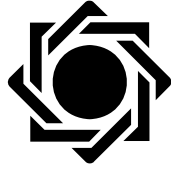


Annual Review

1385
(2006/07)

CENTRAL BANK OF THE ISLAMIC REPUBLIC OF IRAN

(BANK MARKAZI JOMHOURI ISLAMI IRAN)



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ABBREVIATIONS

CBI	Central Bank of the Islamic Republic of Iran
CPI	Consumer Price Index
CPPs	Central Bank Participation Papers
FYDP	Five-Year Development Plan
GDP	Gross Domestic Product
MCC	Money and Credit Council
NIOC	National Iranian Oil Company
OSF	Oil Stabilization Fund
PPI	Producer Price Index
TEPIX	Tehran Stock Exchange Price Index
Trn.	Trillion (1000 billion)
WPI	Wholesale Price Index

SYMBOLS

—	Negligible fraction
..	Figures not available
...	Statistical data unavailable
*	The figure is not a significant decimal fraction
□	Figures are preliminary
▲	Previous figures now revised
∅	Calculation of percentage change is not possible
⊞	More than 500 percent increase
●	Figure has been rounded
○	Percentage change has been calculated from round figures

The Year 1385 corresponds to 2006/07 (starting from March 21).

In all tables, components may not sum to total because of rounding.

Contents

Introduction	5
National Income	7
Agriculture	7
Energy	8
Manufacturing and Mining	10
Construction and Housing	11
Transportation	13
Population and Employment	14
Government Budget and Finance	16
Balance of Payments	20
Money and Banking	22
Payment System	26
Capital Market	29
Price Trends	31
List of Tables	34

Figures

Figure 1	Contribution to GDP Growth	7
Figure 2	Estimated Production of Major Farming Crops	7
Figure 3	Outstanding Facilities Extended by Banks and Credit Institutions to Non-public Agriculture Sector	8
Figure 4	Average Spot Prices of Crude Oil during 2006	9
Figure 5	OPEC Members' Quotas in 2006	9
Figure 6	Investment and Employment Growth Rates Based on Operation Permits Issued for Manufacturing Establishments	10
Figure 7	Number and Total Floor Space of Residential Buildings Constructed by Private Sector in Urban Areas	12
Figure 8	Number of Passengers Carried by Transportation Sector	13
Figure 9	Volume of Goods Carried by Transportation Sector	13
Figure 10	Unemployment Rate in Urban and Rural Areas	14
Figure 11	Government Budget	16
Figure 12	Government Per Capita Revenues, Tax Revenues and Expenses (Current) at Constant 1997/98 Prices	19
Figure 13	Ratio of Operating and Operating and Non-financial Balance Deficit to GDP	19
Figure 14	Balance of Payments	20
Figure 15	Ratio of Imports, Exports, Current Account Balance, and Non-oil Exports to GDP	21
Figure 16	Major Economic Variables	22
Figure 17	Ratios of Change in Balance of Non-public Sector Deposits and Outstanding Debts of Non-public Sector to GDP	24
Figure 18	Annual Changes in Share Price and Dividend Indices	29
Figure 19	Growth in CPI and WPI	31

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



Introduction

Iranian economy performed relatively well in 2006/07, the second year of the 4th Five-Year Development Plan, despite escalation of tensions in the region and international sanctions. Oil price surges in this year strengthened external sector as previous year. Despite exponential rise in import levels, run-up in oil prices and its ensuing effect on oil revenues led the international reserves to soar. This helped to set the external debts in a sustainable position.

Foremost among priorities of the government in the 4th Plan are to achieve a long-run sustainable growth and realize social justice. To this end, attempts were made to prevent monetary expansion incompatible with liquidity and inflation targets, while providing the liquidity required by productive sectors aiming at strengthening economic growth and ensuring social justice. However, continued withdrawals from the OSF raised monetary base, pushing liquidity up and increasing inflation above the target set in the Plan.



The large size of the government, imbalance between the government revenues and expenses (in domestic currency), inefficient utilization of the OSF, and the CBI's lack of independence to use efficient monetary instruments were the main driving forces for pushing inflation up in this year.

Following declaration of the general policies of Article 44 of the Constitution by the Supreme Leader on transferring 80 percent of public enterprises' shares to non-public sector, it is expected that further participation of non-public sector could result in enhancement of productivity and enforcement of fiscal discipline. These in turn could remove economic bottlenecks, thus accelerating implementation of economic policies stipulated in the 4th Plan.



National Income

According to preliminary estimates, Iranian economy kept its upward trend in 2006/07. Gross domestic product grew by 6.2 percent at constant 1997/98 prices, up by 0.5 percentage point. Non-oil GDP, with 0.2 percentage point rise, reached 6.6 percent.

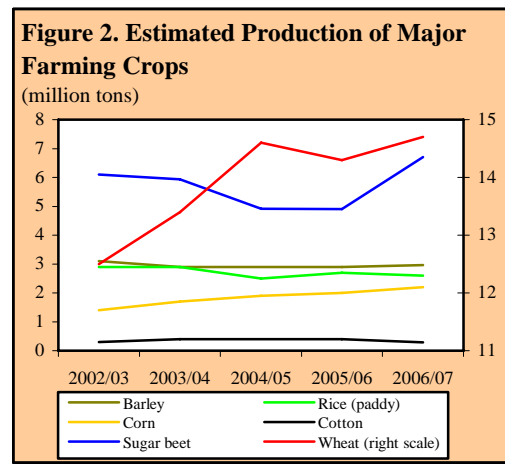
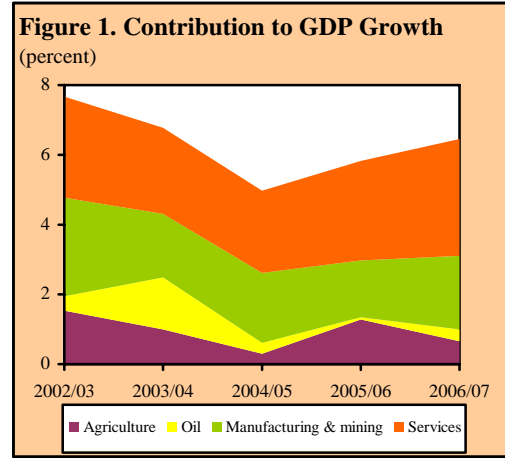
Meanwhile, growth in the value-added of "oil" and "manufacturing and mining" sectors along with some services sectors such as "trade", "transport, storage, and communications", and "financial and monetary institutions services" were the main reasons behind the increase in production in the review year. The shares of the value-added of "agriculture", "oil", "services", and "manufacturing" groups in GDP were 0.7, 0.3, 3.4 and 1.7 percentage points, respectively.

Preliminary estimates indicate that private and public consumption grew by 6.2 and 7.4 percent, respectively (at constant 1997/98 prices). Moreover, the findings reveal that gross fixed capital formation showed a decline of 1.8 percentage points when compared with the growth of the previous year. The decelerating growth pace of gross fixed capital formation in machinery is attributable to a slowdown in growth rate of imported capital goods. Also, the attenuation of the growth rate of gross fixed capital formation in construction sector was due to the deceleration of private sector investment in this sector in the review year.

Agriculture

In the first half of 2006/07, total precipitation amounted to 288.5 billion cubic meters (175 millimeters),⁽¹⁾ showing 4 percent decrease compared with the long-term average (38 years). This reduction was mainly attributable to the decline in the level of precipitation into the Persian Gulf basin by 14 percent. However, the amount of rainfall grew by 12 percent when compared with the respective period of the previous year.

Based on the data drawn by the Ministry of Agriculture Jihad, the total production of farming and horticultural produce was estimated at 88.8 million tons in



(1) Ministry of Energy, Iran Water Resources Management Company, Monthly Precipitation Report, end-2006/07



2006/07. If this realized, this sector would face a 4.8 percent growth compared with the performance of the previous year (7.1 percent). Production of cereals (wheat, rice (paddy), barley, and corn) is projected to increase by 0.5 million tons, in 2006/07, to 22.4 million tons. Implementation of wheat self-sufficiency plan and the support policy for the guaranteed purchase of wheat at prices higher than international rates, as well as the relative improvement in the guaranteed purchase of wheat compared with other competitive crops (including barely) have contributed to the increasing growth of wheat production over the recent years. According to preliminary data, wheat production is estimated at 14,664 thousand tons in 2006/07, indicating 356 thousand tons increase compared with the previous year.

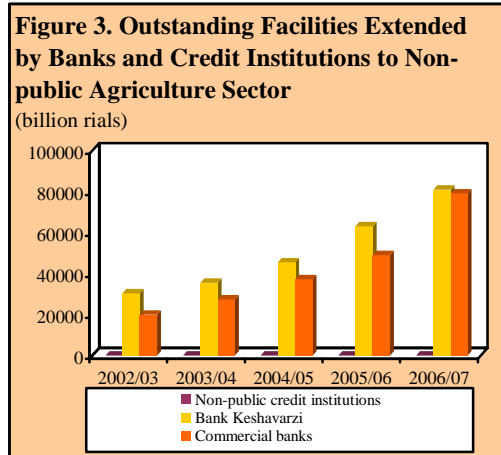
Meanwhile, total livestock products (including honey) amounted to 10,643.5 thousand tons, showing 6.3 percent rise compared with the previous year.

At the end of 2006/07, net outstanding facilities extended by banks and credit institutions to the agriculture sector amounted to Rls. 163,173.8 billion, up by 42.3 percent compared with the previous year-end. In this year, Bank Keshavarzi (Agriculture Bank) paid Rls. 52,920.7 billion to the agriculture sector, up by 6.1 percent. Of total credits paid by this bank, 76.8 percent was from non-budgetary resources and the remainder from budget law notes, administered funds, and contracts, which show, respectively, 0.9 percent decrease and 38.5 percent increase compared with 2005/06.

In 2006/07, about 39,604.6 thousand tons of agricultural goods were offered on the Agricultural Stock Exchange, of which only 296.5 thousand tons valued at Rls. 602.5 billion were traded.

Energy

World primary energy consumption ⁽¹⁾ grew by 2.4 percent in 2006 to reach 10.9 billion tons oil equivalent. Of this amount, 10.2 billion tons oil equivalent was consumed by non-OPEC and 0.7 billion by OPEC Member



(1) Includes oil, natural gas, coal, nuclear energy and hydroelectricity.



Countries. The highest and lowest amount of consumption was related to oil and nuclear energy by 35.8 and 5.8 percent, respectively. Iran's primary energy consumption grew by 3.5 percent to 178.8 million tons oil equivalent. Oil and natural gas are the primary energies consumed largely by Iran, while other energies are consumed sparingly.

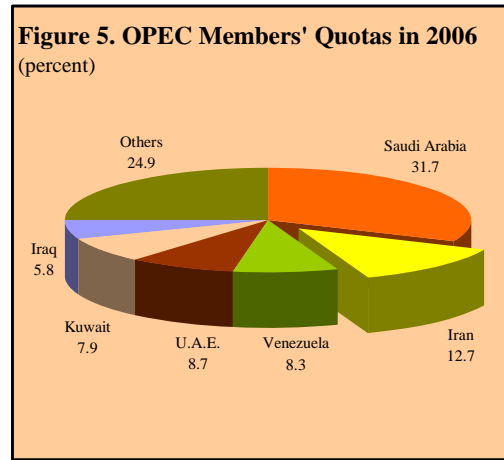
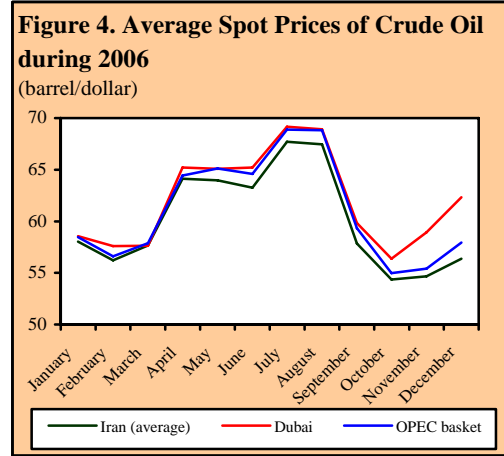
In the review year, world crude oil production and consumption grew by respectively 0.5 and 0.8 percent to 81.7 and 83.7 mb/d. Crude oil production by OPEC Member Countries, accounting for 41.9 percent of world crude oil production, rose by 0.4 percent to 34.2 mb/d.

In 2006, besides rising demand, a host of factors such as shortages of refining capacity, political tensions in the Middle East, Nigeria, and Venezuela, Iran's dispute with the West over its peaceful nuclear program, disruptions in Iraq's oil industry, and depreciation of US dollar were responsible for run-up in crude oil prices, albeit temporarily. Thus, the average price of each barrel of OPEC crude oil basket ⁽¹⁾ reached \$61.1, up by 20.6 percent.

OPEC, in its September 2006 Conference, approved a production ceiling cut of 1.2 million b/d, effective as of November 1st, 2006. Therefore, its production ceiling reached 26.8 million b/d, against 28 million b/d. Moreover, the Conference reiterated another 500 thousand b/d reduction in OPEC production ceiling as of February 1st, 2007 to 26.3 million b/d.

In 2006/07, Iran's average crude oil production, in adherence to the production quotas set by the OPEC, amounted to 4.1 mb/d. Crude oil exports fell by 6.5 percent to 2.4 mb/d; however, exports of oil products surged by 8.6 percent to 266 thousand b/d compared with the previous year. The average spot price of Iran's crude oil export grew by 12.3 percent to about \$59.65.

Electricity generation amounted to 192.2 billion kwh, showing 9 percent increase. Of total electricity generated in the country, 186.1 billion kwh (96.9 percent) was generated by power plants affiliated to the Ministry of Energy and the



(1) Includes eleven types of crude oil: Arab Light (Saudi Arabia), Basra Light (Iraq), BCF 17 (Venezuela), Bonny Light (Nigeria), Es Sider (Libya), Iran Heavy (Islamic Republic of Iran), Kuwait Export (Kuwait), Qatar Marine (Qatar), Minas (Indonesia), Murban (UAE) and Saharan Blend (Algeria).



private sector and 6 billion kwh (3.1 percent) by other institutions. The consumption rose by 9.5 percent to 147 billion kwh. The highest growth of consumption, with 14.1 percent, belonged to agriculture sector. Electricity consumption by public, residential, commercial, and industrial sectors grew by 13.2, 10.1, 8.0, and 7.0 percent, respectively. Consumption of electricity for street lighting fell by 1 percent.

Manufacturing and Mining

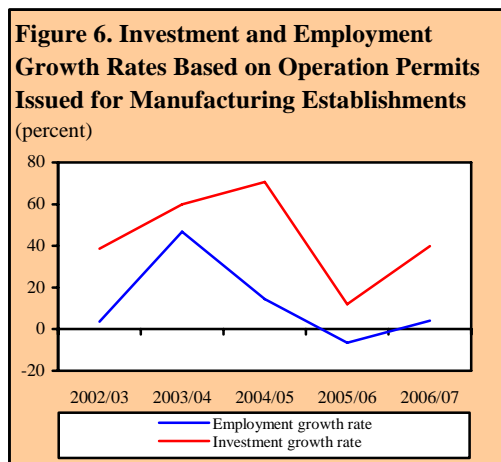
According to the Ministry of Industries and Mines, the production of certain selected manufacturing and mining goods enjoyed growth in 2006/07. The production of petrochemical products, various types of passenger cars, cement, and steel increased by 16.2, 10.9, 8.2, and 6.2 percent, respectively. Similarly, extraction of copper ore and zinc billet showed 38.4 and 28.6 percent growth compared with the previous year.

In the review year, 3,194 new manufacturing establishments, with an investment of Rls. 47.3 trillion, came on stream, showing 4.8 and 63.2 percent rise, in terms of number and investment, respectively, compared with the previous year. "Chemical products" accounted for 33.8 percent of total investment in the establishment of new manufacturing units.

The number of establishment permits amounted to 54.3 thousand in 2006/07, showing 74 percent rise. Investment based on these permits grew by 58 percent to Rls. 1,423.5 trillion. The remarkable growth of number of establishment permits compared with the amount of investment is indicative of the investors' tendency toward investing in SMEs.

Banks and non-bank credit institutions increased the credits and facilities extended to manufacturing and mining sector. The outstanding facilities extended to the public and non-public manufacturing and mining sectors grew by 22.8 percent to Rls. 309.8 trillion, however, the share of the public sector declined and that of the non-public sector increased by 27.7 percent in the review year.

Government development expenditures in the form of acquisition of non-financial assets for manufacturing





and mining sector and industrial research project decreased in the review year. According to the statistics released by the Treasury General in 2006/07, Rls. 2,715.2 billion was paid for manufacturing and mining sector and industrial research project, down by 9.1 percent, being roughly 80.3 percent of the approved figure.

Based on the report released by the Ministry of Industries and Mines, \$1,392.8 million LCs were opened out of the OSF for 172 manufacturing and mining projects in 2006/07. The two groups of "foodstuffs and pharmaceuticals" and "machinery and equipment" accounted for a sizable share of total opened LCs by 26.7 and 30.9 percent in terms of number and value, respectively.

The producer price index in the two sectors of manufacturing and mining grew by respectively 11.5 and 34.9 percent (at constant 1997/98 prices). Changes in mining products were more than the changes in general index (12.5 percent). This was due to increase in the index of "metallic ores" by 79.8 percent. Moreover, among manufacturing products, "transformers and electrical equipment" by 37.2 percent, "basic metals" by 29.1 percent, "furniture and other manufactured products unclassified elsewhere" by 28.4 percent and "rubber and plastic" by 15.2 percent contributed to the growth in the general index of manufacturing products.

In 2006/07, the volume of trading in the Metal Exchange amounted to 6.2 million tons valuing at Rls. 44,106.8 billion, indicating 21.6 and 82.1 percent growth, respectively. The lion's share of trading belonged to steel by 96.6 and 74.4 percent in terms of volume and value, respectively. Semi-monopolistic conditions in supply of products in the Metal Exchange, tariff and non-tariff barriers on import of metals, as well as increase in domestic demand raised the price of metals traded on Stock Exchange even above international rates.

Construction and Housing

The relatively stagnant condition prevailing in housing sector, started since 2003, continued and ran into 2006, mostly in Tehran and other large, medium-sized and small cities. This trend, however, changed in the second



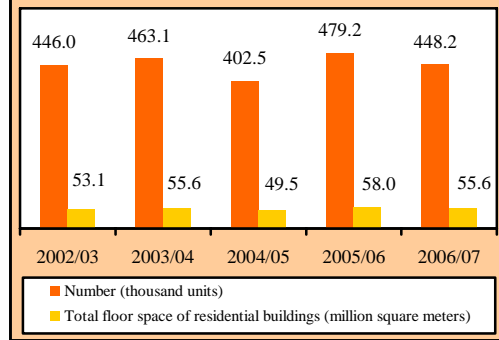
half of 2006, and construction activities started booming. The total number and floor space of building starts rose in Tehran by 31 and 14.3 percent, respectively. The total number and floor space stipulated in the permits issued by municipalities of urban areas grew by 17 and 17.1 percent, respectively. Similarly, the total number and floor space stipulated in permits issued by Tehran municipality recorded rise of 35.7 and 35.2 percent compared with the previous year. These developments were a sign of improvement in construction activities in Tehran and a benign outlook for private sector investment in this sector.

