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İHRACATÇI BİRLİKLERİ
GENEL SEKRETERLİĞİ



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Uludağ Otomotiv Endüstrisi İhracatçıları Birliği tarafından yürütülmekte olan İran İslam Cumhuriyeti otomotiv sektörü konusundaki çalışmalar kapsamında, 2017 yılı Mayıs ayına ilişkin anılan ülkeye ait haber akışları ekte sunulmaktadır.

Bilgileri rica olunur.

e-imzalıdır
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IRAN AUTO MONTHLY DIGEST

May 2017

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Highlights of the Month

Special Note

Rouhani goes for second term

Hassan Rouhani won a second term in office, securing 57% of the votes, said the Minister of Interior Affairs Abdolreza Rahmani Fazli at a press briefing on 20 May to declare Rouhani the winner of the Presidential Election.

Rouhani garnered 23,549,616 votes in the Presidential competition on 19 May, with a wide margin from his main rival Ebrahim Raeisi, who gained nearly 15,786,449 votes at the polls, equal to 38.5%, according to the announcement.

Mostafa Aqa-Mirsalim and Mostafa Hashemi-Taba, the other two candidates, received 478,215 and 215,450 votes, respectively.

Rahmani Fazli said that a total of 41,220,131 votes had been cast to choose the next president on 19 May.



Voting hours were extended several times due to a high turnout in the polls of 75%. Iran has 56.4 million eligible voters.

Elections were also simultaneously held for City and Village Councils, the results of which was announced late on 22 May.

Hundred thousands of Rouhani's supporters took to streets across the country on 20 May to celebrate his victory in the presidential poll.

| [Eghtesad News](#)

Iran-Turkey Relations

Iran, Turkey discuss preferential trade agreements, bank relations

Jalal Ebrahimi, the secretary general of Iran-Turkey Joint Business Council,  said that the Turkish business people intend to know Iran's production and commercial centers better. The two sides have held two meetings on preferential trade agreements as well as banking relations during the Iranian month of Ordibehesht (21 April – 21 May), according to Ebrahimi.

The first meeting was held by the Turkish Asian Center for Strategic Studies (TASAM) with the cooperation of the Center of Eastern Turkey Development, Iran Foreign Affairs (The Institute for Political and International Studies (IPIS)) and Iran's Embassy in Turkey.

He went on to say that another meeting was held on 17 May with the invitation of Ankara Chamber of Commerce, Economic Attaché in Ankara, Chief of the Iran -Turkey Joint Business Council with the cooperation of DIYEK (The Association of Chamber of Commerce, Industries, Agriculture and Mines of Turkey) with the attendance of 300 Turkish business people.

In the meetings, the border cities, media capacity, economic growth and development of both sides were discussed, he added.

| [ISNA](#)

Domestic Developments

Pininfarina in deal with Iran

Iran Khodro (IKCO) Signed deals with domestic universities, major foreign firms for future products.

IKCO will produce several new models with the help of major local and foreign partners, including Pininfarina, Mahle, Hyundai PowerTech, Punch Powertrain, Benteler Automotive, Sharif University of Technology and Amir Kabir University of Technology.

Italian car design firm Pininfarina signed a €70 m 36-month contract with IKCO in early May for the development of four new models and to give the carmaker a second wind in research and development of new models.

The agreement will help develop a modular automotive platform for four different vehicles, and the first passenger car of the medium

segment of the market, a press release from the Italian firm said.

IKCO's wider goal is to produce 23 new models including hatchback sedans and crossovers when all the parties are ready, making the country the largest producer and design center in the region.

At a news conference at IKCO premises in Tehran, several European and East Asian auto parts makers signed deals with the local firm to help overhaul its parts catalogue currently in use.

As part of the new multi-group deal, IKCO says it will release a new car within 30 months. This venture will be aided by local university graduates and engineering firms and help create much-needed jobs.

Iran's Minister of Industries, Mine and Trade Mohammad Reza Nematzadeh, who was present at the signing ceremony said, "Iranian automakers need to invest in design and development to be able to compete with foreign firms."

Auto Parts Deals

Hashem Yekkezare, the IKCO chief, signed deals with several companies including contracts for auto axles, gearbox designs and jointly developed new engines.

Punch Powertrain of Belgium is doubling efforts to push ahead with plans to build automatic gearboxes for Iran's carmakers. The company signed its second big deal this year following its previous tie-up with IDRO.

Filip Forier, director of R&D at **Punch Powertrain**, who was present said, "Punch is aiming to expand its share in the international market through the joint venture with IKCO."

