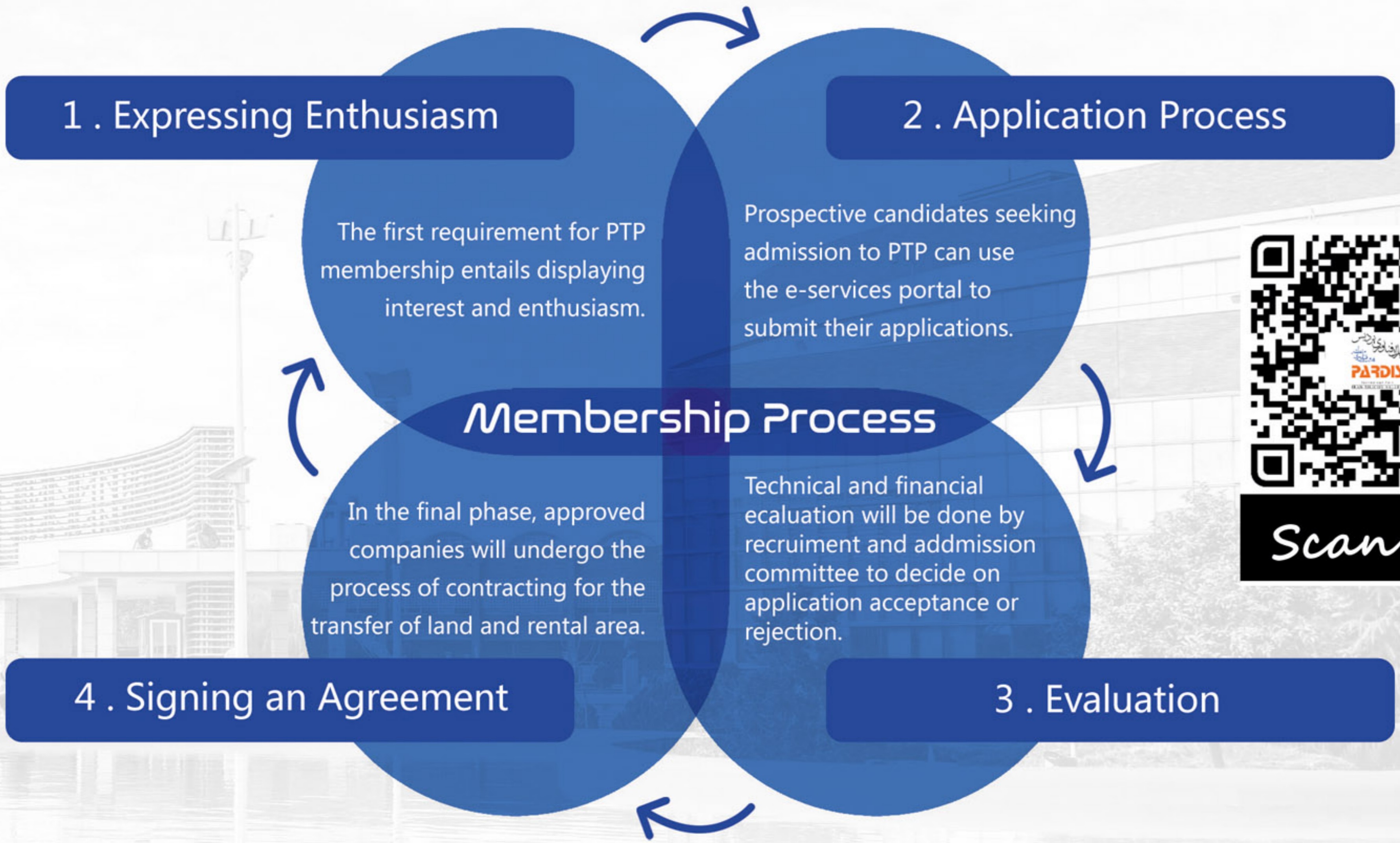
3 . Export Services

- Licensing (Standards, Customs)
- Guarantee & Insurance
- Forex for Exports
- Export Financing
- Market Research
- Sales & Marketing
- Export Logistics (Transport & Warehousing)
- Legal & Contract Aid
- Export Showroom
- Business Registration Abroad
- Exhibition Aid
- Trade Delegation Access
- Foreign Trade Grants
- Export Catalog
- Tech Export Training

PTP Facilities



| Start Your Business in PTP |



URL: <https://en.techpark.ir/pages/foreign-investment-membership>

| PTP Membership Benefits |

Membership in PTP is possible in the event of a joint venture with Iranian companies. PTP members take advantage of different incentives, such as:

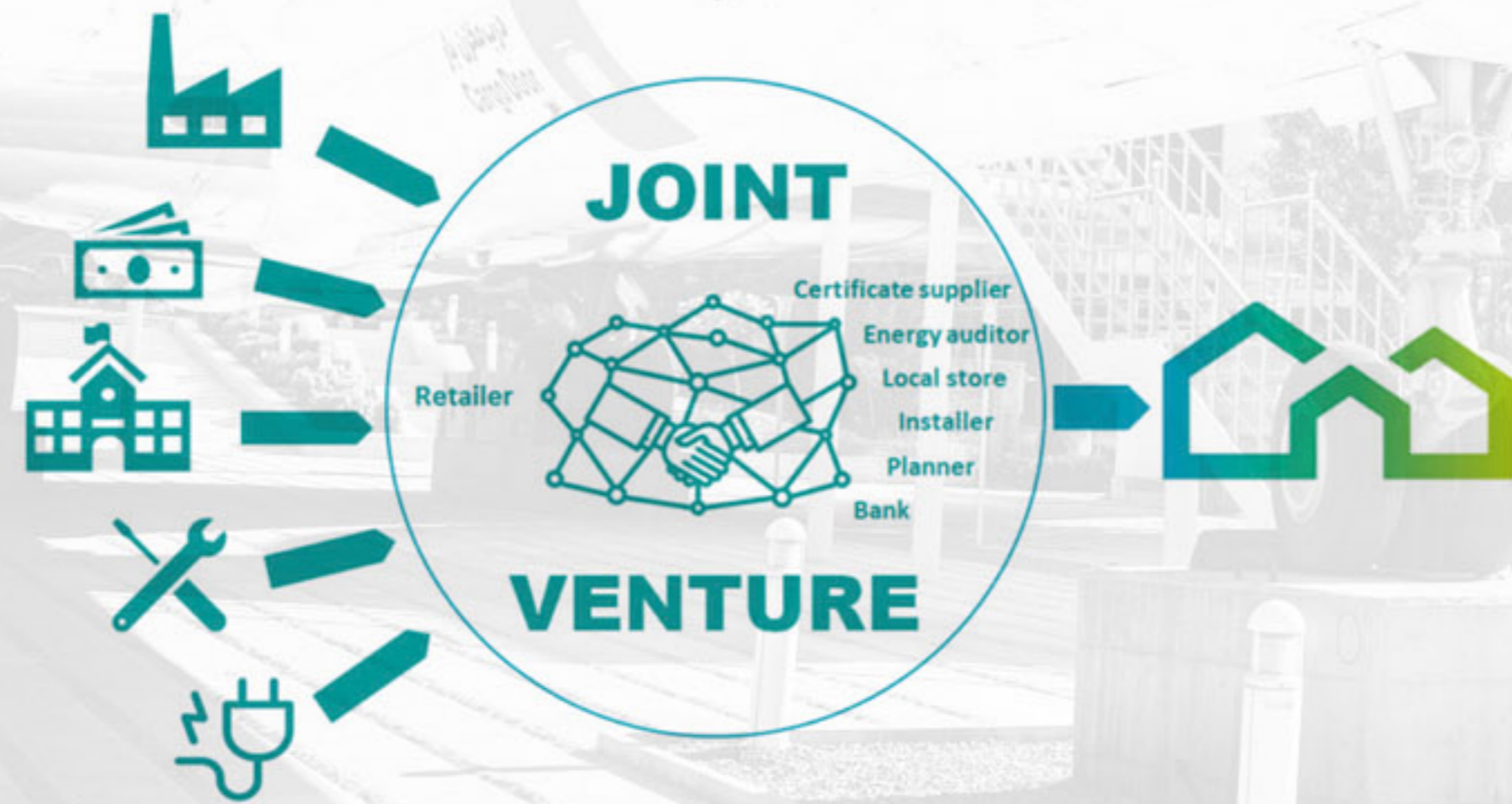
- **20-Year Tax exemption on income, staff, contracts, imports and exports**
- **1 year of free-of-charge office space**
- **Adaptable labor regulations following FTZ labor laws**
 - **Granting a 5-year innovator visa and obtaining a residence permit**

- **Economical operational environment**
- **Streamlined work permit process for foreign workforce**
- **Tariff exemption for imported machinery**
- **Complete repatriation of capital and profits**
- **Establishing an Iranian company with 100% foreign capital**
- **Utilizing local talent pool for foreign investors**
- **Full land ownership for foreign investors (via registration of a local company)**