Against the backdrop of market conditions and surge in construction costs, private sector investment in new buildings of urban areas grew by 10.1 percent (at current prices) to Rls. 113.6 trillion. Moreover, the mentioned investment in Tehran recorded a 23.5 percent increase (at current prices). However, investment by private sector in new buildings of urban areas plummeted by 7.5 percent at constant prices.⁽¹⁾

According to the Budget Law for 2006/07, a sum of Rls. 3,483.1 billion was approved to be allocated to the acquisition of non-financial-national assets for the housing sector and supportive plans. Accordingly, Rls. 3,962.4 billion was paid by the government as credits for the acquisition of non-financial assets to the housing sector and housing welfare plans. This shows 13.8 percent excess realization compared with the approved figure.

In this year, outstanding facilities extended by banks and non-bank credit institutions to non-public housing sector rose by 44.2 percent to Rls. 228.3 trillion compared with end-2005/06. The average amount of facilities extended by Bank Maskan (Housing Bank) for the purchase of housing units (excluding profit receivables) was Rls. 157 million, showing 14.3 percent growth compared with the previous year. This was largely attributable to the increase in the ceiling of housing facilities from Rls. 120 to 180 million, which aimed at covering a higher share of housing prices, and

Figure 7. Number and Total Floor Space of Residential Buildings Constructed by Private Sector in Urban Areas



(1) Based on the deflator of construction services and materials at constant 1997/98 prices.



increasing demand for facilities due to the improvement in the housing market.

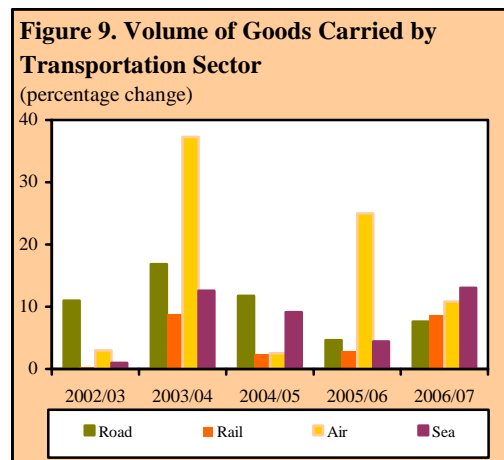
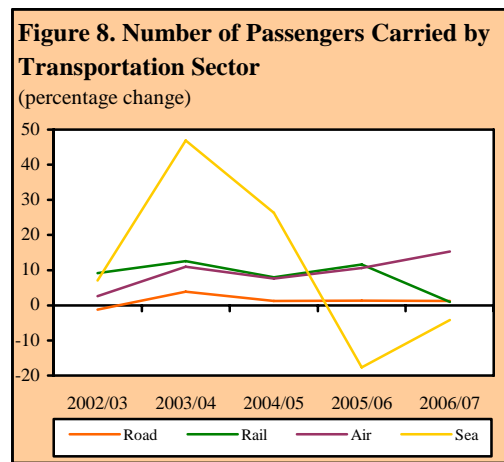
In the review year, the construction services price index increased by 16.8 percent (at 1997/98 base year). The highest growth was related to the wage index of cement worker, painter, and plaster worker by 19.9, 19.3 and 19 percent, respectively. Meanwhile, WPI of metallic and non-metallic construction materials grew by 31.8 and 6.3 percent, respectively.

Transportation

The activities in the transportation sector accelerated in 2006/07. A review of the performance of this sector based on passengers and goods carried shows that in the transportation sector (land, air, and sea), a total of 461.2 million passengers and 580.9 million tons of goods were carried, showing 1.7 and 8.6 percent growth respectively, compared with the previous year, with the highest growth in passenger performance going to the air transport by 15.3 percent and in goods performance to the sea transport by 13 percent.

During the review year, a sum of Rls. 13,960.5 billion was approved for the implementation of acquisition of non-financial assets projects of road and transportation sector, representing a rise of 9.6 percent compared with the previous year. According to the Treasury General, Rls. 12,248.4 billion was allocated for the implementation of transportation sector projects, indicating a fall of 13 percent compared with the year before. Of total approved credits, about 87.7 percent were realized, the highest related to air transport program by 205.9 percent.

According to the report on CPI in urban areas, the index for transportation advanced 8.5 percent at end-2006/07 (at 1997/98 base year), compared with last year. The PPI for land, sea, and air transport sectors recorded growth of respectively 10.7, 9.3, and 1.8 percent, with the highest growth being related to land transport (rail transport) by 17.2 percent. This increase was due to the rise in the ticket price of privately-run trains.





Granting the permit for transferring 25 percent of incomplete projects to the non-public sector, selling participation papers to finance incomplete projects in this sector, signing the transport cooperation agreement between Iran and Turkey, and allocating \$500 million out of the OSF and in the form of administered funds for renovation of public rail and air transport fleet were among measures taken in 2006/07 which were greatly conducive to the positive performance of this sector.

Population and Employment

Iran's total population was 70.5 million persons in 2006/07, of whom 48.2 million dwelled in urban and the remainder in rural areas.

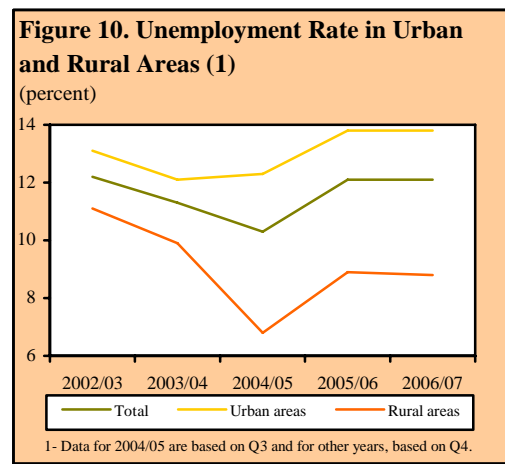
Of the key objectives of the 4th Plan is to reduce unemployment rate to 8.4 percent by the end of the Plan. According to the data drawn by the Statistical Center of Iran (SCI) in the "Labor Force Survey", unemployment rate stood at 12.1 percent in winter 2006/07, roughly at the same level of the respective period of the previous year. This rate was recorded unchanged at 13.8 percent for urban areas and, with 0.1 percentage point reduction, at 8.8 percent for rural areas.

The lower unemployment rate in rural areas was due to the fact that since agricultural activities are major economic activities in rural areas ⁽¹⁾ and female participation in these activities is very high, therefore female unemployment rate in rural areas is less than urban areas. Along with this came the factor of migration of villagers to cities which raised unemployment rate in urban areas.

By and large, with the implementation of the 4th Plan, certain initiatives were taken to reduce unemployment, to be named as:

A. Administered Funds for Creation of Employment as Stipulated in Budget Laws

The Management and Planning Organization, as government's representative, allocated RIs. 12,708.2 billion to agent banks by the end of 2006/07.



(1) These activities accounted for 49.5 percent of rural employment in Q4, 2006/07.



Accordingly, these banks approved Rls. 16,717.4 billion projects (i.e. 131.5 percent of deposited funds) and concluded Rls. 15,485.2 billion contracts (i.e. 121.8 percent of deposited funds). The total facilities paid by banks in this form amounted to Rls. 13,360.9 billion (105.1 percent of deposited funds). The mentioned contracts created job opportunities for 280,959 persons, Rls. 47.5 million was paid for each. Of the mentioned credits, Rls. 1,151.1 billion was deposited into the accounts of banks, Rls. 409.2 billion of which was paid by these banks as facilities, thus creating 2,934 new employment opportunities.

B. Payment of Subsidy on Profit and Commission Extended by Banks

The ceiling of the credits extended out of banks' domestic resources for the payment of subsidy on profit and commission was determined at Rls. 4,921.5 billion. According to the performance of the agent banks by end-2006/07, out of Rls. 801.4 billion deposited by the Management and Planning Organization, the subsidy paid to the contracts (at Rls. 3,624 billion) amounted to Rls. 82.8 billion, which was 10 percent of the total deposited amount. Of this amount, Rls. 36.5 billion was deposited into the accounts of agent banks and banks paid a total of Rls. 584 billion as facilities. Rls. 76 million contracts were concluded which created job opportunities for 47,689 persons.

C. Allocation of Administered Funds and Credits Envisaged in "Technical and Credit Assistance to the Private and Cooperative Sectors" Program

Of total Rls. 7,795.9 billion credits allocated out of banks' domestic resources, Rls. 2,626.2 billion projects were approved, 84.5 percent of which were in the form of concluded contracts that created employment opportunities for 38,107 persons. Meanwhile, the Management and Planning Organization deposited Rls. 926 billion as subsidy on profit and commission into banks accounts. This equaled 11.9 percent of the ceiling of the credits allocated out of banks' domestic resources. For each employment opportunity, a contract worth Rls. 54 million was concluded.



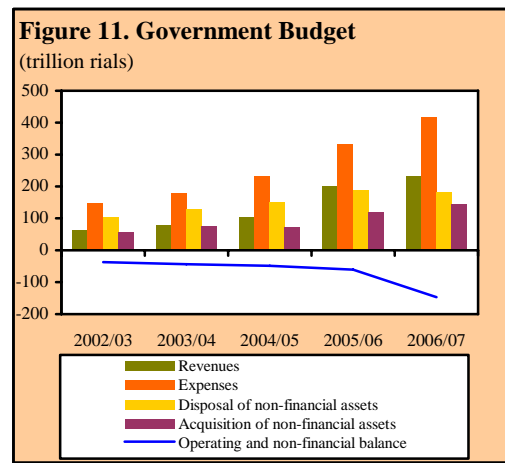
D. Facilities Extended by Banks to SMEs

Based on Article 3 of the executive by-law for supporting the expansion of Small and Medium Enterprises (SMEs) (approved in November 2005), the banking system was required to pay up to 35 percent of its credits to SMEs, with the share of agent banks at Rls. 180 trillion. By the end of 2006/07, Rls. 326,025 billion projects were referred to banks, of which Rls. 134,741.6 billion were approved. Of total Rls. 87,560.6 billion concluded contracts, 48.8 percent were related to enterprises with less than 10 employees and 51.2 percent to enterprises with 10 to 49 employees. The number of job opportunities created out of concluded contracts amounted to 765,405, with Rls. 114.4 million investment for each. By the end of 2006/07, total facilities paid out of this source amounted to Rls. 74,264.2 billion. Among various sectors, manufacturing and mining, with a sizable share of 48.9 percent, had the highest share in receiving these facilities.

Government Budget and Finance ⁽¹⁾

Budget Law for 2006/07, as the second Budget Law during the course of the 4th Plan, was implemented, with four supplements and one amendment added thereto. Government general budget sources with budget supplements at Rls. 597,716.5 billion, including revenues (Rls. 244,455.3 billion), disposal of non-financial assets (Rls. 183,253.2 billion), and disposal of financial assets (Rls. 170,008 billion) were approved. The uses out of these sources included expenses (Rls. 407,512 billion), acquisition of non-financial assets (Rls. 176,120.2 billion), and acquisition of financial assets (Rls. 14,084.4 billion).

Based on the four supplements to the Budget Law for 2006/07, total budget sources and uses increased by Rls. 49,145.6 billion. Moreover, according to the Amended Law and upon the confirmation of the Management and Planning Organization or the relevant province, the government was allowed to increase expenses (current expenditures) up to Rls. 33 trillion, without observing the limitations on budget uses as



(1) Excludes the figure for transparency in the price of energy bearers.



stipulated in Article 79 of Government Fiscal Regulations Act and Budget Law notes, provided that credits for acquisition of non-financial–provincial assets will not decrease.

Government general revenues grew by 15.3 percent compared with the previous year to Rls. 231,125.8 billion, indicating 94.5 percent realization compared with the approved figure. Composition of government revenues changed in a way that the share of tax revenues in total revenues was reduced from 67.2 percent in 2005/06 to 65.6 percent in 2006/07. Of total tax revenues, 64.4 percent (i.e. Rls. 97,691.3 billion) was related to direct tax, which shows 6.8 percent under-realization compared with the approved figure. This, coupled with 25.9 percent under-realization of indirect tax revenues, led to 14.6 percent under-realization in government total tax revenues. Meanwhile, other government revenues grew by 20.8 percent to Rls. 79,504.9 billion, showing 19 percent excess realization compared with the approved figure.

Receipts from disposal of non-financial assets fell by 2.4 percent to Rls. 182,797.2 billion, indicating 99.8 percent realization compared with the approved figure. Out of total disposal of non-financial assets, Rls. 181,881.2 and 916 billion were related to oil revenue and sale of movable and immovable assets, respectively. Receipts from sale of crude oil were Rls. 131,922.1 billion, showing 19.1 percent decline compared with the respective period of the previous year and 1.9 percent excess realization compared with the approved figure.

Disposal of financial assets, including domestic and foreign financing, increased by 93.3 percent to Rls. 161,061.2 billion. This, however, indicates 5.3 percent under-realization, largely attributable to 88.9 percent under-realization of privatization proceeds and a meager realization of foreign financing by 13.5 percent. In the review year, the withdrawal from the OSF was Rls. 142,573 billion, indicating 105.5 percent growth and 99.6 percent realization, compared with the previous year and approved figure, respectively.



In the composition of government budget sources, 65.1 percent was financed through oil, compared with 67.2 percent of the previous year. These sources include sale of oil and oil products, tax on oil performance, provisional rate of return on government's share in crude oil production and OSF utilization.

Government expenses increased to Rls. 415,793.1 billion, showing 25.7 percent rise compared with the previous year, and 2 percent excess realization compared with the approved figure. This growth was mainly driven by a surge in national expenses (in Tehran and provinces) and subsidy paid on gasoline and essential goods. Of total government expenses, 74.3 percent was paid in national and 25.7 percent in provincial form.

In 2006/07, the amount of subsidy paid on gasoline was Rls. 43,959.1 billion. Moreover, Rls. 57,458.2 billion subsidy was paid on essential goods, chemical fertilizers, Tehran subway ticket, medicine, powdered milk and pesticides, showing 16.1 percent rise compared with the previous year, with the subsidy on essential goods comprising 14 percent of total government expenses. A total of Rls. 855.9 billion was also paid as exchange rate differential of subsidized goods.

Government paid a total of Rls. 145,561.1 billion for the acquisition of non-financial assets, 80 percent of which was in the form of national and 20 percent provincial expenditures. This shows 23.7 percent increase compared with the respective figure of the previous year and 17.4 percent under-realization compared with the approved figure.

By and large, government operating balance ran a deficit of Rls. 184,667.3 billion, showing 41.5 percent rise compared with the respective figure of the previous year. Net disposal of non-financial assets posted a surplus of Rls. 37,236.1 billion, down by 46.5 percent compared with the respective figure of the previous year. Government operating and non-financial balance ran Rls. 147,431.2 billion deficit, which was ascribable to the excess operating balance deficit compared with the net



disposal of non-financial assets. This deficit was mainly financed through withdrawals from the OSF.

**GOVERNMENT PER CAPITA REVENUES AND EXPENSES (CURRENT)
AT CONSTANT 1997/98 PRICES** (rials)

	Year					Average growth
	2002/03	2003/04	2004/05	2005/06	2006/07	2002-2007
Revenues	3,462.6	3,858.0	4,249.5	6,459.0	6,037.6	10.1
Tax revenues	2,826.4	3,185.8	3,463.2	4,338.0	3,960.7	6.2
Expenses (current)	8,245.1	8,723.3	9,514.2	10,666.0	10,861.6	8.9

In the review year, government per capita expenses grew by 1.8 percent, albeit 6.5 percent reduction in real growth of per capita revenues. Should this trend continue, the realization of the 4th Plan objectives on maintaining the balance between expenses and revenues might face difficulties.

Moreover, the share of tax receipts out of government revenues during 2002-2007 was decelerating (except for 2003/04), down from 82.6 percent in 2003 to 65.6 percent in 2007. Therefore, government reliance on tax revenues to cover expenses faced a downward trend.

The ratio of government revenues to GDP (at current prices) trended upward during the course of 2002-2007, advancing from 6.8 percent in 2002/03 to 11.3 percent in 2006/07. The great portion of this increase was mostly due to the change in classification of budgetary items and inclusion of tax on oil performance and profit received from NIOC performance. The ratio of government expenses to GDP (at current prices) experienced a continued upward trend, advancing from 16.1 percent in 2002/03 to 20.4 percent in 2006/07.

Figure 12. Government Per Capita Revenues, Tax Revenues and Expenses (Current) at Constant 1997/98 Prices

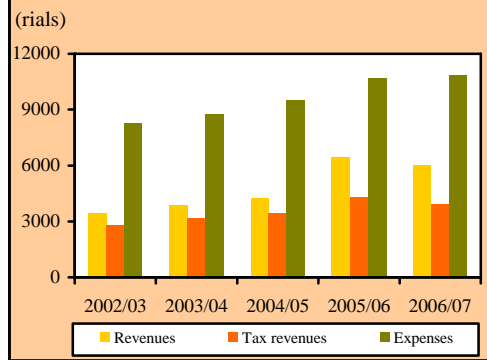
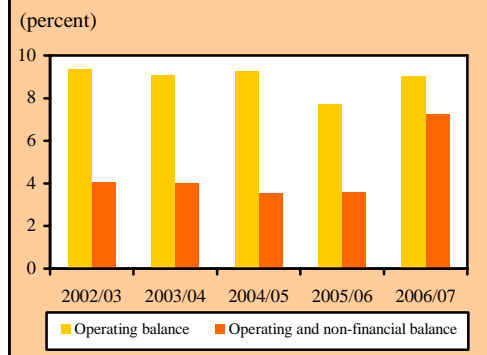


Figure 13. Ratio of Operating and Operating and Non-financial Balance Deficit to GDP



RATIO OF SELECTED BUDGET ITEMS TO GDP (percent)

	Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Revenues	6.8	7.2	7.5	11.9	11.3
Expenses (current)	16.1	16.3	16.7	19.6	20.4
Acquisition of non-financial assets	6.0	6.7	5.2	7.0	7.1
Operating balance	-9.3	-9.1	-9.3	-7.7	-9.1
Operating and non-financial balance	-4.1	-4.0	-3.6	-3.6	-7.2



Since the ratio of government expenses to GDP exceeded that of government revenues to GDP, the deficit ratio of operating balance and operating and non-financial balance to GDP grew considerably in 2006/07 and reached 9.1 and 7.2 percent, respectively.

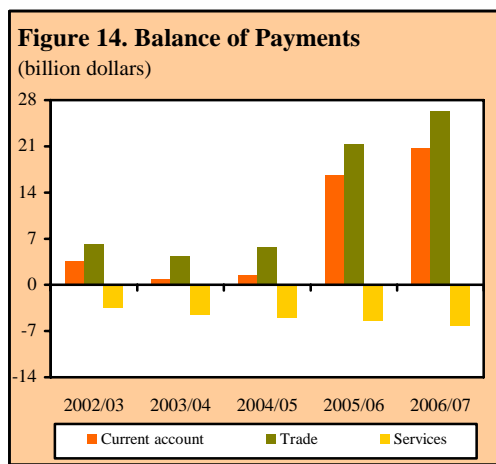
Balance of Payments

Positive developments in the external sector paved the way for the growth and stabilization in the economy. Pickup in Iran's foreign trade raised international reserves by \$11 billion. The continued demand for crude oil and its products resulted in an exponential export growth. Moreover, run-up in international oil prices not only raised revenues received from export of oil, gas and their products, but promoted non-oil exports, thus increasing foreign exchange revenues.