He promised that Punch products will help improve air quality in the big cities. Most urban areas in Iran have been grappling with worsening air pollution blamed largely on the increasing numbers of gas guzzlers.

Austria's **Benteler** Automotive, which also signed a deal, will design new

axles. The company did not issue a press release, but the customer line director Alexis Bonnel said, "We don't consider Iran a consumer market, but an industrial partner [for exports]." Passenger security and safety are at the top of the firm's agenda for their part of the new deal, he added.

Low-Polluting Engines

Germany's **Mahle** also signed up for the new deal, and as part of their job for the new platform they will create new engines including low pollution emitting 1.2 and 1.5-liter dual fuel gasoline and compressed natural gas engines.

The engines to be designed and manufactured under the new deal will sport 120 to 160 horsepower (hp) and 285 Newton meter (Nm) of torque while meeting emission standards of Euro 6.

The last foreign company to sign a deal at the ceremony was Hyundai PowerTech, a subsidiary of the giant South Korean firm which produces

automatic gearboxes. The firm was represented by CEO Guangyu Lee.

Incorporated in 2001, Hyundai Powertech is a main auto parts manufacturer of Hyundai Motor Group, specializing in automotive transmissions.

The official website of IKCO estimates that implementation of all the projects would cost IR 100 trn (\$2.6 b).

Electric Vehicles

Following the ceremony, the PR department of IKCO confirmed that all-electric vehicles are part of the new projects.

Sharif University and Amir Kabir University will collaborate with automakers in production and design procedure of EVs and hybrid cars. Sharif will work on EV's while Amir Kabir will focus on electric-gasoline hybrid vehicles.

It was reported in May 2016, that LG Chem, an automotive battery maker

for EVs signed a deal with IKCO to build the country's first all-electric vehicle.

| [IRNA](#)

Iran auto firms target 3m production rate

Automakers are aiming at a production rate of 3 million units over the next eight years, says the investment director of the Industrial Development and Renovation Organization of Iran (IDRO).

"The Ministry of Industries, Mine and Trade(MIMT) aims to increase Iran's annual auto production to 3 million units by 2025," Fardad Daliri said in an interview with the news website Iran Online. According to plans, 30% of the cars would be exported, he added.

The International Organization of Motor Vehicle Manufacturers says Iran automakers produced 1,074,000 cars and 90,710 commercial vehicles in 2016, recording an 18.6% growth.

If the automakers maintain this rather ambitious growth rate until 2025, they will have reached a production figure of 4 million cars per year. Therefore, production of 3 million cars by 2025 "is not farfetched."

However, Daliri admitted that "The current [poor] quality of locally-produced cars limits Iran's target markets to a handful of countries."

As per the Trade Promotion Organization, affiliated to the Ministry of Industries, local automakers exported vehicles worth \$36.6 m in the last fiscal (ended on 20 March). Iraq, Algeria, Lebanon, Turkmenistan and Syria were the main destinations.

Question of Quality

Daliri said the Iran Standard and Quality Inspection Company (ISQI) and the Ministry of Industries are working on a new protocol to help upgrade standards for the automotive sector. "Emission standards, fuel consumption and safety features will be upgraded."

He noted that several models that are being produced for over a decade would fail to comply with the new standards unless their production platforms get up-to-date.

Iranian carmakers are trying to upgrade their production platforms through joint ventures with foreign firms and local research centers, he said. The IDRO official warned that in case the Pride and Peugeot 405 platforms do not get upgraded by March 2018, "their production will be banned."

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- SAIPA's Pride has been produced since 1993 in Iran. The model is based on KIA Pride which was first produced in 1987 in South Korea and Japan.
- Peugeot 405 — which latter was offered as Peugeot Pars with slightly different options — has been domestically produced since 1991. The model was first released by the French carmaker in 1987.

| [Tasnim](#)

Brazilians' interest in Iran's auto industry

Officials from Apex-Brasil (Brazilian business export agency) and Sindipeças (Brazilian auto parts makers' guild) are on a trade mission in Tehran to explore business prospects.

At a conference at the Iran Industrial Development and Renovation Organization (IDRO) headquarters on 13 May, officials from the countries outlined a tentative deal to jointly produce auto spare parts, *IRNA* reported.

Besides Apex-Brasil and Sindipeças officials, representatives from 12 Brazilian automotive companies are part of the delegation.

Director of IDRO, Mansour Moazemi, said, "Given Iran's easy access to the regional market, goods produced jointly by our and Brazilian part makers can be exported to the neighboring countries."

