

# **Part One**

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**Economic Developments  
of Iran in 1391**

*In the Name of God,  
The Compassionate, The Merciful*

**Gross Domestic Product**

A number of factors led to unfavorable conditions for the Iranian economy in 1391. Based on preliminary estimates, GDP grew by -6.8 percent at constant 1383 prices and reached Rls. 7,091 trillion at current prices. Reviewing the value-added growth of different economic sectors reveals that the agriculture sector had a growth rate of 3.7 percent, oil -37.4 percent, manufacturing and mining -6.4 percent, and services 1.1 percent, at constant prices. The share of the agriculture sector in GDP was 7.9 percent, oil 16.4 percent, manufacturing and mining 24.9 percent, and services 53.6 percent, at current prices.

Considering the large reduction in the value-added growth of the oil sector at constant prices (-37.4 percent), non-oil GDP grew by -0.9 percent at constant prices, compared with -6.8 percent GDP growth. This indicates that the reduction in the growth rate of GDP in 1391 was partly attributable to the fall in the value-added of the oil sector.

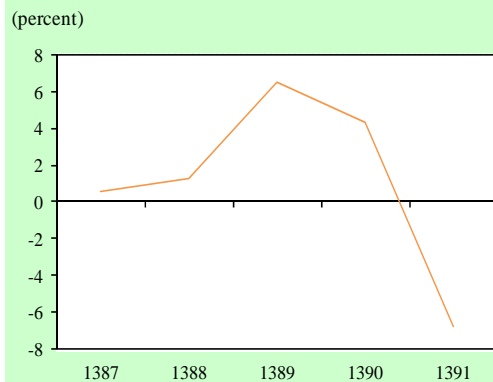
**Table 1.1. Gross Domestic Product by Various Economic Sectors (at constant 1383 prices) (percentage change)**

	1389	1390 □	1391 □
Agriculture	4.9	-0.1	3.7
Oil	4.2	-1.0	-37.4
Manufacturing and mining	7.9	5.0	-6.4
Services	6.7	5.8	1.1
GDP	6.5	4.3	-6.8
Non-oil GDP	7.0	5.4	-0.9

The value-added of the agriculture sector was estimated at Rls. 558 trillion at current prices, in 1391. This was indicative of 3.7 percent rise at constant prices when compared with the year before. This increase was mainly attributable to abundant rainfall and favorable climatic conditions in 1390/91 farming year. Furthermore, the share of the value-added of this sector in GDP increased from 5.9 percent in 1390 to 7.9 percent in 1391, at current prices.

According to preliminary data, the value-added of the oil sector decreased by 37.4 percent at constant prices, to Rls. 1,165 trillion at current prices in 1391. Share of the value-added of the oil sector in GDP decreased from 25.0 percent in 1390 to 16.4 percent in 1391, at current prices.

**Figure 1.1. GDP growth (1383=100)**



Based on preliminary estimates, the value-added of the manufacturing and mining sector experienced -6.4 percent growth in 1391, at constant prices. Moreover, the value-added of the "mining", "manufacturing", "electricity, gas, and water", and "construction" sectors grew by -2.5, -8.5, 1.1, and -3.6 percent, respectively, at constant prices.

In 1391, private sector investment in the buildings of urban areas (including Mehr Housing Program) went up by 50.7 percent at current prices. This growth was adjusted to 4.0 percent at constant 1383 prices, given the value-added growth in the construction of buildings in rural areas. Considering this figure and rise in the value-added of government buildings, the growth rate of construction sector is estimated at -3.6 percent at constant prices.

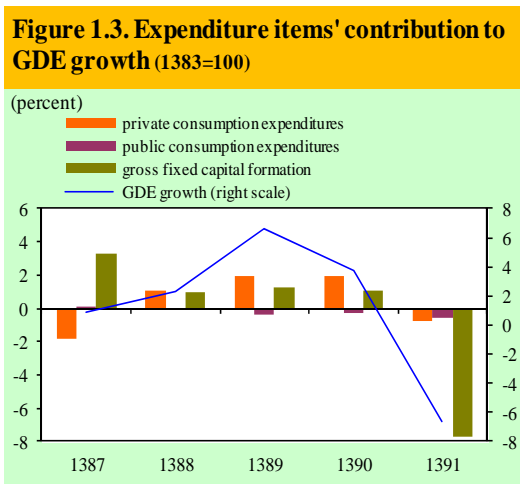
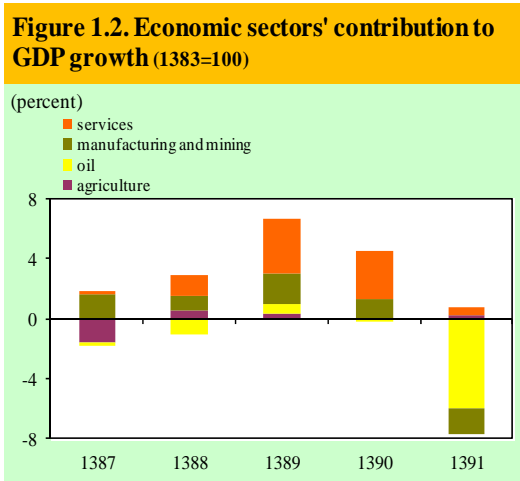
The value-added of the services sector, which had the highest share in GDP, grew by 1.1 percent, at constant prices, in 1391. The share of the value-added of the mentioned group in GDP was 53.6 percent at current prices. In this group, the share of "trade, restaurant and hotel" in GDP was 15.0 percent; "transport, storage, and communication" 8.8 percent; "financial and monetary institutions' services" 3.9 percent; "real estate, specialized and professional services" 14.2 percent; "public services" 8.4 percent; and "social, personal and household services" 3.4 percent, at current prices. The growth rates of these groups were respectively -8.9, 5.0, -1.6, 8.7, 0.4, and 0.7 percent, at constant prices.

**Gross Domestic Expenditure**

Based on preliminary data, GDE growth was -6.6 percent, at constant prices, in 1391. A review of the components of GDE reveals that private consumption expenditures accounted for the highest share in GDE by

49.6 percent at current prices. Furthermore, it fell by 1.7 percent at constant prices.

Public consumption expenditures in ministries and affiliated institutions, municipalities, and Social Security Organization (SSO) had a 9.9 percent share of GDE at current prices, showing 7.2 percent decrease at constant prices. Gross fixed capital formation, with a share of 27.6 percent in GDE at current prices, amounted to Rls. 1,973 trillion. Moreover, it decreased by 23.8 percent compared with 1390, at constant prices.



In 1391, gross fixed capital formation for machinery and construction decreased by 35.7 and 13.8 percent, respectively, at constant 1383 prices.

Imports of goods and services decreased by 23.1 percent, and exports of goods and services fell by 20.5 percent at constant prices. Therefore, gross domestic expenditure reached Rls. 2,028 trillion at constant prices, indicating -6.6 percent growth.

**Table 1.2. Gross Domestic Expenditure**  
(at constant 1383 prices) (percentage change)

	1389	1390	1391
Private consumption expenditures	4.2	4.2	-1.7
Public consumption expenditures	-3.8	-3.4	-7.2
Gross fixed capital formation	3.8	3.5	-23.8
GDE	6.6	3.7	-6.6
National income	9.8	6.3	-17.1