

ROBERT WALTERS RECRUITMENT IN IRAN

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A GUIDE TO THE IMPACT OF RELAXED TRADE SANCTIONS

In July, the USA, UK, China, France, Russia and Germany (P5+1 nations) reached an agreement with Iran to provide relief from trade sanctions in exchange for Iran reducing its nuclear program. While trade restrictions between the USA and Iran remain in place, UN and EU sanctions have been removed.

WHY ARE BUSINESSES INTERESTED IN IRAN?

- Second largest economy in the Middle East and Africa
- Major regional power
- Massive fossil fuel deposits (particularly natural gas and oil)



\$406b

GDP (2014)

2nd

largest natural gas reserves



78.5m

Population: (60% urban)

4th

largest oil reserves

GDP League table

Country	GDP (billion)
Saudi Arabia	746
UAE	570
Iran	406
Qatar	211
Kuwait	175
Oman	81
Bahrain	33

ECONOMIC POTENTIAL

As described above, Iran has a large economy and, due to its large oil and gas reserves, has been described as an 'energy superpower' by analysts. In addition to its role in the petrochemicals and energy industries Iran also has the potential to impact other sectors of the regional and global economy.

- Included by Goldman Sachs economist Jim O'Neill in the "Next Eleven": a group of 11 nations (Iran, Bangladesh, Indonesia, Mexico, Nigeria, Pakistan, Philippines, Turkey, South Korea and Vietnam) that have the potential to become some of the world's largest economies in the 21st century.
- Car manufacturing is the second largest industry after oil and gas, accounting for 10% of Iran's GDP and employing 4% of the workforce. Iran is the 18th largest car maker in the world and the largest in the Middle East.
- As a major agricultural center Iran is the world's largest producer of saffron, pistachios, honey and berberis. With the sanctions lifted, Iran will be able to export pistachios, a high value crop, to the US.

TRANSFERRING PROFESSIONALS TO IRAN

Firms looking to bring in professionals with experience to work in the new Iranian markets will face many of the challenges usually associated with encouraging workers to transfer to a country with a developing economy, particularly if those professionals are transferring to a region where they are not familiar with the culture. Oman may represent a vital talent pool to fill these roles, having maintained a close relationship with Iran as well as Europe and the other Gulf states.



Jason Grundy

Country Head, Robert Walters Middle East

"With restrictions on American interests in Iran still in effect, there is an unprecedented opportunity for Middle East and European companies to establish a foothold in the Iranian market. Leveraging existing relationships in the Middle East will be key to this success."

\$13bn

UAE economy to gain \$13bn from lifting of Iran sanctions

RECRUITING PROFESSIONALS IN IRAN

Iran has a young population and a highly educated workforce, but suffers from high unemployment. Foreign investors will have a broad talent pool to recruit from for junior and entry level positions, with many graduates having studied abroad in English speaking countries.

19%

Graduate unemployment

3.7m

University students

96%

Youth literacy rate

CHANGES TO THE SANCTIONS

The agreement between the P5+1 nations and Iran has led to the lifting of UN and EU sanctions. Whether or not the USA will relax its personal sanctions against Iran is still unknown.

With these changes enacted, trade between Iran and the rest of the world has huge potential. US sanctions remain in place, giving businesses in the Middle East, Asia and Europe first mover advantage without competition from US firms.

'IMPLEMENTATION DAY' CHANGES

The key date for lifting of sanctions against Iran was "Implementation Day", which occurred on January 16th 2016. "Implementation Day" marked the date when the International Atomic Energy Agency ("IAEA") verified that Iran had fulfilled its obligations under the JCPOA with respect to its nuclear program.

- Relaxation of restrictions on moving funds between EU and Iranian banks
- EU banks free to issue loans to the Iranian government
- Iranian banks free to open subsidiaries in EU member states
- EU banks and financial institutions are free to open offices in Iran
- Import/export of Iranian oil and petrochemicals and related equipment

NEW OPPORTUNITIES

- Non-US countries have first mover advantage over US firms when it comes to investing in Iran. European and Middle Eastern businesses have the opportunity to establish a presence before American companies, providing a significant advantage.
- Impact on Saudi Arabia will be indirect, but significant due to the change to the price of oil. Iran may also become a competitor with Saudi Arabia for foreign investment.
- The UAE and Oman are well positioned to benefit from re-export trade with Iran.
 - Prior to UN sanctions taking effect in 2011, the UAE re-export market was worth 6% of GDP but shrank to 2% after sanctions were relaxed.
 - Oman has similarly strong ties to Iran, with significant potential for export of Omani metal products and importing Iranian gas.



Jason Grundy

Country Head, Robert Walters Middle East

"The opening of the Iranian market represents an amazing opportunity for businesses in the Middle East. A combination of vast natural resources, a highly educated workforce and a previously isolated economy give Iran the potential to have a huge impact on the regional economic landscape."

To discuss the impact of the relaxing of trade sanctions in Iran on the business landscape of the Middle East, or your recruitment needs contact **Jason Grundy** on +971 4 8180 100 or at Jason.Grundy@robertwalters.com