In addition to the production of auto parts, "Iranian companies active in the automotive sector can collaborate with the Brazilian companies in manufacturing cars, buses and other commercial vehicles," he said.

| [ILNA](#)

New four-door Capra pickup launched in Iran

Bahman Khodro, the producer of Chinese and South Korean branded cars has launched the latest version of its off-road pickup called the Capra 2 with an updated set of features.

The previous Capra two-door model was one of the bestselling utility vehicles in the Iranian market in recent years, according to Persian Khodro on 7 May.

The new Capra 2 comes with a navigation system, 7-inch touch screen, LED lights, as well as larger interior cabin space. It has a 2.4-liter gasoline 'Mitsubishi' engine with 127 horsepower. The cost of the new vehicle is IR 723 m (€12,280)

according to online sales website *Bama.ir*.

Capra 2 in other markets is called the ZX Auto Grand Tiger, and is sold as far afield as New Zealand, Libya and Malaysia.

| [Carba](#)

IKCO comes to Kermanshah

IKCO has started a new Peugeot Pars production line in western Kermanshah Province. The factory in the city of Sahneh has created employment for 200 local people, Mehdi Maleki, CEO of the IKCO Kermanshah told.

Maleki also noted that production at the plant would hopefully reach 15,000 units, to meet demand in Iran's western regions including Kurdistan and Kermanshah.

He said IR 570 b (\$15.2 m) has been invested in the production line and "79% of the investment has been made by Ministry of Industries,

Mining and Trade, with the rest by IKCO.”

Maleki also said, “By the end of the current Iranian year in March 2018, the factory’s daily production rate and the number of employed workers will double.”

Moreover, the production line can be modified to produce other cars in the future, “but the decision is IKCO’s to make.”

(1 USD = IR 37,500 at free market exchange rate)

| [ISNA](#)

BYD on roads to Iran

Offered by Karmania — a local car company and the official representative of China’s BYD — sport utility vehicle S6 will hit Iran roads in June.

Initially, the presold units of the model were to be delivered in October. According to local automotive website *Asbe Bokhar*, the first units of

BYD S6 (SUV) will be delivered in the coming weeks.

According to the auto firm Karmania (official agent) website, the model has earned a five-star safety ranking in a Chinese car safety assessment program, C-NCAP.

The company also plans to launch the BYD E6, an all-electric family wagon in Iran later in the year.

Moreover, Karmania is set to offer another sedan, the BYD F3 New that scores well in Euro-NCAP crash tests by receiving 4 stars.

| [Financial Tribune](#)

Chinese presence in taxi fleet

IKCO has imported several units of the S30 sedan produced by Chinese Dongfeng Motor Corporation, as part of a test drive. The Dongfeng S30 will be used in the taxi fleet to begin with, the company said as per reports by *Asbe Bokhar*.

The model has to compete with SAIPA’s locally produced Ario which is already used in the local taxi fleet since the past year.

The Dongfeng S30 will be priced about IR 450 m (\$12,000) falling in the same price range as Ario which is priced IR 470 m (\$15,200).

The Chinese model will also have to compete with the recently unveiled Dena Plus with a price tag of IR 460 m (\$12,160).

The company has not yet said if it will release the vehicle for general sale, as it falls in the same price range and category as the Dena and Dena+ sedan designed by IKCO.

| [Financial Tribune](#)

Iran, regional hub for SAIC

On the sidelines of the Shanghai Motor Show on 21 April, the director of MG Pars, Lin Yong, told a press conference he expects Iran to become a regional hub for the production of SAIC’s MG vehicles

and that 30% of the cars would be shipped to the neighboring countries.

MG Pars is a three-year-old venture between SAIC's MG brand and IKCO's subsidiary in the Republic of Azerbaijan, AZVICO, which will start producing the MG360 sedan in the third quarter of this year.

It was reported earlier that the two companies invested \$20 m each in the JV and direct investment will increase to \$400 m, according to the website Donyaye Khodro.

Lin confirmed that "according to the agreement 50% of the capital investment in the project belongs to the SAIC", with the other half owned by the IKCO subsidiary.

The price of the first model to be built by the company, the MG360, is estimated to be about IR 700 m (\$18,500).

This is while the car that is made in China sells for \$12,800 in the UAE. All foreign made cars are much more

expensive in Iran than in the regional countries due to the higher tariffs and customs charges.

He added that MG Pars has plans to target a 5% share of the Iranian market with the MG Pars looking to make an initial 50,000 units in the first year. This figure is up from the 10,000 units initially reported. Lin mentioned, "We intend to ship much of our manufacturing equipment to Iran to meet our production needs."