According to preliminary estimates, total foreign exchange revenues received from exports of goods amounted to \$75,537 million, up by 17.4 percent compared with last year. This growth was largely driven by oil and gas revenues. The value of export basket (crude oil, natural gas, oil products and gas condensates) hit a record high of \$62,458 million, holding a roughly 82.7 percent share in total exports of goods. Non-oil exports (customs and non-customs) grew by 24 percent to \$13,079 million, against \$10,546 million of the previous year. Based on the preliminary data drawn by Iran's Customs Administration, the value of export cargos amounted to \$13,027 million. Imports of goods totaled \$49,292 million, up 14.4 percent, of which \$41,726 million was related to imports through customs.

Preliminary estimates indicate that trade balance posted a surplus of \$26,245 million, while non-oil trade balance ran a deficit of \$36,213 million. In other words, total non-oil exports were able to meet virtually less than four months of import requirements of the country.

Against the backdrop of the continued negative services account of the balance of payments during the review period, the net services account faced \$6,272 million deficit. This was largely due to the services rendered to non-residents by \$8,387 million in lieu of





utilization of \$14,659 million services rendered by international brokers. Travel and public services were among major imported items in this area.

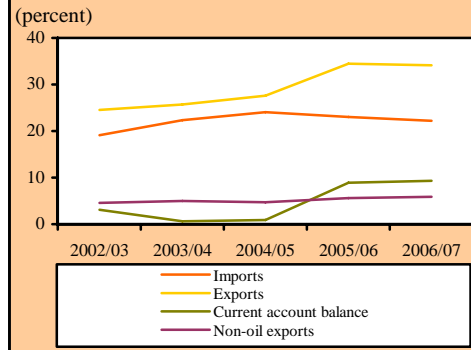
Transfers account (net) showed a surplus of \$677 million in 2006/07, largely due to the remittances of Iranians residing abroad. Moreover, current account balance recorded a \$20,650 million surplus. This shows 24.1 percent growth, driven mostly by oil and gas revenues and deficit in the services account, with the oil revenues being the largest contributor. Without oil revenues, this surplus would be changed into a deficit of \$41,808 million. Meanwhile, net capital account faced \$4,612 million deficit, mainly due to the deceleration of foreign financing. This raised the CBI foreign assets and the OSF balance by \$11,335 million, which was \$3,240 million less than the respective figure of the previous year.

Foreign exchange obligations (including actual and contingent obligations) grew by 8.3 percent to \$45,338 million at end-2006/07, against \$41,852 million at end-2005/06. External debt (actual obligations), with 3.1 percentage change, amounted from \$24,264 million to \$23,514 million and contingent obligations, with 24.1 percentage change, reached \$21,825 million in 2006/07, against \$17,587 million in the previous year. Among the factors contributing to the reduction in the external debt in 2006/07 were: the CBI policies to limit short-term debts, applicants' willingness to use OSF as foreign exchange facilities due to its lower rate and also reduction in foreign borrowing which was due to the rise in international interest rates.

The balance of the OSF (in the form of both cash and claims) grew by 25.1 percent to reach \$20,555 million at end-2006/07, of which \$9,555 million was in the form of cash and \$11,000 million in the form of claims.

The ratio of imports to GDP during 2002-2005 showed an upward trend while it was reversed since 2005/06, as indicated in the following table. This ratio was 22.2 percent in 2006/07, as against 19.1 percent in 2002/03. Moreover, the ratio of non-oil exports to GDP went up from 4.6 percent in 2002/03 to 6 percent in 2006/07. International

Figure 15. Ratio of Imports, Exports, Current Account Balance, and Non-oil Exports to GDP





oil price hike and its ensuing effect on oil exports raised the contribution of exports in the trade surplus. This improved the ratio of current account balance (including oil) to GDP during 2002-2007, advancing from 0.6 percent in 2003/04 to 9.4 percent in 2006/07.

**RATIO OF IMPORTS, NET EXPORTS, CURRENT ACCOUNT BALANCE
AND NON-OIL EXPORTS TO GDP**

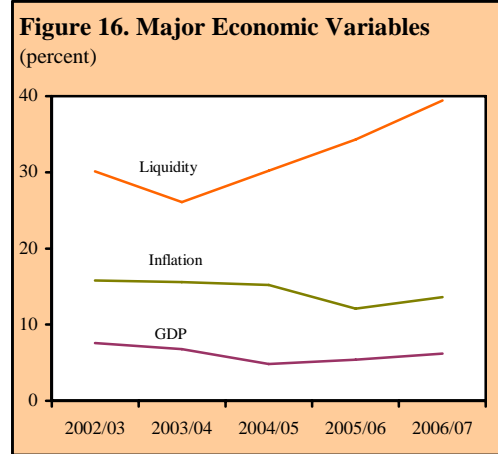
	2002/03	2003/04	2004/05	2005/06	2006/07
Imports	19.1	22.4	24.1	23.0	22.2
Exports	24.5	25.7	27.6	34.3	34.1
Current account balance	3.1	0.6	0.9	8.9	9.4
Non-oil exports	4.6	5.0	4.7	5.6	6.0

Money and Banking

In 2006/07, attempts were made to implement monetary policy in line with the policies set in the 4th Plan for providing liquidity required by productive sectors, aimed at strengthening economic growth and encouraging investment while preventing monetary expansion incompatible with inflation and liquidity targets. According to the 4th FYDP, inflation rate and liquidity growth were targeted at 11.5 and 22 percent, respectively, for 2006/07, the 2nd year of the 4th Plan. However, continued withdrawals from the OSF to offset the under-realization of government revenues (in rials) raised the monetary base, thus resulting in growth of liquidity above the target set in the 4th Plan.

According to the preliminary estimates, liquidity grew by 39.4 percent in 2006/07, against 34.3 percent growth of the previous year. This high liquidity growth was despite the sale of Rs. 22 trillion participation papers by the CBI.

Among the factors affecting liquidity growth, net foreign assets of the banking system made up 13.7 percentage points of liquidity growth. Among the constituents of net domestic assets, net claims on non-public sector, with 34.9 percentage points, held the highest share. However, net claims on government and public corporations and organizations and other items





(net) had decreasing effect of 3.0, 0.3, and 5.9 percentage points on liquidity growth.

Money multiplier grew by 9.8 percent to 4.587 in 2006/07. This was largely attributable to a decline in the ratio of excess reserves to total deposits by 42.6 percent, leading to an increase in the money multiplier.

The share of money in liquidity plummeted from 34.5 percent at end-2005/06 to 32.3 percent at end-2006/07. Moreover, the ratio of notes and coins with the public to liquidity was reduced when compared with the previous year-end. The widespread use of banking checks instead of notes and coins was the reason for this reduction.

Monetary base surged by 26.9 percent to Rls. 280 trillion in the review year, mostly owing to the rise in the CBI's net foreign assets by 51.5 percentage points. This rise was largely due to the CBI purchase of foreign exchange from the government to finance rial resources of budget, while part of it was not sold in the interbank foreign exchange market. Moreover, CBI's claims on banks reached 8.6 percentage points, mainly due to banks' overdraft from the Central Bank. CBI's net claims on the public sector as a major source of monetary base had a decreasing share of 12.3 percentage points in monetary base growth. On the whole, changes in monetary base and money multiplier in 2005/06, which ran into 2006/07, led to the expansion of liquidity above the target set in the 4th Plan.

Non-public sector deposits with banks and non-bank credit institutions grew by 40.5 percent (Rls. 352.4 trillion) to reach Rls. 1,223 trillion in 2006/07. Of this growth, 24.8 percent (Rls. 87.3 trillion) was attributable to private banks.⁽¹⁾ Moreover, the share of these banks out of total balance of non-public sector deposits increased from 12 percent at end-2005/06 to 15.7 percent at end-2006/07. This was largely driven by a host of factors; inter alia, the high provisional profit rate of deposits with private banks compared with public banks, reduction in the provisional profit rate of participation

(1) Includes Non-bank Credit Institution for Development.



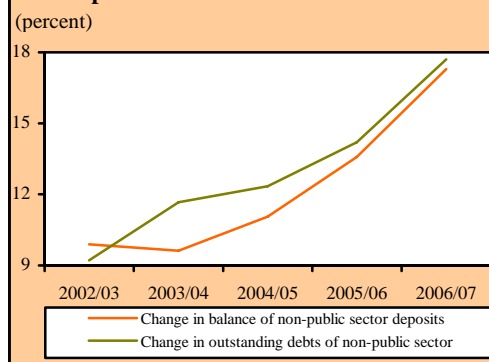
papers, increase of public confidence in private banks, and plunge in capital market indices.

The ratio of overdue claims and non-performing loans extended by private banks and non-bank credit institutions to total extended facilities went up from 12.5 percent at end-2005/06 to 13.7 percent in 2006/07. Of total facilities extended by public commercial and specialized banks and private banks, respectively 14.3, 12.7 and 12 percent were overdue and non-performing. For facilities extended by commercial banks, the highest shares of these non-performing loans belong to "manufacturing and mining" by 20.1 percent, "construction" by 19.5 percent, and "trade" by 14.5 percent. For facilities extended by specialized banks, the amount of non-performing loans even increased as 30.5 percent to "exports", 22.0 percent to "agriculture" and 20.7 percent to "manufacturing and mining".

By and large, the highest share of non-performing loans extended by banks to the non-public sector belonged to the sectors of "manufacturing and mining" by 40.2 percent and "trade and services" by 32.6 percent, followed by "agriculture", "housing", "exports", and "construction" sectors by the respective shares of 16.8, 6.9, 1.9, and 1.7 percent.

The ratios of change in outstanding debts of non-public sector to the banking system and balance of non-public sector deposits with banks and credit institutions to GDP over the course of 2002-07 indicate that the banking system participation through extending facilities to non-public sector in production of goods and services trended upward. Thus, the ratio of change in outstanding debts of the non-public sector to GDP reached 17.7 percent in 2006/07, against 9.2 percent in 2002/03.

Figure 17. Ratios of Change in Balance of Non-public Sector Deposits and Outstanding Debts of Non-public Sector to GDP



RATIOS OF CHANGE IN BALANCE OF NON-PUBLIC SECTOR DEPOSITS AND OUTSTANDING DEBTS OF NON-PUBLIC SECTOR TO GDP

(percent)

	2002/03	2003/04	2004/05	2005/06	2006/07
Change in balance of non-public sector deposits	9.9	9.6	11.1	13.6	17.3
Change in outstanding debts of non-public sector	9.2	11.7	12.3	14.2	17.7



Monetary and Credit Policies

In accordance with the Parliament's approval of "Rationalization of the Rate of Return on Banking Facilities", the government and the CBI are obliged to administer the mechanisms to mobilize and allocate banking resources in a manner that the expected rate of return on the banking facilities for contracts with fixed return decreases during the 4th FYDP. Such decrease shall lead to the realization of a single-digit rate of return on banking facilities by the end of the said Plan.

According to the MCC approval and the Usury-Free Banking Law, for contracts such as hire purchase, installment sale, forward transactions, joaleh and debt purchase, the expected rate of return on extended facilities for public banks was determined at 14 percent. Moreover, the expected rate of return on private banks and non-bank credit institutions' facilities for all economic sectors was determined at 3 percentage points higher than that of public banks. The provisional profit rate of banking deposits with public banks was set within a range of 7 percent for short-term to 16 percent for five-year investment deposits. The provisional rate of return on participation papers was fixed at 15.5 percent and they were tax-exempt.

According to the Law on Issuance of Participation Papers and the 4th FYDP Law, the CBI was authorized to issue participation papers up to Rls. 20 trillion to mop up excess liquidity. Moreover, according to the MCC approval in the 2nd half of 2006/07 and Parliament approval, the CBI was authorized to issue participation papers worth Rls. 10 trillion to substitute the previous papers which would be matured during the last four months of the year.

The MCC approved the increase in the minimum required capital for establishment of private banks and non-bank credit institutions to Rls. 3,500 and 1,500 billion, respectively.

Based on the Budget Law for 2006/07, an increase in the outstanding directed banking facilities in 2006/07, observing other objectives stipulated in development



plans was authorized up to Rls. 1,800 billion. The share of public sector out of this increase is 25 percent and that of cooperative and private sectors 75 percent.

According to the Budget Law for 2006/07, agent banks were obliged, following confirmation of feasibility study of projects and extending facilities, to take necessary measures for the repayment of overdue claims.

Based on the Budget Law for 2006/07, and in the implementation of Article 1, 4th Plan Law, the government was allowed to allocate \$8 billion out of OSF account for investment and promotion of exports to finance part of the credits needed by non-public sector for the projects whose feasibility study are confirmed by the related specialized ministries. This could be achieved through domestic banking network and Iranian banks abroad in the form of foreign exchange facilities which require necessary guarantee for their repayment.

According to the executive by-law on expansion of Small and Medium Enterprises (SMEs), commercial and specialized agent banks were obliged to extend up to 35 percent of credits worth Rls. 180 trillion to SMEs in 2006/07.

Based on the Cabinet approval, the rate of return on the facilities extended to the agriculture sector was set at 2.5 percentage points less than the rate approved by the MCC. Moreover, the Management and Planning Organization, as government's representative, was required to finance the 11.5 percent differential rate of agriculture sector with other sectors to agent banks. According to Article 10, 4th FYDP Law, at least 25 percent of facilities extended by the banking system during the 4th Plan shall be allocated to water and agriculture sector.

Payment System

In 2006/07, the financial sector in Iran witnessed great developments in the payment system through launching of a large-value transfer payment system. The CBI developed and adopted a strategy for modernizing the payment system through Real Time Gross Settlement



(RTGS). Besides this large-value transfer system, Retail Funds Transfer System (SAHAB), that handles a large volume of payments of relatively low value, came on stream in this year. These developments appear to expedite banking services and e-commerce in the coming years.

Cash (notes and coins with the public) is still the predominant payment instrument. Notes and coins with the public grew by 21.3 percent to Rls. 61,451.6 billion in 2006/07, against Rls. 50,675.6 billion in the previous year. However, the ratio of notes and coins with the public to GDP (at current prices) remained virtually unchanged at 2005/06 level (3.3 percent).⁽¹⁾

Interbank Clearing House

Although payment system in Iran is undergoing great developments, financial transactions are mostly channeled through Interbank Clearing House. Various checks including ordinary checks and Iran-Checks are collected and sent to the Clearing House to be settled. The same-day settlement could not be provided since the process has not been automated yet. It might take at least 48 hours; however, for certain types of checks the time for settlement could be reduced to 24 hours.

The low denomination notes call for an extensive use of banking checks in lieu of notes in most financial transactions. Roughly 351,064 thousand checks with a value of Rls. 283,226 billion were collected by the Clearing House in 2006/07. The respective figures for the previous year were 301,452 thousand checks valued at Rls. 113,451 billion. This shows a gargantuan rise of 150 percent.

Given that RTGS is a great leap forward in handling settlement risk, it appears that with the full operation of this payment system in Iran, the demand for the above-mentioned checks in interbank transactions would be greatly reduced in the coming years.

Checks such as interbank coded checks and personal checks excluding Iran-Checks are ordinary checks. The amount of ordinary checks delivered to the

(1) The ratio of notes and coins with the public to GDP at nominal prices in Iran differs slightly with the countries enjoying an advanced payment system. In Iran, the bulk of transactions are processed through checks.



Interbank Clearing House in terms of volume and value grew by 13 and 43 percent, respectively, in 2006/07. Therefore, total transactions settled through ordinary checks in terms of volume and value reached 252,708 thousand and Rls. 5,259,200 billion in the review year.

SHETAB ⁽¹⁾

The full operation of interbank information transfer network is still in its infancy, although four years have passed since its commencement. The number of debit cards issued by the banking system in 2006/07 reached 23.5 million, up by 73 percent. The number of Automated Teller Machines (ATMs) grew by 67 percent to 7,468. This shows a moderate growth when compared with 181 percent rise in the number of Points of Sale (POS) in the review year. The total number of POS in 2006/07 reached 192,765. However, the ratio of POS to population in Iran is much less than the rate in other countries. ⁽²⁾

In 2006/07, in line with advancement in electronic payment, electronic transactions grew. The number of interbank electronic transactions processed in SHETAB through ATMs and POS grew respectively by 107.1 and 345 percent to 230,181 and 7,143 thousand, bringing the total settled transactions to Rls. 10,616 billion in this year.

Growth in the number of issued debit cards by 73 percent as compared with the growth rate of total transactions processed through SHETAB is indicative of an extensive use of debit cards. This shows public willingness to use the electronic means of payment.

VOLUME AND VALUE OF TRANSACTIONS PROCESSED THROUGH VARIOUS PAYMENT SYSTEMS

Payment Systems	Volume (thousand)			Value (billion rials)		
	2005/06	2006/07	Percentage change	2005/06	2006/07	Percentage change
Interbank Clearing House	524,154	603,772	15.2	3,800,400	5,542,426	45.8
Iran-Check	301,452	351,064	16.5	113,451	283,226	149.6
Ordinary check	222,702	252,708	13.5	3,686,949	5,259,200	42.6
SHETAB	112,742	237,325	110.5	4,341	10,616	144.6
ATM	111,137	230,181	107.1	..	..	0
POS	1,605	7,143	345.0	..	..	0

(1) Interbank Information Transfer Network

(2) The number of POS per one million persons averaged 12,040 for member countries of the Payment Systems Committee and the Bank for International Settlement (BIS) in 2002.



Interbank Information Transfer Network (SHETAB) helped the transfer of up to Rls. 10 million through ATMs and Rls. 50 million through banks in the Retail Fund Transfer System (SAHAB). It is expected that with the extensive use of this service in the banking network, the alternative means of transactions such as coded checks, Iran-Checks, and notes recede from the Iranian payment landscape in the coming years.

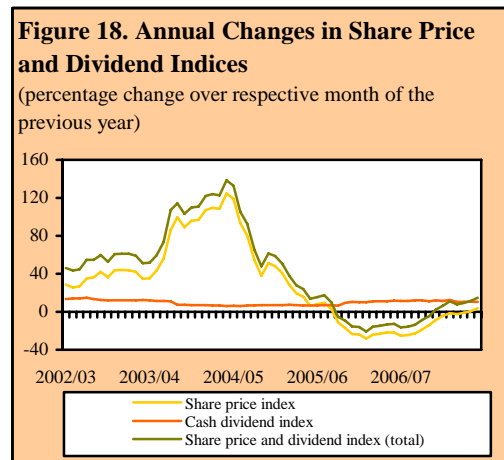
RTGS

As mentioned before, the year 2006/07 witnessed the launching of the RTGS (Real Time Gross Settlement) System. As the overseer of the mentioned system, the CBI designed mechanisms for liquidity management of banks' settled accounts. Moreover, with organizing courses in technical and executive levels for bank experts and managers, the CBI facilitated the operation of the mentioned payment system. During 2006/07, a total of 11,000 transactions valued at Rls. 650,411 billion were settled. It is projected that payment system will face dramatic developments in the area of security and speed of banking transactions in the near future.

Capital Market

Stock Exchange

The relatively recessionary condition in stock market in 2005/06 ran into 2006/07. The "TEPIX" and "industrial", "price and dividend", and "cash dividend" indices rose and the "financial" index and "top 50 companies" index fell in 2006/07. The "TEPIX" and "industrial" index went up by 3.8 and 4.4 percent and "financial" index fell by 0.8 percent. Moreover, turnover ratio of Tehran Stock Exchange (TSE) decreased to 16.9 percent at end-2006/07, against 17.4 percent in the same period previous year. Continued international tensions over Iran's peaceful nuclear program, implementation of price stabilization policies, as well as restructuring of stock exchange and reform of internal mechanisms thereof were among the major factors causing slump in Stock Exchange.





In order to implement the Law Governing the Securities Market, the new organizational structure of stock exchange was approved by High Council of Securities and Exchange in March 2006 and ratified by the Cabinet in December 2006. Furthermore, High Council of Securities and Exchange agreed with the establishment of Oil, Gas, and Petrochemical Exchange.

