

# **Part One**

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**Economic Developments  
of Iran in 2018/19**

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

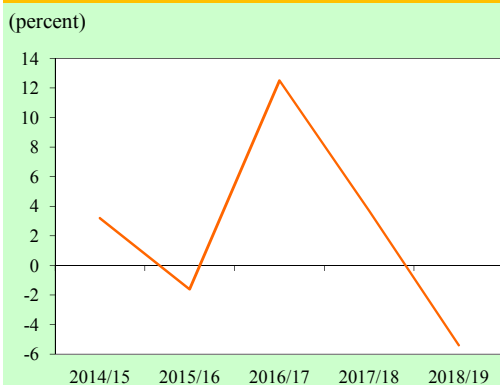
**Gross Domestic Product (GDP)**

**B**ased on preliminary estimates, GDP grew by -5.4 percent at constant 2011/12 prices to reach Rs. 18,618.6 trillion at current prices in 2018/19. The agriculture sector experienced a growth rate of -0.9 percent, oil -18.1 percent, manufacturing and mining -4.3 percent, and services -0.6 percent at constant 2011/12 prices. The shares of the mentioned groups in GDP were 10.2, 13.0, 23.9 and 55.0 percent, respectively, at current prices.

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

	2016/17	2017/18	2018/19
Agriculture	4.2	3.2	-0.9
Oil	61.6	0.9	-18.1
Manufacturing and mining	2.2	5.1	-4.3
Services	3.6	4.4	-0.6
GDP	12.5	3.7	-5.4
Non-oil GDP	3.3	4.6	-1.8

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



In 2018/19, the non-oil GDP showed -1.8 percent growth at constant 2011/12 prices, compared with -5.4 percent GDP growth.

The value-added figure of the agriculture sector amounted to Rs. 1,900.7 trillion at current prices and was indicative of 0.9 percent reduction at constant prices compared with the year before. The share of the value-added figure of this sector in GDP increased from 9.8 percent in 2017/18 to 10.2 percent in 2018/19 at current prices.

Based on preliminary figures, the value-added figure of the oil sector fell by 18.1 percent, at constant prices, to Rs. 2,428.4 trillion at current prices in 2018/19. The share of the value-added growth of the oil sector in GDP decreased from 13.5 percent in 2017/18 to 13.0 percent in 2018/19 at current prices.

Based on preliminary data, the manufacturing and mining sector experienced -4.3 percent growth in 2018/19 at constant 2011/12 prices. Moreover, the "mining", "manufacturing", "electricity, gas, and water", and "construction" subsectors experienced growth rates of respectively 1.0, -8.0, 2.2 and -5.5 percent at constant 2011/12 prices in 2018/19.

In 2018/19, private sector investment in the buildings of urban areas increased by 45.7 percent at current prices. The growth rate in private sector's buildings was adjusted to 1.4 percent at constant 2011/12 prices, given the increase in the construction of buildings in rural areas. Considering this figure and the rise in the value-added figure of public buildings, the growth rate of construction sector in 2018/19 was -5.5 percent at constant prices, compared with 2017/18.

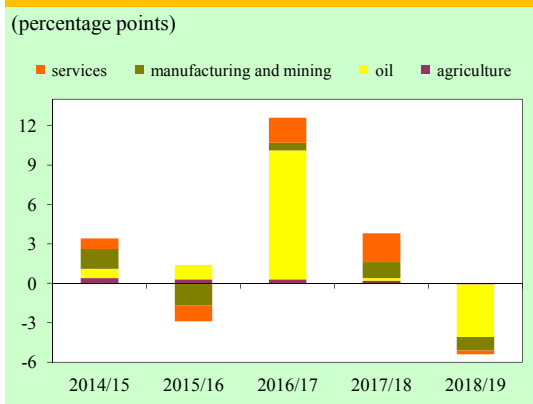
The value-added figure of the services sector grew by -0.6 percent in 2018/19, at constant 2011/12 prices. The share of the value-added figure of the services sector in GDP was 55.0 percent at current prices, which was the highest compared with other sectors. The shares of the subsectors of services 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 13.7, 10.8, 3.2, 13.0, 10.8 and 3.4 percent, respectively, at current prices. The growth rates of these groups were respectively -7.1, 2.6, 1.5, 2.9, -2.0 and -2.8 percent at constant prices.

**Gross Domestic Expenditure (GDE)**

Based on preliminary estimates, growth in gross domestic expenditure was -6.0 percent in 2018/19 at constant 2011/12

prices. Private consumption expenditures had the highest share in GDE by 48.5 percent at current prices. Furthermore, private consumption expenditures fell by 2.6 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 12.2 percent in GDE at current prices, showing 2.9 percent decrease at constant 2011/12 prices. Gross fixed capital formation, with a share of 20.8 percent in GDE at current prices, reached Rls. 3,976 trillion. Moreover, it grew by 31.5 percent at current and -12.3 percent at constant prices compared with the year before. In machinery and construction sub-groups, gross fixed capital formation grew by respectively -18.7 and -9.4 percent, at constant 2011/12 prices, compared with the year before.

In 2018/19, imports and exports of goods and services decreased by 29.5 and 12.5 percent, respectively, at constant 2011/12 prices. Therefore, gross domestic expenditure totaled Rls. 6,743 trillion at constant prices, showing 6.0 percent decrease compared with the year before.

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

	2016/17	2017/18	2018/19
Private consumption expenditures	3.8	2.5	-2.6
Public consumption expenditures	3.7	3.9	-2.9
Gross fixed capital formation	-3.7	1.4	-12.3
GDE	13.4	3.8	-6.0
National income	5.9	3.6	-8.5

