

Part One

**Economic Developments
of Iran in 1395**

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

Gross Domestic Product

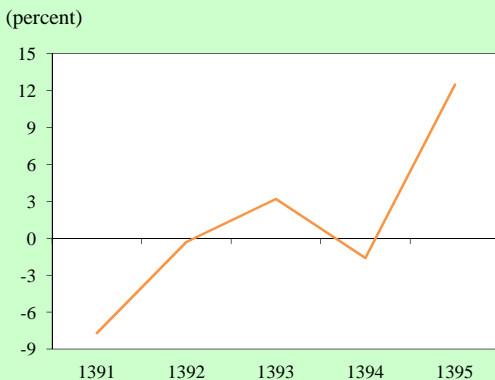
Based on preliminary estimates, in 1395, GDP indicated 12.5 percent growth at constant 1390 prices and reached Rls. 12,723.0 trillion at current prices. Reviewing the value-added growth of different economic sectors reveals that the agriculture sector had a growth rate of 4.2 percent, oil 61.6 percent, manufacturing and mining 2.2 percent, and services 3.6 percent at constant 1390 prices. The share of the agriculture sector in GDP was 10.0 percent, oil 12.3 percent, manufacturing and mining 22.7 percent, and services 57.1 percent at current prices.

(61.6 percent), non-oil GDP showed 3.3 percent growth at constant 1390 prices, compared with 12.5 percent GDP growth.

Table 1.1. Gross Domestic Product by Various Economic Sectors (at constant 1390 prices) (percentage change)

	1393	1394	1395
Agriculture	5.4	4.6	4.2
Oil	4.5	7.2	61.6
Manufacturing and mining	5.4	-6.1	2.2
Services	1.4	-2.3	3.6
GDP	3.2	-1.6	12.5
Non-oil GDP	3.0	-3.1	3.3

Figure 1.1. GDP growth (1390=100)



Despite the increase in the value-added growth of the oil sector at constant prices

The value-added growth of the agriculture sector was estimated at Rls. 1,267.0 trillion at current prices in 1395. This was indicative of 4.2 percent rise at constant prices compared with the year before. The share of the value-added figure of this sector in GDP decreased from 10.8 percent in 1394 to 10.0 percent in 1395 at current prices.

According to preliminary data, the value-added figure of the oil sector rose 61.6 percent, at constant prices, to Rls. 1,564.0 trillion at current prices in 1395. The share of the value-added growth of the oil sector in GDP increased from 9.4 percent in 1394 to 12.3 percent in 1395 at current prices.

Based on preliminary estimates, the value-added figure of the manufacturing and mining sector experienced 2.2 percent growth in 1395 at constant prices. Moreover, the value-added figure of the "mining", "manufacturing", "electricity, gas, and water", and "construction" sectors grew by respectively 2.1, 6.9, 6.8, and -13.1 percent at constant prices.

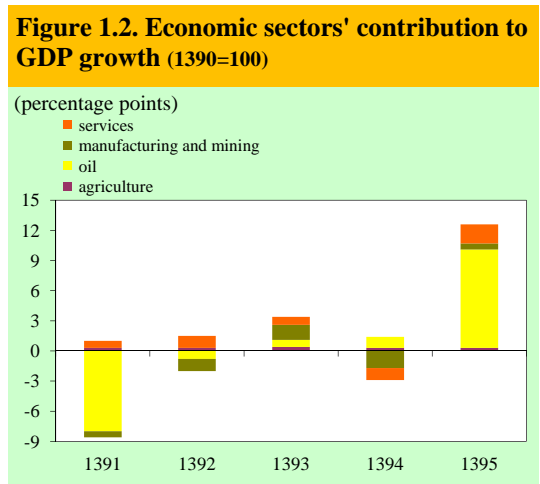
In 1395, private sector investment in the buildings of urban areas decreased by 14.1 percent at current prices. This growth was adjusted to -20.1 percent at constant 1390 prices, given the value-added growth in the construction of buildings in rural areas. Considering this figure and rise in the value-added figure of government buildings, the growth rate of construction sector in 1395 was -13.1 percent at constant prices.

The value-added figure of the services sector, which had the highest share in GDP, grew by 3.6 percent at constant prices in 1395. The share of the value-added figure of the mentioned group in GDP was 57.1 percent at current prices. In this group, the share of "trade, restaurant and hotel" in GDP was 13.3 percent, "transport, storage, and communication" 10.5 percent, "financial and monetary institutions' services" 3.1 percent, "real estate, specialized, and professional services" 14.5 percent, "public services" 11.7 percent, and "social, personal, and household services" 4.0 percent at current prices. The growth rates of these groups were respectively 6.2, 6.7, 1.7, 1.8, 2.0, and 0.1 percent at constant prices.