In the first half of 2006/07, the general policies of Article 44 of the Constitution on transferring 80 percent of public enterprises' shares to non-public sector were declared by the Supreme Leader. For this purpose a committee was established. The main focus of this committee is reviewing existing ambiguities, determining government's share in transferring the above-mentioned shares, distributing justice shares, pricing of banks' shares and determining shareholders' composition, holding extraordinary session, revaluation of banks' assets and acceptance of transferred shares in stock market.

Participation Papers

According to Notes 1 and 6, Budget Law for 2006/07, the Parliament approved issuance of participation papers worth Rls. 17.4 trillion comprising Rls. 8.4 trillion governmental-budgetary⁽¹⁾ and Rls. 9 trillion governmental-non-budgetary⁽²⁾ participation papers. The ceiling for issuance of Central Bank participation papers (CPPs) was set at Rls. 30 trillion in the review year.

Money and Credit Council (MCC) approved issuance of Rls. 4 trillion participation papers by Bank of Industry and Mine. Moreover, the ceiling for issuance of participation papers by corporations was set at Rls. 16 trillion, including Rls. 11 trillion participation papers as subject to Article 4, Law on Issuance of Participation Papers and Rls. 5 trillion as subject to Article 17, Law on Facilitation of Industries Renovation.

The CBI issued Rls. 26.5 trillion participation papers of one-year maturity with a profit rate of 15.5

(1) Participation papers, repayment of principal and profit of which is projected in annual budget laws.

(2) Participation papers, repayment of principal and profit of which is financed through domestic resources of utilizing corporations and guaranteed by the Management and Planning Organization.



percent. Of this amount, Rls. 22,187 billion ⁽¹⁾ was sold within five phases, indicating 83.7 percent realization.

Ministry of Economic Affairs and Finance issued Rls. 8.4 trillion participation papers, 60 percent of which (Rls. 5,040.2 billion) were sold. Ministries of 'Energy', 'Road and Transportation', as well as 'Housing and Urban Development', and Mashad Municipality totally issued Rls. 6.3 trillion participation papers, 99 percent of which were sold. Corporations issued participation papers within the framework of Article 4, Law on Issuance of Participation Papers valuing at Rls. 4.5 trillion, which were totally sold.

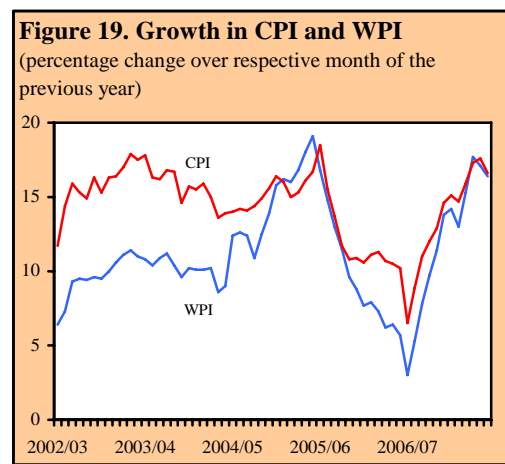
At end-2006/07, total outstanding of unmatured participation papers with the banking system grew by 58.8 percent to Rls. 27,809 billion, as compared with the previous year-end.

Total outstanding of unmatured participation papers issued by the government, public corporations and institutions with the banking system rose by 35.6 and 22 percent to Rls. 7,458 and 6,781 billion. Moreover, of participation papers held with banking system, Rls. 12,111 billion (43.6 percent) belonged to the Central Bank and Rls. 1,459 billion (5.2 percent) to non-public sector, showing 124.1 and 38.8 percent increase, respectively, compared to the previous year-end.

Price Trends

The average consumer price index (CPI), wholesale price index (WPI), and producer price index (PPI) grew by 13.6, 12.1, and 12.2 percent, respectively, in 2006/07, compared with the respective figures of the previous year (12.1, 9.5, and 9.5 percent). The growth of these indices has trended upward since July 2006, as year-on-year changes indicate.

The inflation rate stood at 13.6 percent, in the review year, and advanced to 16.6 percent at end-2006/07 compared with the previous year-end. Growth in the CPI was largely ascribable to increase in the price index of two groups of "housing, water, fuel and power" and



(1) Part of this amount is related to gradual sale of the 5th phase of CPPs, issued in 2006/07 and sold in 2007/08.



"food, beverages and tobacco", accounting respectively for 37.5 and 33.8 percent of overall changes.

The overall CPI increase was largely due to the structural impediments to the economy such as high dependence of the government budget on oil revenue, inflationary expectations, and increase in liquidity, thus raising costs of factors of production, and lower price elasticity of supply of goods.

Statistical Appendix

List of Tables

National Income

Table 1	Gross National Product and Income by Economic Sectors (at current prices)	36
Table 2	Gross National Product and Income by Economic Sectors (at constant 1997/98 prices)	37
Table 3	Gross National Expenditure (at current prices)	38
Table 4	Gross National Expenditure (at constant 1997/98 prices)	39

Agriculture

Table 5	Estimated Production and Area under Cultivation of Major Crops	40
Table 6	Facilities Extended by Bank Keshavarzi According to Islamic Contracts	40
Table 7	Livestock Products	41
Table 8	Yield of Major Crops	41
Table 9	Guaranteed Purchase Price of Agricultural Crops	41

Energy

Table 10	World Primary Energy Consumption	42
Table 11	World Proven Oil Reserves	42
Table 12	World Crude Oil Production	43
Table 13	World Oil Consumption	43
Table 14	OPEC Crude Oil Production	44
Table 15	Average Spot Prices of Crude Oil during 2006 and Q1, 2007	44
Table 16	Iran Oil Export	45
Table 17	Domestic Consumption of Oil Products	45
Table 18	Geographical Distribution of Crude Oil Exports	45
Table 19	Production of Natural Gas	46
Table 20	Generation of Electricity	46
Table 21	Consumption of Electricity	46

Manufacturing and Mining

Table 22	Investment Based on Establishment Permits Issued for New Manufacturing and Mining Units and Expansion of Existing Units	47
Table 23	Investment Based on Operation Permits Issued for New Manufacturing and Mining Units and Expansion of Existing Units	48
Table 24	Number of Establishment Permits Issued for New Manufacturing and Mining Units and Expansion of Existing Units	49
Table 25	Number of Operation Permits Issued for New Manufacturing and Mining Units and Expansion of Existing Units	50
Table 26	Employment Based on Establishment Permits Issued for New Manufacturing and Mining Units and Expansion of Existing Units	51
Table 27	Employment Based on Operation Permits Issued for New Manufacturing and Mining Units and Expansion of Existing Units	52
Table 28	Government Acquisition of Non-financial – National Assets (development expenditures) in Manufacturing and Mining Sector and Industrial Research Project	53
Table 29	Payments by Bank of Industry and Mine	53

Construction and Housing

Table 30	Government Acquisition of Non-financial Assets (development expenditures) in Housing Sector and Housing Provision Plans in the Framework of Welfare and Social Security System	54
Table 31	Facilities Extended by Bank Maskan	54
Table 32	Investment by Private Sector in New Buildings in Urban Areas (at current prices)	54
Table 33	Construction Permits Issued for Private Sector in Urban Areas	55

Table 34	Building Starts by Private Sector in Urban Areas	55
Table 35	Buildings Completed by Private Sector in Urban Areas	56
Table 36	Construction Indices	56

Transportation

Table 37	Government Acquisition of Non-financial Assets (development expenditures) in Transportation Sector	57
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Population and Employment

Table 38	Number of Students	57
Table 39	Number of Schools, Classrooms and Teaching Staff	58
Table 40	Composition of Students at Various Educational Levels in Urban and Rural Areas	58
Table 41	Students at Various Educational Levels by Gender	58
Table 42	Students in Private Schools at Various Educational Levels	59
Table 43	Indices of Educational Quality	59
Table 44	Minimum Monthly Wage	59
Table 45	Distribution of Population According to Urban and Rural Areas	59
Table 46	Number of Students in Public Universities and Higher Education Institutes	60
Table 47	Number of Students in Islamic Azad University	60

Government Budget and Finance

Table 48	Government Budget (excluding special revenues and expenditures and the figure for transparency in the price (subsidy) of energy bearers)	61
Table 49	Tax Revenues (excluding special revenues)	62
Table 50	Other Government Revenues (excluding special revenues and the figure for transparency in the price (subsidy) of energy bearers)	63
Table 51	Disposal and Acquisition of Financial Assets	64

Balance of Payments

Table 52	Balance of Payments	65
Table 53	Foreign Trade (excluding oil, gas and electricity)	65
Table 54	Value of Exports	66

Money and Banking

Table 55	Summary of the Assets and Liabilities of the Banking System	67
Table 56	Summary of the Assets and Liabilities of Central Bank of the Islamic Republic of Iran	68
Table 57	Summary of the Assets and Liabilities of Banks and Non-bank Credit Institutions	69
Table 58	Summary of the Assets and Liabilities of Commercial Banks (public)	70
Table 59	Summary of the Assets and Liabilities of Specialized Banks (public)	71
Table 60	Summary of the Assets and Liabilities of Private Banks and Non-bank Credit Institutions	72
Table 61	Banks and Non-bank Credit Institutions Claims on Non-public Sector	73
Table 62	Liquidity	73
Table 63	Balance Sheet as at the end of 1385 (March 20, 2007)	74
Table 64	Profit and Loss Account as at the end of 1385 (March 20, 2007)	76

Capital Market

Table 65	Tehran Stock Exchange Activities	78
Table 66	Summary of Participation Papers Issuance in 1385 (2006/07)	79

Price Trends

Table 67	Annual Average Consumer Price Index in Urban Areas	80
Table 68	Annual Average Wholesale Price Index	81
Table 69	Annual Average Producer Price Index	82
Table 70	Correspondence of Iranian and Gregorian Calendars	83

GROSS NATIONAL PRODUCT AND INCOME BY ECONOMIC SECTORS
(at current prices)

(billion rials)

Table 1

	2002/03	2003/04	2004/05□	2005/06□▲	2006/07□	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Agriculture	110,373	131,134	155,471	171,982	211,275	10.6	22.8	10.2	10.4
Oil	209,687	251,174	346,673	471,520	540,091	36.0	14.5	27.9	26.5
Manufacturing and mining	169,857	197,356	245,139	283,097	349,447	15.5	23.4	16.8	17.1
Mining	5,927	6,935	8,114	10,375	15,327	27.9	47.7	0.6	0.8
Manufacturing	104,443	123,185	156,076	181,343	221,487	16.2	22.1	10.7	10.9
Electricity, gas and water	13,471	16,621	20,211	22,160	24,224	9.6	9.3	1.3	1.2
Construction	46,016	50,616	60,739	69,220	88,408	14.0	27.7	4.1	4.3
Services	442,830	535,112	667,252	800,916	994,631	20.0	24.2	47.5	48.8
Trade, restaurant and hotel	109,825	131,531	160,862	188,552	226,542	17.2	20.1	11.2	11.1
Transport, storage and communications	67,072	84,119	101,195	121,804	149,777	20.4	23.0	7.2	7.3
Financial and monetary institutions services	19,051	29,539	49,419	66,230	93,212	34.0	40.7	3.9	4.6
Real estate, specialized and professional services	119,659	144,159	174,145	206,305	257,392	18.5	24.8	12.2	12.6
Public services	103,119	114,864	143,809	173,242	212,696	20.5	22.8	10.3	10.4
Social, personal and household services	24,105	30,900	37,821	44,782	55,013	18.4	22.8	2.7	2.7
Less:									
Imputed bank service charges	15,712	19,473	29,716	39,610	57,012	33.3	43.9	2.3	2.8
Gross domestic product (at basic price)	917,035	1,095,303	1,384,819	1,687,905	2,038,432	21.9	20.8	100.0	100.0
Non-oil gross domestic product (at basic price)	707,348	844,129	1,038,145	1,216,385	1,498,341	17.2	23.2		
Net factor income from abroad	-15,932	-21,772	-24,936	-31,483	-32,874				
Net indirect taxes	9,441	14,229	21,212	9,400	5,592				
Gross national product = Gross national income (at market price)	910,544	1,087,760	1,381,095	1,665,823	2,011,150	20.6	20.7		
Less:									
Depreciation cost of fixed assets	113,884	126,079	155,177	182,387	..	17.5	0		
Net indirect taxes	9,441	14,229	21,212	9,400	5,592				
National income	787,219	947,452	1,204,706	1,474,036	..	22.4	0		

GROSS NATIONAL PRODUCT AND INCOME BY ECONOMIC SECTORS
(at constant 1997/98 prices)

Table 2

(billion rials)

	2002/03	2003/04	2004/05□	2005/06□▲	2006/07□	Percentage change	
						2005/06	2006/07
Agriculture	49,818	53,362	54,521	59,602	62,386	9.3	4.7
Oil	39,405	44,694	45,871	46,144	47,546	0.6	3.0
Manufacturing and mining	83,430	89,910	97,490	103,975	112,863	6.7	8.5
Mining	2,591	2,920	3,177	3,512	3,982	10.5	13.4
Manufacturing	58,256	64,067	71,755	76,816	84,130	7.1	9.5
Electricity, gas and water	3,887	4,222	4,623	4,919	5,331	6.4	8.4
Construction	18,696	18,701	17,934	18,728	19,420	4.4	3.7
Services	186,828	195,614	204,603	215,969	230,077	5.6	6.5
Trade, restaurant and hotel	55,524	59,251	63,132	67,504	72,497	6.9	7.4
Transport, storage and communications	32,361	34,740	36,581	39,512	45,031	8.0	14.0
Financial and monetary institutions services	5,250	6,245	7,020	7,944	9,342	13.2	17.6
Real estate, specialized and professional services	49,927	51,007	52,119	54,087	55,600	3.8	2.8
Public services	33,552	33,151	33,848	34,244	34,261	1.2	0
Social, personal and household services	10,214	11,219	11,904	12,677	13,346	6.5	5.3
Less:							
Imputed bank service charges	3,927	3,742	4,251	4,763	5,992	12.0	25.8
Gross domestic product (at basic price)	355,554	379,838	398,234	420,928	446,880	5.7	6.2
Non-oil gross domestic product (at basic price)	316,149	335,144	352,363	374,784	399,334	6.4	6.6
Net factor income from abroad	-2,522	-2,780	-2,756	-3,869	-3,862		
Net indirect taxes	3,661	4,934	6,100	2,280	1,081		
Terms of trade effect	14,348	17,711	34,592	47,212	51,051		
Gross national product = Gross national income (at market price)	371,041	399,703	436,170	466,551	495,150	7.0	6.1
Less:							
Depreciation cost of fixed assets	51,553	53,608	56,563	59,741	..	5.6	0
Net indirect taxes	3,661	4,934	6,100	2,280	1,081		
National income	315,827	341,161	373,506	404,530	..	8.3	0

**GROSS NATIONAL EXPENDITURE
(at current prices)**

Table 3

(billion rials)

	2002/03	2003/04	2004/05□	2005/06□▲	2006/07□	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Private consumption expenditures	417,081	505,739	640,266	765,501	924,562	19.6	20.8	45.1	45.2
Public consumption expenditures	118,943	134,524	160,218	224,520	289,733	40.1	29.0	13.2	14.2
Gross fixed capital formation	262,588	318,820	401,765	464,532	538,720	15.6	16.0	27.4	26.4
Machinery	147,646	185,126	240,664	279,411	309,531	16.1	10.8	16.5	15.1
Private sector	108,185	138,847	189,757	..	..	0	0	..	..
Public sector	39,461	46,279	50,907	..	..	0	0	..	..
Construction	114,942	133,694	161,101	185,121	229,188	14.9	23.8	10.9	11.2
Private sector	55,804	60,589	77,393	..	..	0	0	..	..
Public sector	59,138	73,105	83,708	..	..	0	0	..	..
Change in stock (1)	62,585	83,785	104,666	98,198	126,749			5.8	6.2
Net export of goods and services	35,298	16,978	43,855	144,554	164,261			8.5	8.0
Export of goods and services	245,868	302,169	408,414	568,975	663,301	39.3	16.6	33.5	32.5
Import of goods and services	210,570	285,191	364,559	424,421	499,040	16.4	17.6	25.0	24.4
Statistical errors	29,982	49,686	55,262	..	..	0	0	..	..
Gross domestic expenditure	926,476	1,109,532	1,406,031	1,697,306	2,044,024	20.7	20.4	100.0	100.0
Net factor income from abroad	-15,932	-21,772	-24,936	-31,483	-32,874				
Gross national expenditure = Gross national product (at market price)	910,544	1,087,760	1,381,095	1,665,823	2,011,150	20.6	20.7		
Less:									
Depreciation cost of fixed assets	113,884	126,079	155,177	182,387	..	17.5	0		
Net indirect taxes	9,441	14,229	21,212	9,400	5,592				
National income	787,219	947,452	1,204,706	1,474,036	..	22.4	0		

(1) It includes statistical errors in 2005/06 and 2006/07.

GROSS NATIONAL EXPENDITURE
(at constant 1997/98 prices)

(billion rials)

Table 4

	2002/03	2003/04	2004/05□▲	2005/06□▲	2006/07□	Percentage change	
						2005/06	2006/07
Private consumption expenditures	193,565	203,751	221,273	235,816	250,324	6.6	6.2
Public consumption expenditures	43,631	43,897	44,468	49,644	53,337	11.6	7.4
Gross fixed capital formation	121,826	134,971	144,359	151,685	156,730	5.1	3.3
Machinery	69,858	80,644	91,934	96,770	99,682	5.3	3.0
Private sector	56,458	66,175	77,820	..	..	0	0
Public sector	13,400	14,468	14,113	..	..	0	0
Construction	51,968	54,327	52,425	54,915	57,048	4.7	3.9
Private sector	24,564	24,588	24,616	..	..	0	0
Public sector	27,404	29,738	27,810	..	..	0	0
Change in stock (1)	2,961	11,896	9,441	8,676	13,278		
Net export of goods and services	-4,392	-13,330	-25,376	-22,613	-25,709		
Export of goods and services	62,174	69,120	68,533	73,221	76,967	6.8	5.1
Import of goods and services	66,566	82,449	93,908	95,834	102,676	2.1	7.1
Statistical errors	1,624	3,588	10,168	..	..	0	0
Gross domestic expenditure	359,215	384,772	404,334	423,208	447,961	4.7	5.8
Terms of trade effect	14,348	17,711	34,592	47,212	51,051		
Net factor income from abroad	-2,522	-2,780	-2,756	-3,869	-3,862		
Gross national expenditure = Gross national product (at market price)	371,040	399,703	436,170	466,551	495,150	7.0	6.1
Less:							
Depreciation cost of fixed assets	51,553	53,608	56,563	59,741	..	5.6	0
Net indirect taxes	3,661	4,934	6,100	2,280	1,081		
National income	315,827	341,161	373,506	404,530	..	8.3	0

(1) It includes statistical errors in 2005/06 and 2006/07.