Localization

About training local car engineers and car assemblers, Lin said, "Of course, one of the key aspects of our JV is that we share know-how [with the local partner]."

The firm will begin with a 20% localization of auto parts (including paint and tires) and then raise it to 50% in two years.

He pointed to the next vehicle the company looks to introduce as an MG SUV, which is also being readied

for sale. It is not known if it will be the GS or ZS SUV models.

After-Sales Service

Lin went on to say that although the company has been represented in recent years by a local company Media Motors, its customer satisfaction rating was low.

With the new venture and SAIC's control over the project, the firm hopes to have service centers prepared for customers and to create a breakdown recovery service.

Electric Vehicle Potential

During the Tehran Auto Show in late February, MG Pars showed several vehicles it intends to either ship or produce in the country. One that was not mentioned in Lin's meeting with the press was the Roewe-MG E50 electric car. It is a fully electric vehicle and will be exempt from 91% of the average import tax if it were to enter the market.

| [*Financial Tribune*](#)

Final price of first IKAP JV's product

CEO of IKCO has finally announced the price for its Peugeot 2008, the first joint product of the IKCO and Peugeot JV. Hashem Yekezare added that the car will be sold for 900 m to IR 1 b (around \$24,000 to \$26,600) depending on the options the consumer will choose.

The production line of Peugeot's 2008 small crossover was launched in March marking the first new vehicle of a renewed partnership with the French carmaker. The line is set to produce more than 30,000 units in the fiscal year that began on 21 March.

The car's body is produced locally by one of the subsidiaries of IKCO, called TAM which makes the vehicle meet the bare minimum 30% localization need. According to Yekezare, the production line of the model will be officially unveiled in the coming weeks.

| [Eghtesad News](#)

Zagros may restart production with Foton cars

Zagros Khodro, a now defunct producer of Proton models, may come back from the dead to resume production with Foton according to the Minister of Industries, Mines and Trade, Mohammad Reza Nematzadeh who visited the mothballed factory in Lorestan region in late April.

Zagros, which ceased production of Proton cars in 2010 due to the international sanctions throttling the business, sold 70% of its shares to Azim Khodro car brokerage group in 2016 for an undisclosed amount in a bid to reboot operations.

According to the minister, who is now looking to help restart the factory in Borujerd and help create jobs in the western city, "efforts are now being made to get things moving again."

According to the report, representatives from Zagros and Azim are now in discussions with a

Chinese firm, believed to be Foton, to get operations moving again.

Nematzadeh said financial discussions between Zagros and Proton for back payment to the Malaysian company are ongoing and there is a possibility that the companies could restart cooperation.

As part of the majority stake buy-out of Zagros by Azim last summer, Azim said it was looking to restart production and make 50,000 units per year.

A company statement at the time said, "The alliance now provides a perfect platform for an additional 50,000 vehicles to enter the market. We're very excited about this development."

Zagros, which previously produced the Proton Gen-2 and Impian models before sanctions were tightened in 2011, has suffered from the general slowdown in automotive demand in recent years.

| [Eghtesad Online](#)

Renault registered increase in sales in Iran in 2017 Q1

Renault Group said sales in Iran rose by 161.5% in the first quarter of this year. The group now holds over 9% of the Iranian market, up 4.9 points, thanks to the success of its new models being sold at low prices compared to several other brands competing in Tehran and all major cities.

Renault, in a press release, reclaimed its position as a major player in the saturated market last year, with increasing imports of fully built vehicles and also through partnership deals with the Industrial Development and Renovation Organization of Iran (IDRO).

The Paris-based firm also benefitted from the production of its latest Sandero and Sandero Stepway models in conjunction with IKCO Group.

Renault's proposal for the local market includes imports of fully built

vehicles for bigger spenders, including the latest models available in all big markets. These include the upgraded Koleos large SUV, large Talisman models and range of Megane models (dubbed Scalia) in Iran.

Meanwhile the company plans, as part of its joint venture(JV) with IDRO, to produce three new models for the domestic market by the end of 2017 or early 2018. These include the low-cost Kwid crossover and new models of Symbol and Duster.It was previously reported that Saveh, a city in Markazi Province (southwest of Tehran), would be the production center for the joint project.

Renault used to sell 10,000 cars in Iran market every month till 2013 before the international sanctions were tightened in 2011 and 2012.

| [Financial Tribune](#)

First factory of Multi-Media systems in Middle-East

The first phase of multimedia systems production factory of auto in the Middle-East is ready for commissioning with an investment of \$5,500,000 by Dehkade Jahani Arian. The factory is located in the Economic Special Zone of Payam and will provide direct employment of 200 persons and 100,000.