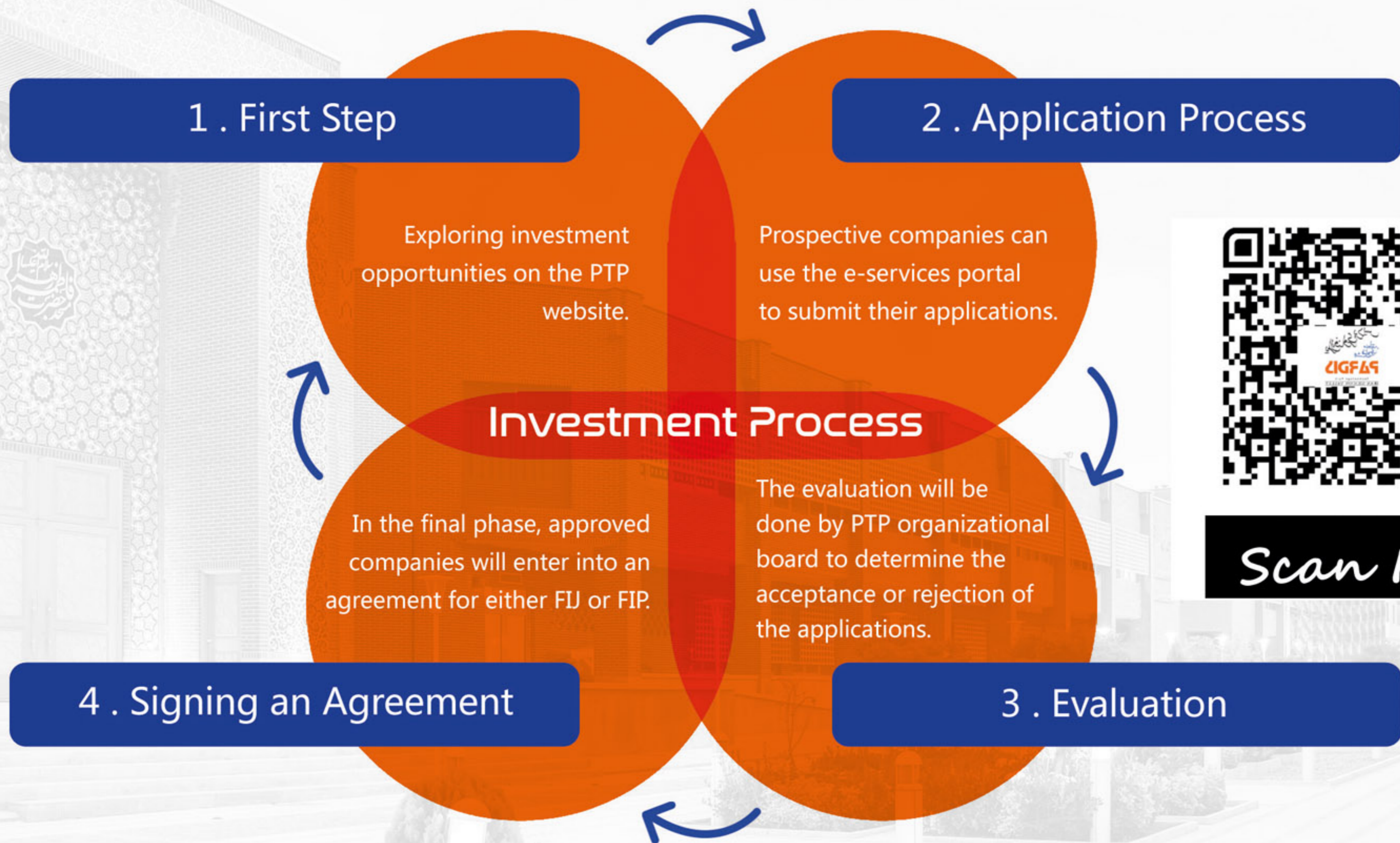
| Investment Opportunities in PTP |

The investment opportunities in PTP encompass two primary categories:

1. Foreign Investment Joint-Ventures (FIJ) involving PTP-affiliated companies. The entities engaged in joint ventures alongside PTP include the following countries: India, Denmark, the Netherlands, Serbia and Montenegro, United Kingdom, China, Germany, Belarus, and Kenya. These companies specialize in diverse sectors, namely pharmaceuticals, oil and petrochemicals, UPS batteries, biotechnology, and computer games.
2. Foreign Investment Projects (FIP) in which PTP assumes the role of the project owner.



| Investment Process in PTP |



URL: <https://en.techpark.ir/pages/foreign-investment-opportunities>

پارسیس
منطقه
فناوری

PARDIS

Technology Park
IRAN SILICON VALLEY

PARDIS TECHNOLOGY PARK

📍 20th Km. Road of Damavand, Tehran, Iran
☎ Tel: +9821 76250250
📠 Fax: +9821 76250100
🌐 www.techpark.ir

✉ info@techpark.ir
📧 techpark
🎮 pardistechpark
📷 pardis_technology_park