**ESTIMATED PRODUCTION AND AREA UNDER
CULTIVATION OF MAJOR CROPS**

Table 5

(thousand hectares-thousand tons)

	2005/06		2006/07		Percentage change○	
	Area	Production	Area	Production	Area	Production
Wheat	6,951	14,308	6,879	14,664	-1.0	2.5
Barley	1,659	2,857	1,568	2,956	-5.5	3.5
Rice (paddy)	628	2,737	631	2,612	0.4	-4.6
Corn	276	1,995	292	2,166	5.6	8.6
Cotton	160	363	117	284	-26.9	-21.8
Sugar beet	153	4,902	186	6,709	21.6	36.9
Sugar cane	63	5,530	67	4,959	5.1	-10.3
Green leaflet tea	34	197	32	155	-6.1	-21.3
Oil seeds	316	551	331	615	4.9	11.6
Tobacco	14	22	12	16	-13.8	-30.1
Pulses	908	639	941	678	3.6	6.1
Potatoes	190	4,830	164	4,219	-13.6	-12.7
Onions	50	1,685	59	2,038	18.6	20.9
Pistachio	440	230	444	250	0.9	8.9

Source: Ministry of Agriculture Jihad

**FACILITIES EXTENDED BY BANK KESHAVARZI
ACCORDING TO ISLAMIC CONTRACTS (1)**

Table 6

(billion rials)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change	Share (percent)	
							2005/06	2006/07
Gharz-al-hasaneh	1,650.8	788.3	1,589.7	1,426.4	2,473.1	73.4	2.9	4.7
Installment sale	7,721.4	11,816.8	16,397.0	22,368.6	22,950.7	2.6	44.8	43.4
Civil partnership	5,965.1	6,781.7	7,659.3	10,971.3	16,977.7	54.7	22.0	32.1
Mozarebeh	4,079.4	4,833.9	5,638.3	8,331.4	3,099.3	-62.8	16.7	5.9
Forward transactions	3,057.0	4,371.2	5,264.5	6,408.9	7,287.0	13.7	12.8	13.8
Joaleh	112.2	149.4	72.9	104.0	75.9	-27.0	0.2	0.1
Hire purchase	21.7	28.0	47.5	279.7	56.0	-80.0	0.6	0.1
Debt purchase	0	0	27.5	3.6	1.0	-70.9	0	0
Total	22,607.6	28,769.3	36,696.7	49,894.0	52,920.7	6.1	100.0	100.0

Source: Bank Keshavarzi

(1) Includes budgetary and non-budgetary facilities.

Table 7 **LIVESTOCK PRODUCTS** (thousand tons)

	2002/03	2003/04	2004/05	2005/06	2006/07□	Percentage change	
						2005/06	2006/07
Red meat	742	752	785	800	829	1.9	3.6
Milk	5,877	6,316	6,720	7,179	7,741	6.8	7.8
Poultry	942	1,104	1,152	1,237	1,360	7.4	9.9
Eggs	547	629	655	758	677	15.7	-10.7

Source: Ministry of Agriculture Jihad

Table 8 **YIELD OF MAJOR CROPS** (kilogram per hectare)

	2005/06	2006/07	Percentage change
Wheat	2,058	2,132	3.6
Barley	1,722	1,886	9.5
Rice (paddy)	4,357	4,142	-4.9
Corn	7,222	7,423	2.8
Cotton	2,276	2,433	6.9
Sugar beet	32,068	36,090	12.5
Sugar cane	87,235	74,465	-14.6
Green leaflet tea	5,781	4,844	-16.2
Oil seeds	1,745	1,856	6.4
Tobacco	1,607	1,303	-19.0
Pulses	704	721	2.4
Potatoes	25,475	25,754	1.1
Onions	33,777	34,432	1.9
Pistachio	522	563	7.9

Source: Ministry of Agriculture Jihad

Table 9 **GUARANTEED PURCHASE PRICE OF AGRICULTURAL CROPS** (rials per kilogram)

	2005/06	2006/07	Percentage change
Wheat	1,870	2,050	9.6
Barley	1,430	1,520	6.3
Rice (Khazar, Fajr and Sahel varieties)	6,000	6,800	13.3
Rice (Sepidrood variety)	5,200	5,600	7.7
Rice (Nemat and Neda varieties)	5,000	5,800	16.0
Rice (Amol, Cheram and Yasooj varieties)	4,200	4,900	16.7
Corn	1,480	1,620	9.5
Sugar beet	420	460	9.5
Sunflower (seed)	3,100	3,400	9.7
Soya	2,770	3,200	15.5
Green leaflet tea (1)	2,900	3,250	12.1
Lentil	3,390	3,800	12.1
Kidney bean	2,950	3,000	1.7
Navy bean	3,250	3,500	7.7
Pinto bean	3,250	3,500	7.7
Pea	3,120	3,600	15.4
Potatoes (fall harvest)	740	800	8.1
Cotton (raw)	4,150	4,500	8.4
Colza	3,420	3,700	8.2
Onions (fall harvest)	540	610	13.0

Source: Ministry of Agriculture Jihad

(1) The price mentioned is for the first grade green leaflet tea.

Table 10

WORLD PRIMARY ENERGY CONSUMPTION (1)

(million tons oil equivalent)

	2005 ▲					2006						
	Oil	Natural gas	Coal	Nuclear energy	Hydro-electricity	Total	Oil	Natural gas	Coal	Nuclear energy	Hydro-electricity	Total
North America	1,139.4	701.8	615.7	209.6	149.2	2,815.7	1,124.6	702.5	611.6	212.3	152.0	2,803.0
U.S.A.	951.4	576.7	574.2	186.3	61.8	2,350.4	938.8	566.9	567.3	187.5	65.9	2,326.4
Canada	100.3	82.3	32.5	20.8	81.2	317.1	98.8	87.0	35.0	22.3	79.3	322.3
Mexico	87.7	42.8	9.1	2.5	6.2	148.2	86.9	48.7	9.3	2.5	6.8	154.2
Central and South America	229.9	113.2	20.7	3.7	140.4	507.9	236.5	117.5	21.8	4.9	147.9	528.6
Europe and Central Asia	960.0	1,012.8	536.4	285.5	186.9	2,981.7	970.1	1,031.7	552.9	287.8	184.6	3,027.1
Commonwealth of Independent states	179.9	537.4	178.2	56.5	56.3	1,008.3	188.3	559.0	183.9	58.4	56.4	1,046.0
Norway	9.7	4.0	0.5	0	30.9	45.1	10.0	4.0	0.4	0	27.1	41.5
England	83.0	85.6	39.7	18.5	1.8	228.6	82.2	81.7	43.8	17.0	1.9	226.6
Others	687.4	385.8	318.0	210.5	97.9	1,699.7	689.6	387.0	324.8	212.4	99.2	1,713.0
Middle East	270.7	249.1	9.0	0	4.0	532.9	280.1	260.3	8.9	0	4.9	554.2
Africa	127.9	64.6	100.4	2.9	19.9	315.8	130.5	68.2	102.8	2.4	20.2	324.1
Asia Pacific	1,133.4	370.6	1,674.8	125.2	166.1	3,470.1	1,148.0	394.7	1,792.1	128.2	178.6	3,641.6
World total	3,861.3	2,512.2	2,957.0	627.0	666.6	10,624.0	3,889.8	2,574.9	3,090.1	635.6	688.2	10,878.6
Non-OPEC total	3,568.4	2,198.6	2,931.8	627.0	643.9	9,969.6	3,593.5	2,264.5	3,060.6	635.6	663.7	10,217.9
OECD members	2,279.7	1,282.5	1,169.7	531.4	296.6	5,559.9	2,259.0	1,287.0	1,171.5	537.0	299.2	5,553.7
OPEC (2)	292.9	313.6	25.2	0	22.7	654.4	296.3	310.4	29.5	0	24.5	660.7
Iran	76.5	92.1	1.1	0	2.9	172.7	79.3	94.6	1.1	0	3.8	178.8

Source: BP Statistical Bulletin, 2007

(1) Figures less than 0.1 after rounding are considered as zero. (2) Excludes Iraq, Libya and Nigeria.

Table 11

WORLD PROVEN OIL RESERVES

(billion barrels)

	1980 ▲	1990	2000 ▲	2005 ▲	2006	Percentage change		Share (percent)	
						2005	2006	2005	2006
North America	92.4	96.3	68.9	60.7	59.9	0	-1.3	5.0	5.0
U.S.A.	36.5	33.8	30.4	29.9	29.9	2.0	0	2.5	2.5
Canada	8.7	11.2	18.3	17.1	17.1	3.0	0	1.4	1.4
Mexico	47.2	51.3	20.2	13.7	12.9	-7.4	-5.8	1.1	1.1
Central and South America	26.7	71.6	97.9	103.2	103.5	0.2	0.3	8.5	8.6
Europe and Central Asia	24.5	80.3	114.1	145.2	144.4	2.7	-0.6	12.0	12.0
Commonwealth of Independent States	82.0	63.3	93.4	127.7	128.2	3.3	0.4	10.6	10.6
Norway	3.6	8.3	11.3	9.6	8.5	-0.8	-11.5	0.8	0.7
England	8.4	4.0	4.7	3.9	3.9	-2.4	0	0.3	0.3
Others	-69.6	4.7	4.6	4.0	3.8	-3.1	-5.0	0.3	0.3
Middle East	362.4	657.7	691.0	742.7	742.7	0.6	0	61.4	61.5
Africa	53.3	58.7	93.4	117.2	117.2	3.0	0	9.7	9.7
Asia Pacific	33.8	36.5	42.9	40.5	40.5	0.7	0	3.3	3.4
World total	667.1	1,001.1	1,108.2	1,209.5	1,208.2	1.0	-0.1	100.0	100.0
Non-OPEC total	232.5	235.2	222.9	304.0	302.6	1.4	-0.5	25.1	25.0
OECD members	109.2	115.1	93.3	81.9	79.8	-0.2	-2.6	6.8	6.6
OPEC	434.6	765.9	885.3	905.5	905.6	0.9	0	74.9	75.0
Iran	58.3	92.9	99.5	137.5	137.5	3.6	0	11.4	11.4

Source: BP Statistical Bulletin, 2007

Table 12

WORLD CRUDE OIL PRODUCTION (1)

(thousand b/d)

	1980	1990	2000▲	2005▲	2006	Percentage change		Share (percent)	
						2005	2006	2005	2006
North America	14,063	13,856	13,904	13,695	13,700	-3.1	*	16.9	16.8
U.S.A.	10,170	8,914	7,733	6,895	6,871	-4.6	-0.3	8.5	8.4
Canada	1,764	1,965	2,721	3,041	3,147	-1.4	3.5	3.7	3.9
Mexico	2,129	2,977	3,450	3,760	3,683	-1.7	-2.0	4.6	4.5
Central and South America	3,747	4,507	6,813	6,897	6,881	3.2	-0.2	8.5	8.4
Europe and Central Asia	15,086	16,099	14,943	17,533	17,562	-0.2	0.2	21.6	21.5
Commonwealth of Independent States	12,116	11,566	8,014	11,840	12,299	3.8	3.9	14.6	15.1
Norway	528	1,716	3,346	2,969	2,778	-6.9	-6.4	3.7	3.4
England	1,663	1,918	2,667	1,809	1,636	-10.8	-9.6	2.2	2.0
Others	778	901	917	915	849	-3.6	-7.2	1.1	1.0
Middle East	18,882	17,540	23,614	25,352	25,589	2.4	0.9	31.2	31.3
Africa	6,225	6,725	7,929	9,846	9,990	6.3	1.5	12.1	12.2
Asia Pacific	4,943	6,743	7,928	7,926	7,941	1.2	0.2	9.8	9.7
World total	62,946	65,470	75,032	81,250	81,663	1.3	0.5	100.0	100.0
Non-OPEC total	35,697	40,841	43,519	47,183	47,461	0.2	0.6	58.1	58.1
OECD members	17,135	18,838	21,517	19,825	19,398	-4.3	-2.2	24.4	23.8
OPEC	27,249	24,629	31,513	34,067	34,202	2.7	0.4	41.9	41.9
Iran	1,479	3,270	3,818	4,268	4,343	0.5	1.8	5.3	5.3

Source: BP Statistical Bulletin, 2007

(1) Includes NGL, shale oil and oil sands.

43

Table 13

WORLD OIL CONSUMPTION (1)

(thousand b/d)

	1980▲	1990▲	2000▲	2005▲	2006	Percentage change		Share (percent)	
						2005	2006	2005	2006
North America	20,012	20,206	23,548	25,023	24,783	0.5	-1.0	30.1	29.6
U.S.A.	17,062	16,988	19,701	20,802	20,589	0.3	-1.0	25.0	24.6
Canada	1,915	1,762	1,937	2,247	2,222	-0.1	-1.1	2.7	2.7
Mexico	1,034	1,456	1,910	1,973	1,972	2.8	-0.1	2.4	2.4
Central and South America	3,378	3,760	4,861	5,006	5,152	3.7	2.9	6.0	6.2
Europe and Central Asia	24,389	23,540	19,564	20,314	20,482	0.9	0.8	24.5	24.5
Commonwealth of Independent States	8,494	8,582	3,627	3,819	3,997	1.0	4.7	4.6	4.8
Norway	201	203	201	212	217	1.0	2.4	0.3	0.3
England	1,672	1,762	1,697	1,802	1,781	2.2	-1.2	2.2	2.1
Others	14,023	12,994	14,039	14,481	14,487	0.7	0	17.4	17.3
Middle East	2,046	3,484	4,735	5,712	5,923	4.0	3.7	6.9	7.1
Africa	1,374	1,976	2,458	2,731	2,790	3.3	2.2	3.3	3.3
Asia Pacific	10,532	13,864	21,114	24,294	24,589	1.6	1.2	29.2	29.4
Japan	4,936	5,304	5,577	5,355	5,164	1.4	-3.6	6.4	6.2
China	1,694	2,323	4,772	6,984	7,445	3.1	6.6	8.4	8.9
Others	3,902	6,237	10,765	11,955	11,980	0.9	0.2	14.4	14.3
World total	61,731	66,830	76,280	83,080	83,719	1.4	0.8	100.0	100.0
Non-OPEC total	59,355	63,133	71,185	76,839	77,395	1.2	0.7	92.5	92.4
OECD members	41,050	41,356	47,672	49,448	49,041	0.7	-0.8	59.5	58.6
OPEC (2)	2,376	3,697	5,095	6,241	6,324	4.0	1.3	7.5	7.6
Iran (3)	625	951	1,319	1,607	1,669	2.0	3.9	1.9	2.0

Source: BP Statistical Bulletin, 2007

(1) Includes domestic demand for oil, aviation and navy fuel, fuel for refineries and oil wastes.

(2) Excludes Iraq, Nigeria and Libya.

(3) Estimations by the BP are more than those published by the Ministry of Petroleum.

Table 14

OPEC CRUDE OIL PRODUCTION (1)

(thousand b/d)

	1980	1990	2000 ▲	2005 ▲	2006	Percentage change		Share (percent)	
						2005	2006	2005	2006
Middle East members	18,384	16,205	21,610	23,654	24,007	2.6	1.5	69.4	70.2
Saudi Arabia	10,270	7,105	9,491	11,114	10,859	4.5	-2.3	32.6	31.7
Iran	1,479	3,270	3,818	4,268	4,343	0.5	1.8	12.5	12.7
Iraq	2,658	2,149	2,614	1,833	1,999	-9.7	9.1	5.4	5.8
Kuwait	1,757	964	2,206	2,643	2,704	6.5	2.3	7.8	7.9
U.A.E.	1,745	2,283	2,626	2,751	2,969	3.6	7.9	8.1	8.7
Qatar	476	434	855	1,045	1,133	5.5	8.4	3.1	3.3
Other members	8,865	8,424	9,903	10,413	10,195	2.8	-2.1	30.6	29.8
Venezuela	2,228	2,244	3,239	2,937	2,824	1.0	-3.8	8.6	8.3
Nigeria	2,059	1,870	2,155	2,580	2,460	3.1	-4.7	7.6	7.2
Indonesia	1,577	1,539	1,456	1,129	1,071	-2.0	-5.1	3.3	3.1
Libya	1,862	1,424	1,475	1,751	1,835	7.8	4.8	5.1	5.4
Algeria	1,139	1,347	1,578	2,016	2,005	3.6	-0.5	5.9	5.9
Total (2)	27,249	24,629	31,513	34,067	34,202	2.7	0.4	100.0	100.0

Source: BP Statistical Bulletin, 2007

(1) Includes NGL, shale oil and oil sands.

(2) Based on the data in OPEC Monthly Oil Market Report, the NGL production in OPEC member countries was 4.0 and 4.3 million barrels per day, in 2005 and 2006, respectively.

Table 15

AVERAGE SPOT PRICES OF CRUDE OIL DURING 2006 AND Q1, 2007

(barrel-dollar)

	Iran		Average	Saudi Arabia		U.A.E. Dubai	OPEC basket (1)	England		U.S.A. WTI
	Light (33.9°)	Heavy (31°)		Light (34.2°)	Dubai (32.4°)			Brent (38°)	WTI (40°)	
2006										
January	58.99	57.10	58.05	58.43	58.56	58.48	63.05	65.39		
February	57.00	55.43	56.22	56.56	57.61	56.62	60.12	61.49		
March	58.77	56.56	57.67	57.54	57.62	57.87	62.08	62.82		
April	65.14	63.09	64.12	63.85	65.22	64.44	70.35	69.46		
May	64.67	63.27	63.97	64.83	65.07	65.11	69.83	70.89		
June	64.30	62.24	63.27	65.03	65.22	64.60	68.69	70.88		
July	68.81	66.59	67.70	69.06	69.17	68.89	73.66	74.33		
August	68.49	66.42	67.46	68.76	68.92	68.81	73.11	73.01		
September	58.56	57.14	57.85	59.72	59.82	59.34	61.71	64.00		
October	55.42	53.27	54.35	55.64	56.36	54.97	57.80	58.82		
November	55.39	53.97	54.68	55.53	58.92	55.42	58.92	58.94		
December	56.98	55.75	56.37	57.70	62.33	57.95	62.33	61.96		
Average of 2006	61.07	59.27	60.17	61.10	66.07	61.08	65.16	66.04		
2007										
January	53.93	47.91	50.92	50.86	53.68	50.73	53.78	50.13		
February	58.41	51.87	55.14	54.29	57.43	54.45	57.53	53.82		
March	62.84	56.39	59.62	58.08	62.15	58.47	62.30	58.81		
Estimated average of 1385 (2)	61.10	58.20	59.65	60.32	62.06	60.31	64.21	63.81		

Source: OPEC Annual Bulletin, 2007 and OPEC Monthly Bulletin, May and June 2007

(1) Includes eleven types of crude oil: Arab Light (Saudi Arabia), Basra Light (Iraq), BCF 17 (Venezuela), Bonny Light (Nigeria), Es Sider (Libya), Iran Heavy (Islamic Republic of Iran), Kuwait Export (Kuwait), Qatar Marine (Qatar), Minas (Indonesia), Murban (U.A.E.) and Saharan Blend (Algeria).

(2) Average of the second, third and fourth quarters of 2006 and the first quarter of 2007

Table 16

IRAN OIL EXPORT

(thousand b/d)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Crude oil	2,021	2,396	2,548	2,602	2,433	2.1	-6.5	91.4	90.1
Oil products	269	282	261	245	266	-6.1	8.6	8.6	9.9
Total	2,290	2,678	2,809	2,847	2,699	1.4	-5.2	100.0	100.0

Source: Ministry of Petroleum

Table 17

DOMESTIC CONSUMPTION OF OIL PRODUCTS

(thousand b/d)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Gas oil	343	359	348	417	500	19.8	19.9	29.9	33.5
Fuel oil	151	145	178	218	242	22.5	11.0	15.6	16.2
Gasoline	237	276	335	373	422	11.3	13.1	26.8	28.3
Kerosene	149	154	174	169	142	-2.9	-16.0	12.1	9.5
LPG	54	..	54	64	43	18.5	-32.8	4.6	2.9
Other products	115	..	127	153	143	20.5	-6.5	11.0	9.6
Total	1,049	..	1,216	1,394	1,492	14.6	7.0	100.0	100.0

Source: Ministry of Petroleum

Table 18

GEOGRAPHICAL DISTRIBUTION OF CRUDE OIL EXPORTS

(percent)

	2002/03	2003/04	2004/05	2005/06	2006/07
Europe	11.1	10.5	25.8	33.5	38.4
Japan	25.9	24.9	20.6	20.0	16.4
Asia and the Far East (except Japan)	35.1	33.8	35.8	39.4	38.8
Africa	7.2	6.6	7.4	7.1	6.1
Other countries (1)	20.7	24.2	10.4	0	0.3
Total	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Petroleum

(1) Includes Mediterranean countries.

