

# **Part One**

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**Economic Developments  
of Iran in 2017/18**

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

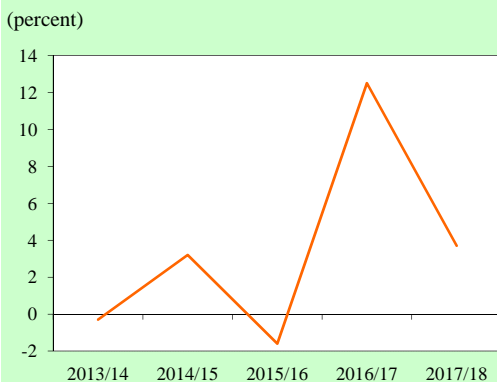
**Gross Domestic Product**

**B**ased on preliminary estimates, in 2017/18, GDP indicated 3.7 percent growth at constant 2011/12 prices. Reviewing the value-added growth of different economic sectors reveals that the agriculture sector had a growth rate of 3.2 percent, oil 0.9 percent, manufacturing and mining 5.1 percent, and services 4.4 percent at constant 2011/12 prices. The share of the agriculture sector in GDP was 9.8 percent, oil 13.5 percent, manufacturing and mining 22.6 percent, and services 56.2 percent at current prices.

**Table 1.1. Gross Domestic Product by various Economic Sectors (at constant 2011/12 prices) (percentage change)**

|                          | 2015/16 | 2016/17 | 2017/18 |
|--------------------------|---------|---------|---------|
| Agriculture              | 4.6     | 4.2     | 3.2     |
| Oil                      | 7.2     | 61.6    | 0.9     |
| Manufacturing and mining | -6.1    | 2.2     | 5.1     |
| Services                 | -2.3    | 3.6     | 4.4     |
| GDP                      | -1.6    | 12.5    | 3.7     |
| Non-oil GDP              | -3.1    | 3.3     | 4.6     |

**Figure 1.1. GDP growth (at constant 2011/12 prices)**



In 2017/18, non-oil GDP showed 4.6 percent growth at constant 2011/12 prices, compared with 3.7 percent GDP growth.

The value-added growth of the agriculture sector was indicative of 3.2 percent rise at constant prices compared with the year before. The share of the value-added figure of this sector in GDP decreased from 10.0 percent in 2016/17 to 9.8 percent in 2017/18 at current prices.

The value-added figure of the oil sector rose 0.9 percent, at constant prices, to Rs. 2,003.8 trillion at current prices in 2017/18. The share of the value-added growth of the oil sector in GDP increased from 12.3 percent in 2016/17 to 13.5 percent in 2017/18 at current prices.

The value-added figure of the manufacturing and mining sector experienced 5.1 percent growth in 2017/18 at constant prices. Moreover, the value-added figure of the "mining", "manufacturing", "electricity, gas, and water", and "construction" sectors grew by respectively 2.9, 5.3, 7.5, and 1.2 percent at constant prices.

In 2017/18, private sector investment in the buildings of urban areas increased by 15.0 percent at current prices. This growth was adjusted to 1.4 percent at constant 2011/12 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 2017/18 was 1.2 percent at constant prices.

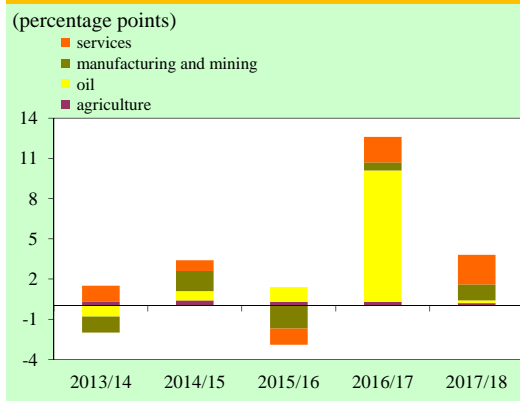
The value-added figure of the services sector grew by 4.4 percent in 2017/18, at constant 2011/12 prices. The share of the value-added figure of the services sector in GDP was 56.2 percent at current prices, which was the highest compared with other sectors. The shares of the subsectors of services including "trade, restaurant, and hotel"; "transport, storage, and communication"; "financial and monetary institutions' services"; "real estate, specialized, and professional services"; "public services"; and "social, personal, and household services" were 13.1, 10.3, 3.3, 14.1, 11.8, and 3.7 percent, respectively, at current prices. The growth rates of these groups were respectively 4.7, 7.1, 3.3, 4.2, 4.4, and -3.8 percent at constant prices.

**Gross Domestic Expenditure**

Gross domestic expenditure (GDE) growth was 3.8 percent in 2017/18 at constant 2011/12 prices. Private consumption expenditures had the highest share in GDE by 47.6

percent at current prices. Furthermore, private consumption expenditures rose by 2.5 percent at constant prices.

**Figure 1.2. Economic sectors' contribution to GDP growth (at constant 2011/12 prices)**



Public consumption expenditures in ministries and affiliated institutions, municipalities, and Social Security Organization (SSO) had a share of 13.4 percent in GDE at current prices, showing 3.9 percent increase at constant 2011/12 prices. Gross fixed capital formation, with a share of 19.7 percent in GDE at current prices, reached Rls. 3,023.0 trillion. Moreover, it increased by 13.5 percent at current and 1.4 percent at constant prices compared with the year before. In machinery and construction subgroups, gross fixed capital formation increased by respectively 2.5 and 0.9 percent, at constant 2011/12 prices, compared with the previous year.

Imports of goods and services increased by 13.4 percent in 2017/18, at constant 2011/12 prices. Moreover, exports of goods and services experienced 1.8 percent growth compared with 2016/17. Therefore, gross domestic expenditure totaled Rls. 7,176.0 trillion at constant prices, showing 3.8 percent increase compared with the year before.

**Table 1.2. Gross Domestic Expenditure**  
(at constant 2011/12 prices) (percentage change)

|                                  | 2015/16 | 2016/17 | 2017/18 |
|----------------------------------|---------|---------|---------|
| Private consumption expenditures | -3.5    | 3.8     | 2.5     |
| Public consumption expenditures  | 4.8     | 3.7     | 3.9     |
| Gross fixed capital formation    | -12.0   | -3.7    | 1.4     |
| GDE                              | -1.3    | 13.4    | 3.8     |
| National income                  | -10.1   | 5.9     | 3.6     |

**Figure 1.3. Expenditure items' contribution to GDE growth (at constant 2011/12 prices)**