The CEO of the company mentioned that the second phase will be run in the second half of the year (starts in November) with an investment of \$15 m, providing direct employment for 600 people. The second phase can prevent exit of \$30 m.

Dehkade Jahani Arian (also known as Otolux) is specialized in car accessories and tuning parts, with a focus on car multimedia systems.

| [Khodro Nevis](#)

Import & Export

Deregulation, a gate to competitiveness enhancement

The head of Iranian Automakers Guild has called for deregulation of the auto market and move towards freeing price mechanisms to help boost the car market's competitiveness. Ahmad Nematbakhsh told "Competition Council should allow automakers to set the prices of their vehicles."

During the last meeting of the Competition Council, it was decided that the council continue with its responsibility of setting vehicle prices so long as the domestic auto industry remains a monopoly of a few major companies.

Recently several experts and businesses have pushed the argument in favor of deregulation and free markets for one of the key industries in Iran.

Experts argue that a free market economy, wherein the prices of

goods and services are set by the forces of demand and supply without government interference, contributes to competitiveness and strength of private enterprise as the locomotive of growth.

In line with the same argument, they insist that lack of a free business environment and stringent regulations imposed by the government plus the unhelpful role and influence of state bodies and conglomerates has harmed enthusiasm for private sector investment, namely in car manufacturing.

Rise in the Prices

Nematbakhsh said, "Guild members are waiting for the council's approval to announce new prices for local productions."

The slight increase that buyers see in the market is "due to the rise in auto ownership transfer fees and charges for number plate registration."

He also noted that the price for raw materials has also increased. "Iran's largest steel producer, the Mobarakeh Steel Complex in Isfahan — the main supplier of steel used by local automakers — increased prices up to 20% and by extension other suppliers have done the same."

According to Nematbakhsh, during the last fiscal although the council issued permission for automakers to increase car prices in Q1, automakers suspended the process until Q3.

"Automakers are endeavoring to increase profits by improving productivity, cost-cutting and increasing output. However, in some cases, increasing car prices is inevitable for manufacturers to avoid falling in red ink."

Annual Production

According to Nematbakhsh, Iran Standard and Quality Inspection Company has extended its auto safety and quality checklist that now

includes 26 new barometers in addition to the previous 55.

"The production of cars that do not pass the tests will be halted."

Export Data

The administration had set the goal of exporting cars worth \$500 m in the last calendar year. According to Nematbakhsh local automakers were able to reach half the number. "The guild is trying to boost exports and at least reach last year's target."

| [Financial Tribune](#)

Iran's status auto industry in export and import

The followings give a quick look on the export and import circumstances of Iran's auto industry:

Iran Auto Exports

- According to the available data, Iranian automakers exported vehicles worth \$36.6 m in the last fiscal (ended on 20 March 2017). Iraq, Algeria, Lebanon, Turkmenistan and Syria were the main export destinations.

Heavy Duty Vehicles

- During the 12-month period, Iran exported heavy duty vehicles — including trailer trucks and tractors — and generated \$35.8 m. The number indicates a 28.5% year-on-year fall in the export of heavy duty vehicles.
- The main target markets for the heavy vehicles were Iraq, Afghanistan, Sudan, UAE and the Netherlands (mainly include farming machinery and tractors).
- According to the MIMT, the main obstacles in the way of auto exports expansion in international markets are as follows:
 - Compliance with the target countries' automotive standards.
 - Difficulties in banking transactions
 - The drawn-out conflict and civil strife in Iraq plus poor economic conditions (the main reasons for the fall in exports of heavy vehicles to the neighboring Arab state)
 - Strained political ties with Sudan hurt auto exports to the African country.

MORE!

Sudan cut diplomatic ties with Iran in January of last year due to pressure from Saudi Arabia.

Auto Part Exports

- In the last fiscal automakers in Iran exported auto parts with the total value of \$145 m -- a 52% decline compared to the previous year.
- Almost 79% of the auto parts went to Iraq, Afghanistan, the UAE, Turkmenistan and Turkey.
- The government in Baghdad has set import tariffs for auto parts to 15%. In the past importing car parts into Iraq was tariff free. Imposition of import tariffs slashed Iran's auto parts exports to the country to less than half compared to the previous year that ended in March 2016.
- During the 12-month period, Iranian tire export reached \$24.4 m — the main target markets were Afghanistan (\$13 m), Pakistan (\$2.6 m), Iraq (\$2.4 m), Nigeria (\$1.7 m) and Turkey (\$1.1 m). Iran's tire industry saw a 29% y/y fall in its exports compared to the year before.