Table 19**PRODUCTION OF NATURAL GAS**

(billion cubic meters)

	2002/03	2003/04	2004/05	2005/06	2006/07 (1)	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Domestic consumption (2)	76.0	86.6	97.7	106.7	121.2	9.2	13.6	81.7	84.6
Flared	10.8	13.7	14.7	15.8	15.1	7.5	-4.4	12.1	10.5
Export	1.3	3.4	3.5	4.8	5.7	37.1	18.8	3.7	4.0
Regional uses and wastes	8.0	11.7	9.4	7.4	5.0	-21.3	-32.4	5.7	3.5
Total production (3)	96.1	109.6	119.4	130.6	143.2	9.4	9.6	100.0	100.0

Source: Ministry of Petroleum (1) Components may not sum to total because of imports. (2) Includes residential, commercial, industrial, power plants and refineries consumption. (3) Excludes gas injected into oil wells.

Table 20**GENERATION OF ELECTRICITY**

(million kwh)

	2002/03	2003/04	2004/05	2005/06 (1)	2006/07 (1)	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Ministry of Energy (2)	135,146	146,923	158,951	173,269	186,149	9.0	7.4	98.3	96.9
Hydroelectric	8,050	11,059	11,555	14,366	19,147	24.3	33.3	8.1	10.0
Steam	81,983	85,403	87,388	91,351	89,590	4.5	-1.9	51.8	46.6
Gas and combined cycle	44,757	50,170	59,763	67,277	77,062	12.6	14.5	38.2	40.1
Diesel	356	291	245	210	225	-14.3	7.1	0.1	0.1
Other institutions (3)	5,884	6,002	2,823	3,073	6,018	8.9	95.8	3.1	3.1
Total	141,030	152,925	161,774	176,342	192,167	9.0	9.0	100.0	100.0

Source: Ministry of Energy

(1) In 2005/06 and 2006/07, in addition to the mentioned figures, respectively 65 and 125 million kwh electricity was generated by wind turbines of the Ministry of Energy.

(2) In 2006/07, 5,610 million kwh was generated by the private sector.

(3) Includes industries and miscellaneous producers.

Table 21**CONSUMPTION OF ELECTRICITY (1)**

(million kwh)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Residential	35,408	37,429	41,196	45,330	49,911	10.0	10.1	33.8	34.0
Industrial	34,194	36,735	40,681	42,583	45,549	4.7	7.0	31.7	31.0
Public	12,455	13,562	14,575	16,263	18,412	11.6	13.2	12.1	12.5
Commercial	7,033	7,466	7,846	8,706	9,403	11.0	8.0	6.5	6.4
Agricultural	13,069	15,574	17,195	17,060	19,471	-0.8	14.1	12.7	13.2
Street lighting	3,366	4,893	4,035	4,296	4,255	6.5	-1.0	3.2	2.9
Total	105,525	115,659	125,528	134,238	147,001	6.9	9.5	100.0	100.0

Source: Ministry of Energy

(1) Sale of electricity to customers

**INVESTMENT BASED ON ESTABLISHMENT PERMITS ISSUED FOR NEW MANUFACTURING
AND MINING UNITS AND EXPANSION OF EXISTING UNITS**

Table 22

(billion rials)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change ○		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Food and beverages	25,250	40,075	66,013	73,378	135,198	11.2	84.2	8.1	9.5
Tobacco products	0	702	3	2	375	-46.4	▣	*	*
Textiles	11,550	17,883	14,258	18,081	45,949	26.8	154.1	2.0	3.2
Wearing apparel, dressing and dyeing of fur	952	1,141	902	1,607	2,626	78.1	63.4	0.2	0.2
Tanning and dressing of leather, manufacture of luggage, handbags and footwear	725	1,063	1,224	947	2,520	-22.6	166.0	0.1	0.2
Wood and wood products except furniture	4,247	2,976	7,261	11,367	30,160	56.5	165.3	1.3	2.1
Paper and paper products	4,907	6,572	8,368	20,230	43,344	141.8	114.3	2.2	3.0
Printing, publishing and reproduction of recorded media	298	744	950	1,076	2,637	13.2	145.1	0.1	0.2
Coke and refined petroleum products and nuclear fuels	1,469	1,150	71,736	54,372	191,128	-24.2	251.5	6.0	13.4
Chemical products	18,319	31,718	79,212	102,354	276,164	29.2	169.8	11.4	19.4
Rubber and plastic products	11,663	25,977	35,985	41,517	65,625	15.4	58.1	4.6	4.6
Non-metallic mineral products	80,363	119,419	128,600	110,040	140,995	-14.4	28.1	12.2	9.9
Basic metals	68,472	102,078	253,357	373,710	305,531	47.5	-18.2	41.5	21.5
Fabricated metal products except machinery and equipment	9,368	15,568	21,438	36,534	45,180	70.4	23.7	4.1	3.2
Machinery and equipment unclassified elsewhere	9,765	9,380	19,475	11,955	26,745	-38.6	123.7	1.3	1.9
Office and accounting machines	634	2,157	1,636	3,048	3,831	86.3	25.7	0.3	0.3
Electrical machines and electronic devices	3,777	7,020	8,708	9,759	21,026	12.1	115.5	1.1	1.5
Radio, television and telecommunication instruments	584	549	951	1,602	3,326	68.5	107.6	0.2	0.2
Medical and optical tools, precision instruments and clocks	1,389	1,056	1,632	1,989	2,938	21.8	47.7	0.2	0.2
Motor vehicles, trailer and semi-trailer	10,825	18,680	31,753	18,046	43,568	-43.2	141.4	2.0	3.1
Other transport equipment	2,876	2,268	4,566	3,571	17,207	-21.8	381.8	0.4	1.2
Furniture and artificial goods unclassified elsewhere	793	837	3,473	1,639	4,032	-52.8	146.0	0.2	0.3
Recycling	1,050	1,212	2,487	4,051	13,410	62.9	231.0	0.4	0.9
Total	269,277	410,226	763,986	900,874	1,423,515	17.9	58.0	100.0	100.0

Source: Ministry of Industries and Mines

**INVESTMENT BASED ON OPERATION PERMITS ISSUED FOR NEW MANUFACTURING
AND MINING UNITS AND EXPANSION OF EXISTING UNITS**

Table 23

(billion rials)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change ○		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Food and beverages	2,143	4,211	10,876	10,300	11,180	-5.3	8.5	18.7	14.5
Tobacco products	0	0	0	0	0	0	0	0	0
Textiles	1,105	1,334	2,699	3,922	3,548	45.3	-9.5	7.1	4.6
Wearing apparel, dressing and dyeing of fur	32	56	62	104	122	68.0	17.5	0.2	0.2
Tanning and dressing of leather, manufacture of luggage, handbags and footwear	74	112	175	150	245	-14.2	63.3	0.3	0.3
Wood and wood products except furniture	69	340	198	491	1,038	147.7	111.7	0.9	1.3
Paper and paper products	164	408	419	844	970	101.2	14.9	1.5	1.3
Printing, publishing and reproduction of recorded media	39	29	285	103	200	-63.8	93.8	0.2	0.3
Coke and refined petroleum products and nuclear fuels	1,589	1,090	253	1,061	657	320.0	-38.0	1.9	0.9
Chemical products	3,213	6,336	2,868	5,795	19,781	102.1	241.4	10.5	25.6
Rubber and plastic products	577	1,772	3,330	6,016	7,158	80.7	19.0	10.9	9.3
Non-metallic mineral products	2,446	4,244	12,404	8,470	11,219	-31.7	32.5	15.3	14.5
Basic metals	3,791	3,785	2,445	5,879	9,713	140.5	65.2	10.7	12.6
Fabricated metal products except machinery and equipment	1,031	936	1,168	2,190	4,528	87.4	106.8	4.0	5.9
Machinery and equipment unclassified elsewhere	439	617	4,798	972	1,660	-79.7	70.9	1.8	2.2
Office and accounting machines	68	62	156	584	253	274.3	-56.6	1.1	0.3
Electrical machines and electronic devices	541	1,146	1,816	3,849	1,921	112.0	-50.1	7.0	2.5
Radio, television and telecommunication instruments	27	28	836	108	158	-87.1	45.7	0.2	0.2
Medical and optical tools, precision instruments and clocks	35	199	106	272	189	155.2	-30.3	0.5	0.2
Motor vehicles, trailer and semi-trailer	437	872	3,845	3,212	1,966	-16.4	-38.8	5.8	2.5
Other transport equipment	160	1,251	277	536	342	93.5	-36.2	1.0	0.4
Furniture and artificial goods unclassified elsewhere	56	36	155	148	223	-4.6	50.7	0.3	0.3
Recycling	27	12	76	178	101	132.6	-43.2	0.3	0.1
Total	18,059	28,875	49,248	55,181	77,173	12.0	39.9	100.0	100.0

Source: Ministry of Industries and Mines

**NUMBER OF ESTABLISHMENT PERMITS ISSUED FOR NEW MANUFACTURING AND MINING
UNITS AND EXPANSION OF EXISTING UNITS**

Table 24

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Food and beverages	4,091	4,707	5,178	5,750	9,849	11.0	71.3	18.4	18.1
Tobacco products	1	3	2	1	7	-50.0	▣	*	*
Textiles	1,495	1,562	1,300	1,433	2,683	10.2	87.2	4.6	4.9
Wearing apparel, dressing and dyeing of fur	1,648	1,110	782	876	1,997	12.0	128.0	2.8	3.7
Tanning and dressing of leather, manufacture of luggage, handbags and footwear	291	210	222	240	506	8.1	110.8	0.8	0.9
Wood and wood products except furniture	733	768	731	951	1,780	30.1	87.2	3.0	3.3
Paper and paper products	770	713	781	854	1,655	9.3	93.8	2.7	3.0
Printing, publishing and reproduction of recorded media	122	141	125	149	204	19.2	36.9	0.5	0.4
Coke and refined petroleum products and nuclear fuels	257	225	272	351	456	29.0	29.9	1.1	0.8
Chemical products	1,751	1,766	2,025	2,250	3,255	11.1	44.7	7.2	6.0
Rubber and plastic products	2,098	2,643	3,385	4,052	6,573	19.7	62.2	13.0	12.1
Non-metallic mineral products	5,317	5,530	5,123	5,233	8,674	2.1	65.8	16.8	16.0
Basic metals	866	857	1,235	1,033	2,089	-16.4	102.2	3.3	3.8
Fabricated metal products except machinery and equipment	2,343	2,322	3,000	2,690	4,558	-10.3	69.4	8.6	8.4
Machinery and equipment unclassified elsewhere	1,661	1,696	2,000	1,956	3,572	-2.2	82.6	6.3	6.6
Office and accounting machines	357	278	276	218	435	-21.0	99.5	0.7	0.8
Electrical machines and electronic devices	848	747	878	751	1,495	-14.5	99.1	2.4	2.8
Radio, television and telecommunication instruments	186	172	165	158	304	-4.2	92.4	0.5	0.6
Medical and optical tools, precision instruments and clocks	263	241	229	231	372	0.9	61.0	0.7	0.7
Motor vehicles, trailer and semi-trailer	823	842	844	787	1,306	-6.8	65.9	2.5	2.4
Other transport equipment	438	387	268	256	413	-4.5	61.3	0.8	0.8
Furniture and artificial goods unclassified elsewhere	582	479	633	672	1,298	6.2	93.2	2.2	2.4
Recycling	160	149	184	313	807	70.1	157.8	1.0	1.5
Total	27,101	27,548	29,638	31,205	54,288	5.3	74.0	100.0	100.0

Source: Ministry of Industries and Mines

**NUMBER OF OPERATION PERMITS ISSUED FOR NEW MANUFACTURING AND MINING UNITS
AND EXPANSION OF EXISTING UNITS**

Table 25

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Food and beverages	651	697	759	825	833	8.7	1.0	13.7	12.3
Tobacco products	0	0	0	0	0	0	0	0	0
Textiles	368	347	315	384	444	21.9	15.6	6.4	6.6
Wearing apparel, dressing and dyeing of fur	210	144	125	108	115	-13.6	6.5	1.8	1.7
Tanning and dressing of leather, manufacture of luggage, handbags and footwear	110	69	45	65	60	44.4	-7.7	1.1	0.9
Wood and wood products except furniture	66	90	83	144	223	73.5	54.9	2.4	3.3
Paper and paper products	112	110	113	146	168	29.2	15.1	2.4	2.5
Printing, publishing and reproduction of recorded media	21	23	38	32	28	-15.8	-12.5	0.5	0.4
Coke and refined petroleum products and nuclear fuels	73	68	77	69	87	-10.4	26.1	1.1	1.3
Chemical products	372	349	440	522	522	18.6	0	8.7	7.7
Rubber and plastic products	387	547	724	1,169	979	61.5	-16.3	19.4	14.5
Non-metallic mineral products	555	761	866	1,192	1,731	37.6	45.2	19.8	25.6
Basic metals	125	144	153	193	208	26.1	7.8	3.2	3.1
Fabricated metal products except machinery and equipment	338	336	354	353	438	-0.3	24.1	5.9	6.5
Machinery and equipment unclassified elsewhere	265	289	318	316	399	-0.6	26.3	5.2	5.9
Office and accounting machines	48	54	46	35	27	-23.9	-22.9	0.6	0.4
Electrical machines and electronic devices	118	100	140	127	131	-9.3	3.1	2.1	1.9
Radio, television and telecommunication instruments	25	18	24	17	20	-29.2	17.6	0.3	0.3
Medical and optical tools, precision instruments and clocks	27	44	32	40	34	25.0	-15.0	0.7	0.5
Motor vehicles, trailer and semi-trailer	118	133	133	133	136	0	2.3	2.2	2.0
Other transport equipment	74	91	67	55	54	-17.9	-1.8	0.9	0.8
Furniture and artificial goods unclassified elsewhere	66	55	50	70	100	40.0	42.9	1.2	1.5
Recycling	18	13	24	30	27	25.0	-10.0	0.5	0.4
Total	4,147	4,482	4,926	6,025	6,764	22.3	12.3	100.0	100.0

Source: Ministry of Industries and Mines

EMPLOYMENT BASED ON ESTABLISHMENT PERMITS ISSUED FOR NEW MANUFACTURING AND MINING UNITS AND EXPANSION OF EXISTING UNITS

Table 26

(person)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Food and beverages	110,816	131,239	181,841	169,776	279,596	-6.6	64.7	17.3	18.8
Tobacco products	8	618	41	16	502	-61.0	▣	*	*
Textiles	44,557	48,155	39,228	43,470	74,649	10.8	71.7	4.4	5.0
Wearing apparel, dressing and dyeing of fur	23,812	22,547	13,428	17,768	30,799	32.3	73.3	1.8	2.1
Tanning and dressing of leather, manufacture of luggage, handbags and footwear	5,926	6,560	7,854	5,387	11,438	-31.4	112.3	0.6	0.8
Wood and wood products except furniture	13,512	12,054	18,321	21,539	35,770	17.6	66.1	2.2	2.4
Paper and paper products	15,620	18,758	21,762	25,607	46,080	17.7	80.0	2.6	3.1
Printing, publishing and reproduction of recorded media	1,518	2,194	2,290	2,375	5,047	3.7	112.5	0.2	0.3
Coke and refined petroleum products and nuclear fuels	5,238	4,912	13,074	12,308	33,099	-5.9	168.9	1.3	2.2
Chemical products	53,255	55,856	75,231	77,584	120,102	3.1	54.8	7.9	8.1
Rubber and plastic products	41,465	59,594	80,722	86,892	135,922	7.6	56.4	8.9	9.2
Non-metallic mineral products	157,175	167,798	139,090	123,278	187,803	-11.4	52.3	12.6	12.7
Basic metals	49,376	70,475	100,552	157,459	138,791	56.6	-11.9	16.1	9.4
Fabricated metal products except machinery and equipment	46,007	53,641	65,925	66,284	100,180	0.5	51.1	6.8	6.7
Machinery and equipment unclassified elsewhere	36,852	41,410	53,053	55,218	91,817	4.1	66.3	5.6	6.2
Office and accounting machines	4,907	4,909	5,960	5,340	8,458	-10.4	58.4	0.5	0.6
Electrical machines and electronic devices	22,825	21,877	31,926	25,699	43,478	-19.5	69.2	2.6	2.9
Radio, television and telecommunication instruments	3,368	4,033	3,864	4,617	8,048	19.5	74.3	0.5	0.5
Medical and optical tools, precision instruments and clocks	5,331	5,855	11,665	7,240	9,108	-37.9	25.8	0.7	0.6
Motor vehicles, trailer and semi-trailer	41,737	60,599	48,573	38,802	60,046	-20.1	54.7	4.0	4.0
Other transport equipment	21,480	18,702	13,522	12,825	19,330	-5.2	50.7	1.3	1.3
Furniture and artificial goods unclassified elsewhere	9,795	7,398	17,386	12,264	22,286	-29.5	81.7	1.3	1.5
Recycling	2,512	8,409	4,444	7,670	21,888	72.6	185.4	0.8	1.5
Total	717,092	827,593	949,752	979,418	1,484,237	3.1	51.5	100.0	100.0

Source: Ministry of Industries and Mines

**EMPLOYMENT BASED ON OPERATION PERMITS ISSUED FOR NEW MANUFACTURING
AND MINING UNITS AND EXPANSION OF EXISTING UNITS**

(person)

Table 27

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Food and beverages	14,857	19,053	27,430	21,031	19,762	-23.3	-6.0	17.3	15.7
Tobacco products	0	0	0	0	0	0	0	0	0
Textiles	6,087	8,835	11,094	8,917	10,275	-19.6	15.2	7.4	8.1
Wearing apparel, dressing and dyeing of fur	2,261	1,742	1,758	1,822	1,477	3.6	-18.9	1.5	1.2
Tanning and dressing of leather, manufacture of luggage, handbags and footwear	997	1,197	1,069	866	834	-19.0	-3.7	0.7	0.7
Wood and wood products except furniture	697	1,377	1,105	1,989	2,764	80.0	39.0	1.6	2.2
Paper and paper products	1,449	2,379	1,919	2,304	2,860	20.1	24.1	1.9	2.3
Printing, publishing and reproduction of recorded media	227	171	409	296	424	-27.6	43.2	0.2	0.3
Coke and refined petroleum products and nuclear fuels	2,336	1,428	1,188	1,546	1,218	30.1	-21.2	1.3	1.0
Chemical products	7,947	10,413	8,827	9,563	10,485	8.3	9.6	7.9	8.3
Rubber and plastic products	4,826	8,180	13,158	14,372	12,429	9.2	-13.5	11.8	9.9
Non-metallic mineral products	10,746	15,287	18,169	18,962	25,090	4.4	32.3	15.6	19.9
Basic metals	4,850	9,447	6,709	6,045	7,421	-9.9	22.8	5.0	5.9
Fabricated metal products except machinery and equipment	4,565	5,621	6,503	6,566	9,038	1.0	37.6	5.4	7.2
Machinery and equipment unclassified elsewhere	4,578	7,917	7,872	6,163	7,639	-21.7	23.9	5.1	6.1
Office and accounting machines	465	748	723	687	540	-5.0	-21.4	0.6	0.4
Electrical machines and electronic devices	2,716	3,992	4,890	6,181	4,654	26.4	-24.7	5.1	3.7
Radio, television and telecommunication instruments	349	281	1,417	1,947	762	37.4	-60.9	1.6	0.6
Medical and optical tools, precision instruments and clocks	263	771	704	1,013	486	43.9	-52.0	0.8	0.4
Motor vehicles, trailer and semi-trailer	3,483	5,821	11,208	7,187	4,557	-35.9	-36.6	5.9	3.6
Other transport equipment	2,607	8,087	1,982	2,552	1,804	28.8	-29.3	2.1	1.4
Furniture and artificial goods unclassified elsewhere	793	533	1,284	924	1,300	-28.0	40.7	0.8	1.0
Recycling	197	92	416	386	336	-7.2	-13.0	0.3	0.3
Total	77,296	113,372	129,834	121,319	126,155	-6.6	4.0	100.0	100.0