Gross Domestic Expenditure

Based on preliminary data, GDE growth was 13.4 percent at constant 1390 prices in 1395. Reviewing the components of GDE shows that private consumption expenditures had the highest share in GDE by 49.4

percent at current prices. Furthermore, private consumption expenditures rose by 3.8 percent at constant prices.



Public consumption expenditures in ministries and affiliated institutions, municipalities, and Social Security Organization (SSO) had a 13.3 percent share of GDE at current prices, showing 3.7 percent increase at constant 1390 prices. Gross fixed capital formation, with a share of 20.3 percent in GDE at current prices, reached Rls. 2,664.0 trillion. Moreover, it increased by 2.7 percent at current prices compared with the year before.

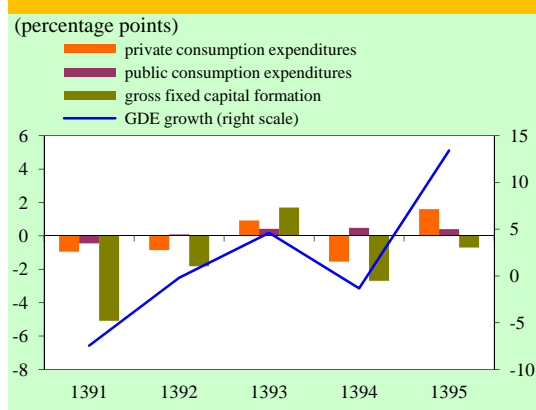
In 1395, gross fixed capital formation experienced -3.7 percent growth at constant prices. Moreover, gross fixed capital formation for machinery and construction grew by 5.6 and -7.4 percent, respectively, at constant 1390 prices.

Imports of goods and services increased by 6.1 percent in 1395 and exports of goods and services experienced 41.3 percent growth at constant prices. Therefore, gross domestic expenditure amounted to Rls. 6,916.0 trillion at constant 1390 prices, showing 13.4 percent increase.

Table 1.2. Gross Domestic Expenditure
(at constant 1390 prices) (percentage change)

	1393	1394	1395
Private consumption expenditures	2.0	-3.5	3.8
Public consumption expenditures	4.2	4.8	3.7
Gross fixed capital formation	7.8	-12.0	-3.7
GDE	4.6	-1.3	13.4
National income	-0.5	-10.1	5.9

Figure 1.3. Expenditure items' contribution to GDE growth (1390=100)



5th Five-Year Development Plan (1390-1395)¹

Based on official sources and estimates, the annual average growth rate of GDP was 1.3 percent over the course of the 5th FYDP. Moreover, the agriculture sector had an annual average growth rate of 4.7 percent, oil 1.2 percent, manufacturing and mining -0.1 percent, and services 1.7 percent during the Plan period.

Review of final expenditure items indicates that gross domestic expenditure experienced 2.6, -7.4, -0.2, 4.6, -1.3, and 13.4 percent growth, respectively, during the 1390-1395 period, showing an annual average increase of 1.8 percent. Furthermore, the annual average growth rates for private consumption expenditures, public consumption expenditures, and gross fixed capital formation were 0.4, 0.8, and -5.5 percent, respectively, during the Plan years.

Table 1.3. Economic Sectors' Growth during the 5th FYDP
(at constant 1390 prices)

	Years						Annual average growth (1390-1395)
	1390	1391	1392	1393	1394	1395	
Agriculture	3.7	4.7	5.5	5.4	4.6	4.2	4.7
Oil	-1.5	-36.5	-5.1	4.5	7.2	61.6	1.2
Manufacturing and mining	4.8	-2.3	-4.2	5.4	-6.1	2.2	-0.1
Services	4.0	1.5	2.3	1.4	-2.3	3.6	1.7
Non-oil GDP	4.4	0.4	0.5	3.0	-3.1	3.3	1.4
GDP	3.1	-7.7	-0.3	3.2	-1.6	12.5	1.3

Table 1.4. Performance of Final Expenditure Items during the 5th FYDP
(at constant 1390 prices)

	Years						Annual average growth (1390-1395)
	1390	1391	1392	1393	1394	1395	
Private consumption expenditures	4.4	-2.2	-1.9	2.0	-3.5	3.8	0.4
Public consumption expenditures	-3.6	-4.7	0.8	4.2	4.8	3.7	0.8
Gross fixed capital formation	4.6	-19.0	-7.8	7.8	-12.0	-3.7	-5.5
GDE	2.6	-7.4	-0.2	4.6	-1.3	13.4	1.8

¹ The 5th FYDP was extended for one more year after the fifth year of the Plan. Therefore, the year 1395 is also included in the analysis.