

Iran Business Forecast Report Q2 2014

<https://marketpublishers.com/r/I4E982782EFEN.html>

Date: January 2014

Pages: 47

Price: US\$ 1,195.00 (Single User License)

ID: I4E982782EFEN

Abstracts

Core Views

Recent improvements in relations with the West bode well for the country's economy. That said, uncertainty over the outcome of negotiations over Iran's nuclear programme will ensure that risks to the outlook remain elevated.

The economy will return to growth in 2014, as improving relations with the West and better macroeconomic management, coupled with low base effects, will lead to an improved outlook for exports and increased business and consumer confidence.

Despite recent improvements, the Iranian rial will remain volatile in open market transactions over the coming quarters.

Major Forecast Changes

We have revised our real GDP growth forecasts this quarter, and are projecting the economy to expand by 2.8% in real terms in 2014, up from our previous forecast of 2.4% growth. We expect macroeconomic management to improve following the victory of moderate cleric Hassan Rouhani in presidential elections in June 2013, which will contribute to accelerating growth over the medium term.

Key Risks To Outlook

A breakdown in negotiations over the country's nuclear programme could prompt us to revise our real GDP growth forecasts downward and our inflation forecasts upward.

Higher global energy prices may lead to upside risk to our growth forecasts and downside risk to our fiscal deficit forecasts.

Contents

Executive Summary
Core Views
Major Forecast Changes
Key Risks To Outlook

CHAPTER 1: POLITICAL OUTLOOK

SWOT Analysis

BMI Political Risk Ratings

Foreign Policy

Interim Nuclear Deal: Key Implications

Iran and the 5+1 powers clinched a landmark interim deal on the Islamic Republic's nuclear programme on November 24, paving the way for a partial easing of sanctions. However, we caution that progress towards a more permanent agreement will face substantial difficulties. Our forecasts for oil prices have largely priced in the impact of continued negotiations, and we note that a return of significant volumes of Iranian crude to the market remains off the cards for now.

Table: Political Overview

Table: BMI AND BLOOMBERG CONSENSUS FORECASTS, US\$/bbl

Table: POSSIBLE SCENARIOS & POTENTIAL IMPACTS AS DIPLOMACY

ADVANCES

Table: KEY TERMS OF THE NOVEMBER 24 DEAL

Long-Term Political Outlook

Regime Change Likely By The Next Decade

Although Iran's Islamic regime has proved resilient in the face of tremendous domestic and external pressure, we believe that it cannot continue indefinitely. Consequently, we expect to see a 'regime change' by the next decade, either through gradual reform or a popular uprising.

CHAPTER 2: ECONOMIC OUTLOOK

SWOT Analysis

BMI Economic Risk Ratings

Economic Analysis

Returning To Growth In 2014

We project Iran's economy to expand by 2.8% and 3.4% in real terms in 2014 and 2015 respectively, from our estimate of a 3.5% contraction in 2013. Improving relations with

the West and better macroeconomic management, coupled with low base effects, will lead to an improved outlook for exports and increased business and consumer confidence. That said, the macroeconomic outlook will remain highly susceptible by developments in negotiations on the nuclear programme.

Table: ECONOMIC ACTIVITY

Balance Of Payments

FDI Susceptible To Nuclear Talks

We see Iran's current account surplus narrowing gradually over the coming years as import growth outpaces export growth. The outlook for the financial account in 2014 is uncertain, with FDI inflows and capital outflows highly susceptible to developments in nuclear talks.

Table: CURRENT ACCOUNT

Inflation Declining In 2014

High base effects, improving macroeconomic conditions and economic reform will ensure that the ongoing decline in prices in Iran continues over the coming quarters. We project consumer price inflation to average 26.0% in FY2014/15, from 35.0% in FY2013/14.

Table: INFLATION

Exchange Rate Forecast

IRR: Nuclear Talks Triggering Volatility In 2014

Table: Currency Forecast, Official Market Rate, December 11 2013

Table: Scenarios As Diplomacy Advances

Banking Sector

Crisis Continuing In 2014

Despite marginal improvements, the crisis in Iran's banking sector will continue in 2014. The industry's stability will remain at risk, and we do not expect major reform being implemented over the coming months.

Table: EXCHANGE RATE

Table: BANKING SECTOR ASSETS, % OF GDP

CHAPTER 3: 10-YEAR FORECAST

The Iranian Economy to 2023

Huge Challenges Ahead

The inability of Iran to fully exploit its enormous oil & gas wealth will keep real GDP growth rates averaging 4.3% over the next 10 years, below the strong potential of the country's economy. Iran's youthful demographics mean that private consumption and investment will primarily drive this growth.

Table: Long-Term Macroeconomic Forecasts

CHAPTER 4: BUSINESS ENVIRONMENT

SWOT Analysis

BMI Business Environment Risk Ratings

Business Environment Outlook

Institutions

Table: BMI BUSINESS AND OPERATION RISK RATINGS

Infrastructure

Table: BMI LEGAL FRAMEWORK RATING

Table: LABOUR FORCE QUALITY

Table: MENA – ANNUAL FDI INFLOWS

Market Orientation

Table: TRADE AND INVESTMENT RATINGS

Operational Risk

CHAPTER 5: KEY SECTORS

Autos

Table: Automotive Production, 2010-2017

Agribusiness

Table: Automotive Sales, 2010-2017

Table: Barley Production & Consumption, 2012-2017

Table: Corn Production & Consumption, 2012-2017

Table: Wheat Production & Consumption , 2012-2017

Other Key Sectors

Table: Oil and Gas Sector Key Indicators

Table: Pharma Sector Key Indicators

Table: Infrastructure Sector Key Indicators

Table: Telecoms Sector Key Indicators

Table: Defence and Security Sector Key Indicators

Table: Freight Key Indicators

CHAPTER 6: BMI GLOBAL ASSUMPTIONS

Global Outlook

Momentum To Continue In H114

Table: Global Assumptions

Table : Developed States , Real GDP Growth H, %

Table : BMI VERSUS BLOOMBERG CONSENSUS REAL GDP GROWTH
FORECASTS, %

Table : Emerging Markets , Real GDP Growth , %

I would like to order

Product name: Iran Business Forecast Report Q2 2014

Product link: <https://marketpublishers.com/r/l4E982782EFEN.html>

Price: US\$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/l4E982782EFEN.html>