Source: Ministry of Industries and Mines

**GOVERNMENT ACQUISITION OF NON-FINANCIAL–NATIONAL ASSETS (DEVELOPMENT EXPENDITURES) IN
MANUFACTURING AND MINING SECTOR AND INDUSTRIAL RESEARCH PROJECT (1)**

Table 28

(billion rials)

	Performance		Share (percent)		Percentage change	2006/07	
	2005/06	2006/07	2005/06	2006/07		Approved	Performance (percent)
Manufacturing and mining	2,903.7	2,696.4	97.2	99.3	-7.1	3,353.3	80.4
Manufacturing and mining infrastructures	184.6	259.9	6.2	9.6	40.8	395.4	65.7
Establishment and development of industries	1,192.3	1,371.5	39.9	50.5	15.0	1,646.4	83.3
Geology	134.5	337.1	4.5	12.4	150.7	161.0	209.4
Exploration and operation of mines	556.7	218.2	18.6	8.0	-60.8	305.4	71.5
Quality improvement of manufacturing products	0	438.6	0	16.2	0	705.5	62.2
Quality improvement of mining products	0	58.4	0	2.1	0	120.7	48.4
Reinforcement of buildings	0	9.5	0	0.3	0	19.1	49.9
Organization, mechanization, and expansion of geology networks exploration and mobilization	0	3.2	0	0.1	0	0	0
Applied research	171.5	0	5.7	0	-100.0	0	0
Policy-making, management and supervision	68.7	0	2.3	0	-100.0	0	0
Technical and credit assistance to private and cooperative sectors	595.4	0	19.9	0	-100.0	0	0
Industrial research project in the manufacturing and mining sector	83.7	18.8	2.8	0.7	-77.5	28.9	65.0
National expenditures	2,987.3	2,715.2	100.0	100.0	-9.1	3,382.2	80.3

Source: Ministry of Economic Affairs and Finance-Treasury General

(1) Since 2005/06, credits allocated to manufacturing and mining sectors have appeared under one heading, therefore, figures for this year are not comparable with those of the previous years.

Table 29

PAYMENTS BY BANK OF INDUSTRY AND MINE

(billion rials)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change	
						2005/06	2006/07
Banking facilities (1)	376.4	305.5	2,732.4	3,337.6	7,692.1	22.2	130.5
Direct investment and legal partnership	359.3	301.4	367.6	442.1	4.9	20.3	-98.9
Total (2)	735.7	606.9	3,100.1	3,779.7	7,697.0	21.9	103.6

Source: Bank of Industry and Mine

(1) Excludes direct investment and legal partnership.

(2) Excludes payments in the form of administered funds and Article 1, 4th FYDP Law (Article 60, 3rd FYDP Law).

**GOVERNMENT ACQUISITION OF NON-FINANCIAL ASSETS (DEVELOPMENT EXPENDITURES) IN
HOUSING SECTOR AND HOUSING PROVISION PLANS IN THE FRAMEWORK OF WELFARE
AND SOCIAL SECURITY SYSTEM**

Table 30

(million rials)

	Performance		2006/07			
	2005/06	2006/07	Percentage change	Share (percent)	Approved	Performance (percent)
Settlement of nomads	3,025	4,540	50.1	0.1	1,884	241.0
Housing	247,209	2,989,183	▣	75.4	593,780	503.4
Improvement of urban and rural structure	279,879	196,269	-29.9	5.0	258,707	75.9
Reinforcement of buildings	1,500	17,340	▣	0.4	33,400	51.9
Reorganization of special zones	3,922,721	707,318	-82.0	17.9	2,559,260	27.6
Applied research	25,082	0	-100.0	0	0	0
Policy-making, management and supervision	29,453	0	-100.0	0	0	0
Technical and credit assistance to private and cooperative sectors	4,032,000	0	-100.0	0	0	0
Study and formulation of rules and regulations	0	6,233	0	0.2	8,962	69.5
Total	8,540,869	3,920,882	-54.1	99.0	3,455,993	113.5
Affordable Housing Plan for the low-income groups	34,829	37,702	8.2	1.0	23,374	161.3
Housing provision for the disabled and senior citizens (in the framework of Welfare and Social Security System)	0	3,770	0	0.1	3,770	100.0
Grand Total	8,575,698	3,962,354	-53.8	100.0	3,483,137	113.8

Source: Ministry of Economic Affairs and Finance-Treasury General

Table 31

FACILITIES EXTENDED BY BANK MASKAN (1)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change ○	
						2005/06	2006/07
Number (in thousands)	372.0	334.8	208.8	299.4	432.4	43.4	44.4
Amount (billion rials)	15,748.8	14,488.6	17,584.3	43,446.8	73,143.5	147.1	68.4

Source: Bank Maskan (Housing Bank)

(1) Includes profit receivables.

**INVESTMENT BY PRIVATE SECTOR IN NEW BUILDINGS IN URBAN AREAS (1)
(at current prices)**

Table 32

(billion rials)

	2003/04	2004/05	2004/05 ▲ (2)	2005/06 ▲	2006/07 □	Percentage change ○		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Tehran	14,576.6	15,628.7	18,096.9	21,218.9	26,199.6	17.3	23.5	20.6	23.1
Other large cities	24,920.2	29,987.0	28,833.7	31,632.1	35,490.0	9.7	12.2	30.7	31.2
Other urban areas	20,267.6	28,483.7	44,321.7	50,319.9	51,911.2	13.5	3.2	48.8	45.7
All urban areas	59,764.4	74,099.4	91,252.3	103,170.9	113,600.8	13.1	10.1	100.0	100.0

(1) Excludes the cost of land.

(2) The new base year (2004/05) has been used since the beginning of 2005/06. Due to revisions in the statistical framework in 2005/06, figures are not comparable with the previous years.

Table 33

CONSTRUCTION PERMITS ISSUED FOR PRIVATE SECTOR IN URBAN AREAS

	2002/03	2003/04	2004/05	2005/06 ▲	2006/07 □	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Number									
Tehran	20,477	10,876	12,570	10,833	14,695	-13.8	35.7	8.4	9.7
Other large cities	53,002	49,188	34,681	31,685	34,914	-8.6	10.2	24.4	23.0
Other urban areas	87,854	88,877	88,722	87,211	102,204	-1.7	17.2	67.2	67.3
All urban areas	161,333	148,941	135,973	129,729	151,813	-4.6	17.0	100.0	100.0
Total floor space estimate (thousand square meters)									
Tehran	15,265.7	9,530.6	11,620.9	9,968.1	13,481.7	-14.2	35.2	17.2	19.9
Other large cities	26,776.4	29,093.7	20,084.4	17,943.8	19,528.2	-10.7	8.8	31.0	28.8
Other urban areas	23,040.1	26,790.9	29,852.9	30,014.1	34,839.6	0.5	16.1	51.8	51.3
All urban areas	65,082.2	65,415.2	61,558.2	57,926.0	67,849.5	-5.9	17.1	100.0	100.0
Average floor space (square meters)									
Tehran	746	876	924	920	917	-0.5	-0.3		
Other large cities	505	591	579	566	559	-2.2	-1.2		
Other urban areas	262	301	336	344	341	2.3	-1.0		
All urban areas	403	439	453	447	447	-1.4	0.1		

Table 34

BUILDING STARTS BY PRIVATE SECTOR IN URBAN AREAS

	2003/04	2004/05	2004/05 ▲ (1)	2005/06 ▲	2006/07 □	Percentage change ○		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Number									
Tehran	9,927	9,670	11,303	10,001	13,105	-11.5	31.0	5.7	7.2
Other large cities	55,382	45,278	65,060	51,348	53,945	-21.1	5.1	29.1	29.6
Other urban areas	90,784	84,583	120,028	114,828	115,330	-4.3	0.4	65.2	63.2
All urban areas	156,093	139,531	196,391	176,177	182,380	-10.3	3.5	100.0	100.0
Total floor space estimate (thousand square meters)									
Tehran	8,134	8,261	10,268	9,971	11,394	-2.9	14.3	15.9	17.2
Other large cities	24,443	22,015	24,959	19,371	20,585	-22.4	6.3	30.8	31.1
Other urban areas	25,935	25,923	39,466	33,532	34,265	-15.0	2.2	53.3	51.7
All urban areas	58,512	56,199	74,693	62,874	66,244	-15.8	5.4	100.0	100.0
Average floor space (square meters)									
Tehran	819	854	908	997	869	9.7	-12.8		
Other large cities	441	486	384	377	382	-1.7	1.2		
Other urban areas	286	306	329	292	297	-11.2	1.7		
All urban areas	375	403	380	357	363	-6.2	1.8		

(1) The new base year (2004/05) has been used since the beginning of 2005/06. Due to revisions in the statistical framework in 2005/06, figures are not comparable with the previous years.

Table 35

BUILDINGS COMPLETED BY PRIVATE SECTOR IN URBAN AREAS

	2003/04	2004/05	2004/05 ▲ (1)	2005/06 ▲	2006/07 □	Percentage change ○		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Number									
Tehran	18,700	10,538	7,938	11,144	10,472	40.4	-6.0	6.6	6.3
Other large cities	61,648	47,623	35,670	57,095	53,938	60.1	-5.5	33.9	32.6
Other urban areas	108,256	88,736	58,319	100,354	101,224	72.1	0.9	59.5	61.1
All urban areas	188,604	146,897	101,927	168,593	165,634	65.4	-1.8	100.0	100.0
Total floor space estimate (thousand square meters)									
Tehran	13,902	11,692	8,415	10,732	10,356	27.5	-3.5	16.5	16.8
Other large cities	21,899	20,251	12,103	20,407	20,346	68.6	-0.3	31.4	33.0
Other urban areas	24,000	23,630	20,534	33,790	30,955	64.6	-8.4	52.0	50.2
All urban areas	59,801	55,573	41,052	64,929	61,657	58.2	-5.0	100.0	100.0
Average floor space (square meters)									
Tehran	743	1,110	1,060	963	989	-9.2	2.7		
Other large cities	355	425	339	357	377	5.3	5.5		
Other urban areas	222	266	352	337	306	-4.4	-9.2		
All urban areas	317	378	403	385	372	-4.4	-3.3		

(1) The new base year (2004/05) has been used since the beginning of 2005/06. Due to revisions in the statistical framework in 2005/06, figures are not comparable with the previous years.

Table 36

CONSTRUCTION INDICES

(1997/98=100)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change	
						2005/06	2006/07
Construction services	184.0	227.2	285.8	337.2	394.0	18.0	16.8
Daily wage of bricklayer	197.0	248.2	314.9	364.9	424.1	15.9	16.2
Daily wage of unskilled construction worker	189.9	255.6	330.4	384.5	444.1	16.4	15.5
Wage paid for painting	175.5	206.0	247.0	289.6	345.6	17.2	19.3
Wage paid for roof-asphalting	159.0	188.5	235.7	280.6	322.7	19.0	15.0
Wage paid for well-digging	197.2	255.6	323.2	377.3	435.6	16.7	15.5
Wage paid for cementing	177.8	215.4	270.2	325.6	390.5	20.5	19.9
Wage paid for tile covering	184.6	217.0	271.6	316.3	362.7	16.5	14.7
Wage paid for plaster working	190.7	231.3	293.4	358.5	426.5	22.2	19.0
Wholesale price index of construction materials	192.1	216.9	268.8	285.4	342.3	6.2	19.9
Metallic	168.4	188.5	250.8	262.7	346.3	4.7	31.8
Non-metallic	224.8	256.3	293.8	316.9	336.8	7.9	6.3

**GOVERNMENT ACQUISITION OF NON-FINANCIAL ASSETS (DEVELOPMENT EXPENDITURES)
IN TRANSPORTATION SECTOR**

Table 37

(billion rials)

	Performance		Share (percent)		Percentage change	2006/07	
	2005/06	2006/07	2005/06	2006/07		Approved	Performance (percent)
Rail transport	3,663.4	4,002.4	26.0	32.7	9.3	3,954.2	101.2
Road transport	8,873.1	7,820.1	63.0	63.8	-11.9	9,543.2	81.9
Air transport	665.5	151.5	4.7	1.2	-77.2	73.6	205.9
Sea transport	533.3	194.9	3.8	1.6	-63.4	240.0	81.2
Applied research	67.0	61.9	0.5	0.5	-7.6	76.9	80.5
Policy-making, management and supervision	23.6	0	0.2	0	-100.0	0	0
Technical and credit assistance to private and cooperative sectors	250.0	0	1.8	0	-100.0	0	0
Strategic plan for development of road transport	0	2.2	0	*	0	2.2	100.0
Safety of air transport	0	9.9	0	*	0	59.5	16.6
Reinforcement of buildings	0	5.5	0	*	0	10.9	50.0
Total	14,075.9	12,248.4	100.0	100.0	-13.0	13,960.5	87.7

Source: Ministry of Economic Affairs and Finance-Treasury General

Table 38

NUMBER OF STUDENTS

(thousand persons)

	Academic year					Percentage change		Share (percent)	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07
Kindergartens	404	439	492	540	553	9.8	2.4	3.5	3.7
Primary schools	7,029	6,648	6,207	6,007	5,828	-3.2	-3.0	39.1	39.0
Junior high schools	4,865	4,678	4,371	4,146	3,939	-5.2	-5.0	27.0	26.4
High schools (day and night schools)	3,828	3,030	2,977	2,957	2,921	-0.7	-1.2	19.2	19.6
Technical and professional schools	304	335	350	352	341	0.6	-3.1	2.3	2.3
Skill education centers	448	453	445	454	434	2.0	-4.4	2.9	2.9
Pre-university centers	455	436	413	419	421	1.5	0.5	2.7	2.8
Teacher training centers	10	9	9	10	14	11.1	40.0	0.1	0.1
Others (1)	543	515	492	480	480	-2.4	0	3.1	3.2
Total	17,886	16,543	15,756	15,365	14,931	-2.5	-2.8	100.0	100.0

Source: Ministry of Education

(1) Includes adult students in primary schools, junior high schools, high schools and pre-university centers.

Table 39

NUMBER OF SCHOOLS, CLASSROOMS AND TEACHING STAFF (1)

	Academic year					Percentage change		Share (percent)	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07
Number of schools									
Urban areas	59,350	61,335	63,481	66,449	67,314	4.7	1.3	45.9	46.4
Rural areas	75,336	76,247	77,334	78,268	77,850	1.2	-0.5	54.1	53.6
Total	134,686	137,582	140,815	144,717	145,164	2.8	0.3	100.0	100.0
Number of classrooms									
Urban areas	416,296	413,256	407,565	412,999	413,185	1.3	0.1	63.4	64.0
Rural areas	250,108	247,427	242,935	238,368	232,007	-1.9	-2.7	36.6	36.0
Total	666,404	660,683	650,500	651,367	645,192	0.1	-0.9	100.0	100.0
Teaching staff									
Urban areas	614,066	646,441	644,190	645,243	635,101	0.2	-1.6	70.2	70.5
Rural areas	289,556	278,749	264,987	274,058	266,162	3.4	-2.9	29.8	29.5
Total	903,622	925,190	909,177	919,301	901,263	1.1	-2.0	100.0	100.0

Source: Ministry of Education

(1) Includes kindergartens, primary schools, junior high schools, high schools and pre-university centers.

COMPOSITION OF STUDENTS AT VARIOUS EDUCATIONAL LEVELS
IN URBAN AND RURAL AREAS

(percent)

	2005/06			2006/07		
	Urban	Rural	Total	Urban	Rural	Total
Primary schools	62.2	37.8	100.0	63.4	36.6	100.0
Junior high schools	69.2	30.8	100.0	69.3	30.7	100.0
High schools	84.3	15.7	100.0	84.3	15.7	100.0
Total	70.3	29.7	100.0	70.9	29.1	100.0

Source: Ministry of Education

Table 41

STUDENTS AT VARIOUS EDUCATIONAL LEVELS BY GENDER

(person)

	2005/06		2006/07		Percentage change	
	Female	Male	Female	Male	Female	Male
Primary schools	2,897.7	3,108.9	2,818.3	3,009.6	-2.7	-3.2
Junior high schools	1,931.4	2,214.7	1,837.8	2,100.9	-4.8	-5.1
High schools	1,845.9	1,917.2	1,805.4	1,890.6	-2.2	-1.4
Total	6,674.9	7,240.8	6,461.5	7,001.1	-3.2	-3.3

Source: Ministry of Education

Table 42 **STUDENTS IN PRIVATE SCHOOLS AT VARIOUS EDUCATIONAL LEVELS** (person)

	Academic year		Percentage change		Share in total students (percent)	
	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07
Primary schools	357.7	375.1	6.7	4.9	6.0	6.4
Junior high schools	266.3	242.5	-2.8	-8.9	6.4	6.2
High schools (1)	296.3	277.5	2.8	-6.3	7.9	7.5
Total	920.3	895.1	2.6	-2.7	6.6	6.7

Source: Ministry of Education

(1) Includes students of former and new educational systems, while excludes students of pre-university level.