Iran Auto Imports

- According to data released by the Auto Importers Guild, 76,059 cars entered Iran in the last fiscal showing a 49% growth compared to the year earlier with the value of about \$1.99 b with government earning \$670 m in import taxes.
- The guild director Farhad Ehteshamzad estimated that the auto imports will fall in the current fiscal (started on 20 March 2017). He blamed recent regulations restricting auto imports plus the import of other “unnecessary foreign goods” for the anticipated decline in car imports.

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The government has put a ban on imports of cars with engine capacity over 2.5 liters. It has obliged all auto importers to have a “direct partnership” with the foreign producer along with an efficient and verifiable after sales service. The new rules have further cut off many companies and middlemen that had long been importing cars but paid little or no heed to the supply of spare parts and after sales

| [Khabar Khodro](#)

Iranian Taxis for Senegal

Iran’s Deputy Foreign Minister for African Affairs announced an upcoming deal with the Senegalese government to upgrade the country’s taxi fleet during his visit to Dakar.

According to *Donya-e Eqtesad*, deputy minister Mahdi Agha-Jafari met with Senegal’s Minister of Industry and Mines Aly Ngouille Ndiaye, to discuss the export of the yellow-painted taxis to the West African country.

The exports will take place through IKCO’s joint venture company with the Senegal government, known as SenIran.

IKCO already exports the Samand, Dena and Runna models to the country. Moreover, under the JV, Senegal operates as a regional export hub for IKCO by re-exporting the company’s products to neighboring Guinea and Nigeria.

| [Financial Tribune](#)

IKCO expansion in Iraq market

IKCO announced that its Samand sedan production in its Iskandariya plant in central Iraq is now producing 45 to 50 units per day.

IKCO said in a press release it has been producing the Samand in the city southwest of Baghdad for the past few years. However, production of vehicles – mainly used as taxis in the Iraqi capital – have remained static in recent years due to the ongoing conflict with the insurgency and terror groups afflicting the war-ravaged Arab country.

The other car currently produced for that market is IKCO’s Peugeot 405, while the company introduced the Arisun pickup to that Iraqi market in 2016. Production figures for the two vehicles were not announced.

Due to the lack of affordable cars in the Iraqi market, many Iraqis with less income prefer Iranian vehicles due largely to their low price. The two biggest Iranian automotive producers (IKCO, SAIPA) see the Iraqi market

as their quickest path to growth outside the home market, with both companies selling low-cost vehicles including the Saipa Pride and Tiba, as well as IKCO products.

| [Entekhab](#)

Banking Developments

Iran normalizing banking relations

As Iran reaps the benefits of sanctions removal and reintegration with the global economy, its banking system is struggling to resume and normalize ties before international restrictions choked off its gateways with the outside world.

The 4th Iran-Europe Banking and Business Forum, one of the most high-profile events to address the challenges and opportunities facing Iran's economic and financial sectors, opened in Tehran in late April.

Iran's Foreign Minister Mohammad Javad Zarif, Central Bank of Iran Governor Valiollah Seif, Ali

Divandari, the head of Monetary Research Center—which co-organized the event with Frankfurt-based International Bankers Forum, Nader Maleki, the IBF president and a host of other financial and political dignitaries addressed the event.

Striking an upbeat note, Zarif told the audience that the beginning of the end of Iran's isolation has begun and the country has regained its position as a player on the world stage. "Legally speaking, Iran has returned to the pre-sanctions era," he said.

Zarif sought to downplay international banks' reservations toward Iran, noting that the heavy fines they incurred for violating US sanctions has not just been about "Iran" but about "other countries" as well.

Overcoming Challenges

As pointed out by other keynote speakers at Saturday's event, aside from the US primary sanctions and secondary sanctions related to the Specially Designated Nationals—individuals still targeted by US

embargo—Iranian banks still lag in terms of adherence to international standards and anti-money laundering (AML) and combating the financing of terrorism (CFT) tools—a direct result of the isolation of Iranian banks during the embargo.

Last June, the Financial Action Task Force—the international group that monitors money laundering worldwide—welcomed Iranian promises to improve and called for a one-year suspension of restrictions on Tehran.

Addressing AML and CFT concerns, Zarif called on FATF to remove Iran from its black list, saying that the Islamic Republic is at the forefront of regional efforts to combat money laundering and countering the funding of extremist and terrorist groups.

"I tell our foreign counterparts that Iran is the safest, most transparent investment destination in the entire region," the top diplomat said. On a similar note, Ali Majedi, Iran's

ambassador to Germany, announced that a new round of negotiations between Iran and FATF is taking place in May in Italy and he hoped Iran would be out of the body's blacklist by June or July.

In a sign of further progress in Iran-Europe ties, Majedi announced that two Iranian private lenders—Bank Saman and Middle East Bank—are in the final stages of opening branches in Europe's strongest economy.

David Geer, the head of Sanctions Policy Division of the European Union, also broke the news that European Investment Bank is eyeing investment in Iran, as the 27-member bloc strives to honor its commitments to Iran after the signing of the Joint Comprehensive Plan of Action—the formal name of Iran's nuclear deal with world powers—which led to the lifting of sanctions against temporary curbs on Iran's civilian nuclear program.

| [International conference Center](#)

Iran's international settlements in Russia, Turkey

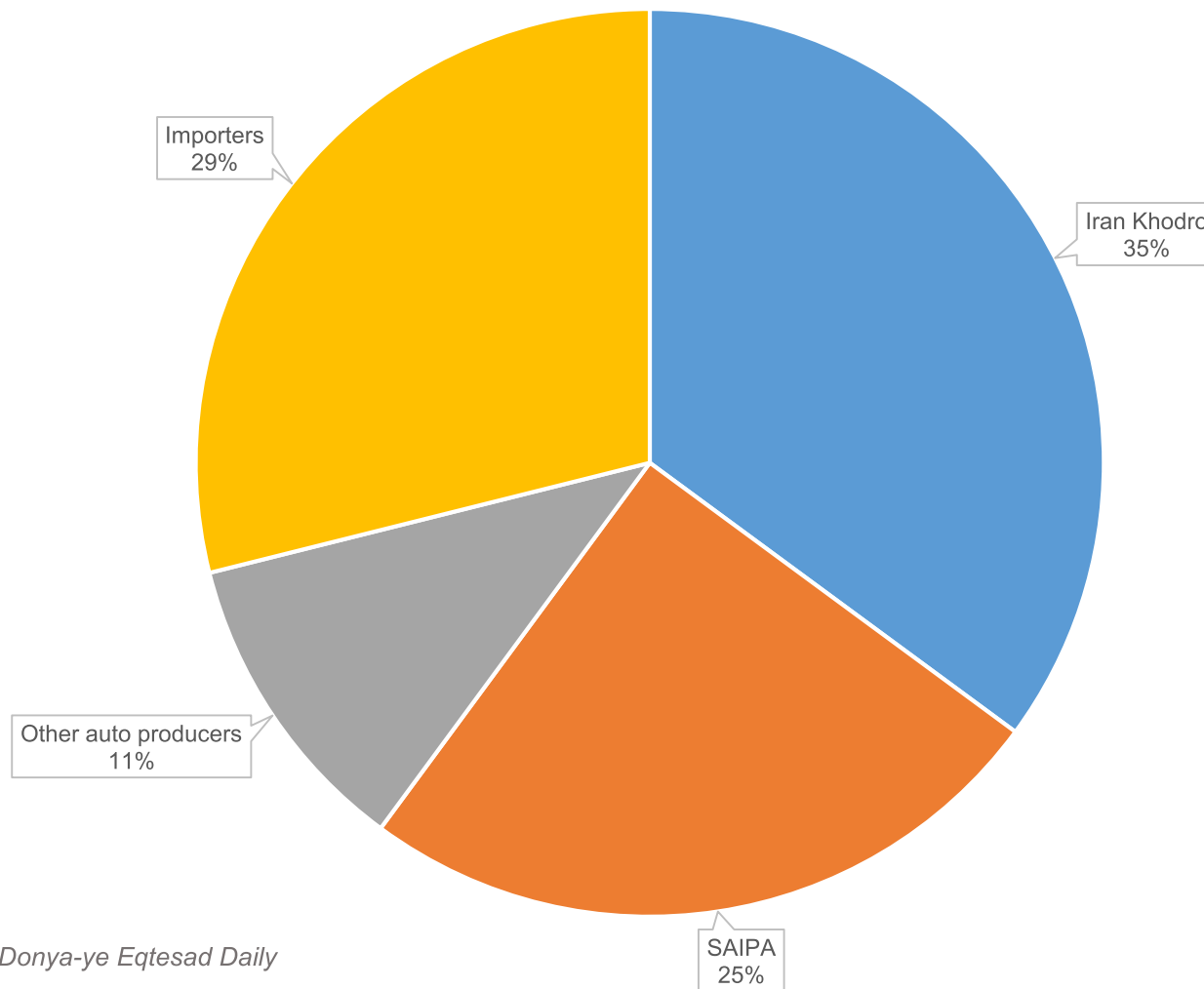
The Central Bank of Iran has recently decided to move international settlements from Persian Gulf states to Russia and Turkey, said the governor of CBI Valiollah Seif.

"The decision is aimed at facilitating banking services and international clearance," the governor said.

| [Mehr News agency](#)

Graphs and Tables

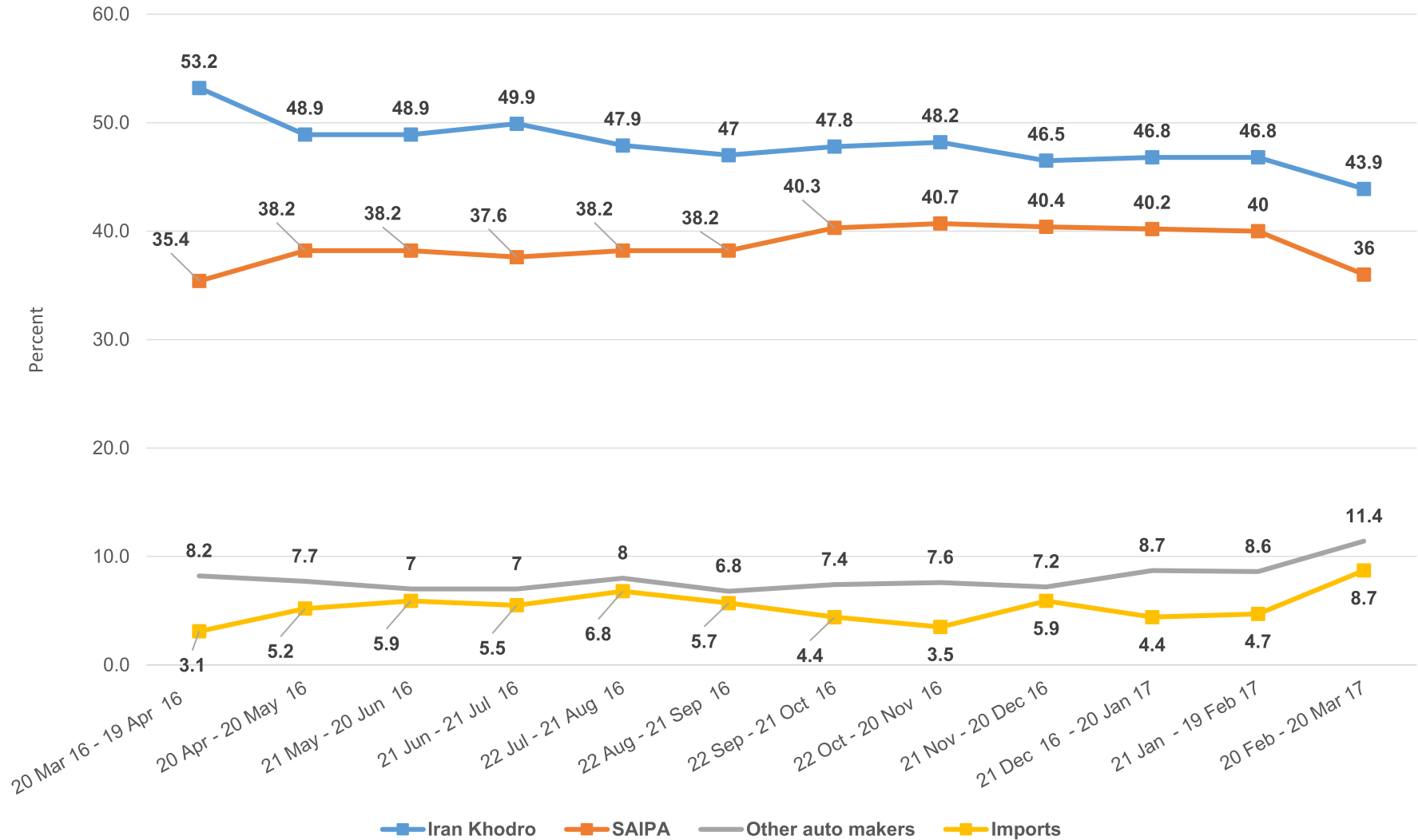
Market Share / Valu-Wise (March 2016 - 2017)



| Source: Donya-ye Eqtesad Daily

Auto makers market share in percentage (March 2016 - 2017)

(Latest Revised Figures)



| Source: Donya-ye Eqtesad Daily