Table 43 **INDICES OF EDUCATIONAL QUALITY**

	Academic year				
	2002/03	2003/04	2004/05	2005/06	2006/07
Student to school	127.5	120.2	111.9	106.2	102.9
Student to classroom	24.9	25.0	24.2	23.6	23.2
Student to teacher	17.7	17.9	17.3	16.7	16.6

Source: Ministry of Education

Table 44 **MINIMUM MONTHLY WAGE** (rials)

	2002/03	2003/04	2004/05	2005/06	2006/07
Minimum nominal wage	698,460	853,380	1,066,000	1,266,784	1,500,000
Average consumer price index (1997/98=100)	206.0	238.2	274.5	307.6	349.5
Minimum real wage	339,058	358,262	388,342	411,828	429,185

Source: Social Security Organization

Table 45 **DISTRIBUTION OF POPULATION ACCORDING TO URBAN AND RURAL AREAS** (thousand persons)

	2002/03	2003/04	2004/05	2005/06	2006/07	Share (percent)	
						2005/06	2006/07
Urban areas							
Total	42,835	43,902	44,930	45,921	48,245	66.9	68.5
Rural areas							
Total	22,822	22,778	22,726	22,667	22,228	33.1	31.5
Whole country							
Active	20,429	21,014	21,568	22,314	23,466	32.5	33.3
Total	65,657	66,680	67,656	68,588	70,473	100.0	100.0

Source: Management and Planning Organization for 2002-06 and Population and Housing Census conducted by the Statistical Center of Iran (SCI) for 2006/07

**NUMBER OF STUDENTS IN PUBLIC UNIVERSITIES
AND HIGHER EDUCATION INSTITUTES**

Table 46

(person)

	Academic year (1)					Percentage change		Share (percent)	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07
Education sciences	11,158	10,533	9,563	52,922	78,708	453.4	48.7	4.4	5.1
Humanities and arts	118,641	134,582	144,423	166,282	216,788	15.1	30.4	14.0	14.1
Social sciences, commerce and law	228,102	275,295	314,248	336,180	521,092	7.0	55.0	28.2	33.9
Basic sciences, mathematics and computer sciences	114,450	138,306	157,088	159,375	233,259	1.5	46.4	13.4	15.2
Engineering, production and manufacture	177,224	198,543	220,339	302,028	302,437	37.1	0.1	25.4	19.7
Agriculture and veterinary medicine	51,570	55,844	59,035	62,309	62,257	5.5	-0.1	5.2	4.0
Health and welfare	91,479	90,321	89,722	85,205	86,347	-5.0	1.3	7.2	5.6
Services	14,186	16,542	19,907	26,747	37,986	34.4	42.0	2.2	2.5
Total	809,567	923,913	1,018,980	1,191,048	1,538,874	16.9	29.2	100.0	100.0

Source: Ministry of Science, Research and Technology

(1) Total number of students during 2002/03, 2003/04, and 2004/05 academic years includes respectively 2,757, 3,947 and 4,655 students of general education.

Table 47

NUMBER OF STUDENTS IN ISLAMIC AZAD UNIVERSITY

(person)

	Academic year					Percentage change		Share (percent)	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07
Medical sciences	40,079	45,264	41,528	43,085	44,019	3.7	2.2	3.6	3.4
Humanities	451,163	454,177	498,739	541,679	552,958	8.6	2.1	45.2	42.9
Basic sciences	84,436	87,577	95,473	102,799	106,141	7.7	3.3	8.6	8.2
Technical and engineering fields	248,182	255,636	352,437	393,640	463,965	11.7	17.9	32.9	36.0
Agriculture and veterinary medicine	59,496	73,174	80,786	82,994	83,623	2.7	0.8	6.9	6.5
Arts	21,513	52,378	29,528	33,324	38,931	12.8	16.8	2.8	3.0
Total	904,869	968,206	1,098,491	1,197,521	1,289,637	9.0	7.7	100.0	100.0

Source: Islamic Azad University

GOVERNMENT BUDGET

Table 48 (excluding special revenues and expenditures and the figure for transparency in the price (subsidy) of energy bearers) (billion rials)

	Performance					Percentage change		Share (percent)	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07
Revenues	61,973.9	78,836.6	103,587.3	200,374.9	231,125.8	93.4	15.3	100.0	100.0
Taxes	50,586.5	65,099.0	84,421.1	134,574.4	151,620.9	59.4	12.7	67.2	65.6
Others	11,387.4	13,737.6	19,166.2	65,800.6	79,504.9	243.3	20.8	32.8	34.4
Expenses (current)	147,572.3	178,255.2	231,923.1	330,884.1	415,793.1	42.7	25.7		
Operating balance	-85,598.4	-99,418.6	-128,335.8	-130,509.2	-184,667.3	1.7	41.5		
Disposal of non-financial assets	103,182.8	129,030.8	151,413.0	187,294.5	182,797.2	23.7	-2.4	100.0	100.0
Oil and oil products revenue	102,626.4	128,153.9	150,413.3	186,342.4	181,881.2	23.9	-2.4	99.5	99.5
Sale of crude oil	101,126.4	126,653.9	138,356.3	163,044.4	131,922.1	17.8	-19.1	87.1	72.2
Allocation of 2 percent of oil and gas exports revenue to oil-producing and deprived regions	...	...	...	...	6,000.0	0	0	..	3.3
1.6 percent of value of crude oil production	...	...	...	10,198.0	...	0	0	5.4	..
Crude oil exports (out of 7.3 percent)	...	...	...	13,100.0	...	0	0	7.0	..
Subject of Note 11 (imports of gasoline)	...	...	...	...	43,959.1	0	0	0	24.0
Sale of fuel oil and oil products	1,500.0	1,500.0	1,229.3	0	0	-100.0	0	0	0
Revenue as subject of Note 12	0	...	10,827.6	...	...	0	0	..	..
Sale of movable and immovable assets	556.4	877.0	999.7	952.1	916.0	-4.8	-3.8	0.5	0.5
Acquisition of non-financial assets (development expenditures)	54,753.0	73,799.7	72,306.3	117,638.7	145,561.1	62.7	23.7		
Net disposal of non-financial assets	48,429.8	55,231.1	79,106.7	69,655.8	37,236.1	-11.9	-46.5		
Operating and non-financial balance (1)	-37,168.6	-44,187.5	-49,229.2	-60,853.4	-147,431.2	23.6	142.3		
Disposal of financial assets	64,806.7	68,324.4	80,693.7	83,320.7	161,061.2	3.3	93.3		
Acquisition of financial assets	27,638.1	24,136.9	31,464.6	22,467.3	13,630.0	-28.6	-39.3		
Net disposal of financial assets	37,168.6	44,187.5	49,229.2	60,853.4	147,431.2	23.6	142.3		

Source: Ministry of Economic Affairs and Finance

(1) It is the sum of operating balance and net disposal of non-financial assets.

TAX REVENUES

(excluding special revenues)

(billion rials)

Table 49

	Year (1)					Percentage change		Share (percent)	
	2002/03	2003/04▲	2004/05	2005/06▲	2006/07	2005/06	2006/07	2005/06	2006/07
Corporate tax	17,152.3	20,375.7	26,027.5	64,459.9	72,861.7	147.7	13.0	47.9	48.1
Public legal entities (2)	7,467.0	9,251.7	11,046.9	46,753.1	50,155.4	323.2	7.3	34.7	33.1
Private legal entities	9,685.2	11,124.0	14,980.5	17,706.9	22,706.3	18.2	28.2	13.2	15.0
Income tax	8,247.6	9,008.3	11,773.3	15,253.1	19,451.3	29.6	27.5	11.3	12.8
Salary	3,706.9	4,276.6	5,902.9	8,311.1	11,061.3	40.8	33.1	6.2	7.3
Professions	3,939.2	4,179.3	5,289.1	6,289.0	7,515.6	18.9	19.5	4.7	5.0
Real estate	538.9	528.5	535.0	626.3	835.6	17.1	33.4	0.5	0.6
Others	62.6	23.9	46.3	26.8	38.7	-42.1	44.1	*	*
Wealth tax	2,647.2	2,649.7	4,096.1	4,316.6	5,378.3	5.4	24.6	3.2	3.5
Heritage	248.0	219.9	274.6	336.4	447.1	22.5	32.9	0.2	0.3
Property transactions and goodwill	998.7	1,084.8	907.1	784.9	851.8	-13.5	8.5	0.6	0.6
Stamp fee, check, draft, promissory note, ...	1,399.9	1,336.5	2,142.0	2,089.5	2,520.6	-2.4	20.6	1.6	1.7
Others	0.6	8.5	772.3	1,105.7	1,559.0	43.2	41.0	0.8	1.0
Total	28,047.1	32,033.7	41,896.9	84,029.6	97,691.3	100.6	16.3	62.4	64.4
Import tax	16,409.3	22,400.9	33,087.3	35,954.1	39,806.3	8.7	10.7	26.7	26.3
Entrance duties (3)	15,955.5	22,400.9	32,716.5	33,365.7	35,776.6	2.0	7.2	24.8	23.6
Customs duties	1,915.2	...	...	...	...	0	0	..	..
Tariff	9,950.4	...	...	...	...	0	0	..	..
Order registration fee	4,089.8	...	...	...	...	0	0	..	..
Others	453.8	0	370.7	2,588.4	4,029.8	▣	55.7	1.9	2.7
Tax on goods and services	6,130.1	10,664.3	9,437.0	14,590.7	14,123.3	54.6	-3.2	10.8	9.3
Sale of oil products	89.2	946.5	2,684.7	2,958.9	3,183.4	10.2	7.6	2.2	2.1
Non-alcoholic beverages	337.5	256.7	247.7	206.4	239.2	-16.7	15.9	0.2	0.2
Sale of cigarettes	86.9	123.0	154.8	268.0	357.3	73.1	33.3	0.2	0.2
Automobile transactions	448.2	719.1	682.1	849.5	854.0	24.5	0.5	0.6	0.6
Communication services	437.1	550.4	1,019.9	1,033.4	1,758.8	1.3	70.2	0.8	1.2
Passport– exit duty charges	136.2	201.3	205.7	264.3	507.0	28.5	91.8	0.2	0.3
Indirect tax on certain goods (4)	1,448.1	5,010.3	0	3,989.6	988.5	0	-75.2	3.0	0.7
Others	3,146.9	2,857.1	4,442.0	5,020.5	6,235.1	13.0	24.2	3.7	4.1
Total	22,539.4	33,065.3	42,524.2	50,544.8	53,929.6	18.9	6.7	37.6	35.6
Grand total	50,586.4	65,099.0	84,421.1	134,574.4	151,620.9	59.4	12.7	100.0	100.0

Source: General budget laws – Figures for 2003/04 are based on data released by the Ministry of Economic Affairs and Finance. (1) Due to changes in classification of budgetary items in 2002/03, figures are not comparable with those of the previous years. (2) In 2005/06 and 2006/07, it includes tax on oil performance. (3) In 2002/03, entrance duties were the sum of customs duties, order registration fee and tariff. (4) The figure for 2003/04 is related to tax on sale of cell phone subscription.

OTHER GOVERNMENT REVENUES

Table 50 (excluding special revenues and the figure for transparency in the price (subsidy) of energy bearers) (billion rials)

	Performance					Percentage change		Share (percent)	
	2002/03	2003/04	2004/05	2005/06▲	2006/07	2005/06	2006/07	2005/06	2006/07
Revenues received from government ownership	4,029.9	3,643.4	8,033.1	52,195.5	64,996.2	▣	24.5	79.3	81.8
Public corporations' dividend	270.4	946.8	7,085.2	51,344.7	64,750.2	▣	26.1	78.0	81.4
Return on government loans	0	0.7	1.2	0.5	0.9	-58.9	86.2	*	*
Receipts from rent	14.3	24.1	41.7	61.0	31.6	46.2	-48.2	0.1	*
Other revenues received from government ownership	3,745.2	2,671.7	904.9	789.3	213.4	-12.8	-73.0	1.2	0.3
Revenues received from services and sale of goods	4,130.7	5,023.9	5,794.3	9,639.3	7,974.1	66.4	-17.3	14.6	10.0
Receipts from services	3,956.2	4,772.8	5,496.7	9,547.0	7,878.5	73.7	-17.5	14.5	9.9
Judiciary and notary services	1,713.4	2,622.1	3,020.5	3,082.8	3,550.6	2.1	15.2	4.7	4.5
Military services (1)	205.0	390.3	379.7	885.3	420.2	133.2	-52.5	1.3	0.5
Educational and cultural services	145.0	205.9	267.9	238.6	252.4	-11.0	5.8	0.4	0.3
Agricultural and industrial services	505.6	674.6	692.3	764.8	843.3	10.5	10.3	1.2	1.1
Others	1,387.3	880.0	1,136.3	4,575.7	2,812.1	302.7	-38.5	7.0	3.6
Receipts from sale of goods	174.5	251.1	297.6	92.3	95.6	-69.2	3.6	0.1	0.1
Receipts from offences and losses	901.7	1,227.5	1,824.4	2,068.3	2,523.8	13.4	22.0	3.1	3.2
Traffic offences	365.7	457.1	1,235.8	1,605.6	1,767.3	29.9	10.1	2.4	2.2
Combating the smuggling of drugs	263.4	313.1	271.4	257.7	320.0	-5.1	24.2	0.4	0.4
Offences and losses	201.6	350.1	191.0	0	0	-100.0	0	0	0
Others	71.0	107.2	126.2	205.0	436.5	62.4	112.9	0.3	0.6
Miscellaneous revenues	2,325.1	3,842.8	3,514.4	1,897.2	4,010.8	-46.0	111.4	2.9	5.0
Executive organizations	0	0	0	1,894.7	3,222.4	0	70.1	2.9	4.0
Iran's Customs Administration	143.3	163.2	245.2	0	0	-100.0	0	0	0
Consumers and Producers Protection Organization (Note 5)	695.3	428.9	181.1	0	0	-100.0	0	0	0
Others	1,486.6	3,250.7	3,088.2	2.5	788.4	-99.9	▣	*	1.0
Total	11,387.4	13,737.6	19,166.2	65,800.5	79,504.9	243.3	20.8	100.0	100.0

Source: Ministry of Economic Affairs and Finance

(1) Includes exit duty charges and issuance of passport and driving license.

Table 51

DISPOSAL AND ACQUISITION OF FINANCIAL ASSETS

(billion rials)

	Performance					Percentage change		Share (percent)	
	2002/03 ▲	2003/04	2004/05 ▲	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07
Disposal of financial assets	64,806.7	68,324.4	80,693.7	83,320.7	161,061.2	3.3	93.3	100.0	100.0
Foreign financing	17,099.5	76.7	287.5	626.3	673.0	117.9	7.5	0.8	0.4
Foreign facilities	17,099.5	73.3	283.5	622.1	669.2	119.5	7.6	0.7	0.4
World Bank facilities	247.7	73.3	283.5	622.1	669.2	119.5	7.6	0.7	0.4
Islamic Development Bank facilities	36.4	0	0	0	0	0	0	0	0
Other banks and foreign financing (1)	16,815.4	0	0	0	0	0	0	0	0
Principal of government loans abroad	0	3.4	4.0	4.2	3.8	5.5	-9.4	*	*
Domestic financing	47,707.1	68,247.7	80,406.3	82,694.4	160,388.2	2.8	94.0	99.2	99.6
Sale of participation papers	2,498.1	7,682.5	12,340.6	6,834.9	4,986.1	-44.6	-27.0	8.2	3.1
Privatization proceeds	8,364.0	2,531.2	2,813.1	1,786.6	818.6	-36.5	-54.2	2.1	0.5
Government domestic loans subject of Article 32 of Budget Law	181.7	242.8	223.7	1,616.6	2,184.7	□	35.1	1.9	1.4
Refunds carried over from previous years	778.0	1,684.3	1,276.8	3,073.0	9,825.7	140.7	219.7	3.7	6.1
OSF utilization	35,876.0	56,106.9	63,752.1	69,383.4	142,573.0	8.8	105.5	83.3	88.5
Subject of Note 2, Budget Law for 2006/07	16,626.0	15,900.0	15,787.8	42,289.1	100,320.7	167.9	137.2	50.8	62.3
External obligations	19,250.0	19,875.0	23,739.0	14,553.5	8,407.6	-38.7	-42.2	17.5	5.2
Others	0	20,331.9	24,225.3	12,540.8	33,844.7	0	169.9	15.1	21.0
Others	9.3	0	0	0	0	-100.0	-100.0	0	0
Acquisition of financial assets	27,638.1	24,136.9	31,464.6	22,467.3	13,630.0	-28.6	-39.3	100.0	100.0
Balance of the government general budget account (account No. 8001)	0	0	0	2,366.6	0	0	-100.0	10.5	0
Repayment of external debts and obligations	19,250.0	19,875.0	23,797.6	14,553.5	8,407.6	-38.8	-42.2	64.8	61.7
Repayment of government debt to insurance and pension funds (transfer of shares)	7,306.7	204.3	0	3,813.0	0	0	-100.0	17.0	0
Others	1,081.4	4,057.6	7,667.0	1,734.3	5,222.4	-77.4	201.1	7.7	38.3
Net disposal of financial assets	37,168.6	44,187.5	49,229.2	60,853.4	147,431.2	23.6	142.3		

Source: Ministry of Economic Affairs and Finance

(1) In 2002/03, Rls. 16,815.4 billion (subject of Note 21, Budget Law for 2002/03) was transferred from "domestic financing" (OSF utilization) to "foreign financing" (other banks and foreign financing).

Table 52

BALANCE OF PAYMENTS

(million dollars)

	2002/03	2003/04	2004/05	2005/06▲	2006/07□
Current account balance	3,585	816	1,442	16,637	20,650
Trade balance	6,201	4,430	5,653	21,281	26,245
Exports	28,237	33,991	43,852	64,366	75,537
Oil and gas	22,966	27,355	36,315	53,820	62,458
Non-oil	5,271	6,636	7,537	10,546	13,079
Imports	22,036	29,561	38,199	43,085	49,292
Services (1)	-3,503	-4,535	-5,011	-5,379	-6,272
Receipts	5,025	6,249	6,905	7,724	8,387
Freight and insurance	1,316	1,704	2,051	2,196	2,321
Passenger services	250	233	261	295	319
Travel	1,357	1,033	1,044	1,069	1,194
Investment income	653	781	918	1,260	1,345
Other public services	632	1,099	1,128	1,297	1,487
Other private services	817	1,399	1,503	1,607	1,721
Payments	8,528	10,784	11,916	13,103	14,659
Transfers (net)	887	921	800	735	677
Public	36	4	4	5	6
Private	851	917	796	730	671
Capital account (net)	2,534	4,476	7,388	-184	-4,612
Long-term	3,329	2,045	1,659	990	-350
Public	3,079	1,545	1,262	658	-638
Liabilities	3,081	1,548	1,265	661	-636
Assets	-2	-2	-2	-3	-2
Others	250	500	396	332	288
Short-term	-796	2,431	5,730	-1,174	-4,262
Overall balance (change in international reserves) (2)	4,877	4,216	7,518	14,574	11,335

(1) Increase in the deficit of services balance is due to the increased coverage of statistical data on tourism and technical-engineering services.

(2) Components may not sum to total due to change in the parity rate of international foreign exchange and statistical errors.

FOREIGN TRADE (1)
(excluding oil, gas and electricity)

Table 53

	2002/03	2003/04	2004/05	2005/06▲	2006/07□	Percentage change		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Amount (million dollars):									
1. Imports	22,275	26,598	35,389	39,248	41,726	10.9	6.3	78.9	76.2
2. Imports (adjusted) (2)	21,761	26,598	35,389	39,248	41,726				
3. Exports	4,608	5,972	6,847	10,474	13,027	53.0	24.4	21.1	23.8
Deficit (3-2)	-17,153	-20,626	-28,542	-28,774	-28,699	0.8	-0.3		
Total (2+3)	26,369	32,570	42,236	49,722	54,753	17.7	10.1	100.0	100.0
Weight (thousand tons):									
1. Imports	26,927	30,106	34,448	35,466	43,493	3.0	22.6	58.7	61.0
2. Exports	13,362	15,467	18,077	24,983	27,814	38.2	11.3	41.3	39.0
Total (1+2)	40,289	45,573	52,525	60,449	71,307	15.1	18.0	100.0	100.0

(1) Imports and exports

(2) In calculating adjusted imports in previous years, order registration fee received from import of goods was deducted from the value of imports. Due to omission of order registration fee in 2003/04, adjusted and total imports have become equal since 2003/04 onwards.

Table 54

VALUE OF EXPORTS (1)

(million dollars)

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change ○		Share (percent)	
						2005/06	2006/07	2005/06	2006/07
Agricultural and traditional goods	1,723	2,075	1,892	2,545	3,012	34.5	18.4	24.3	23.2
Fresh and dried fruits	617	830	718	1,198	1,571	66.9	31.1	11.4	15.0
Pistachio	498	668	548	817	1,073	49.1	31.3	7.8	10.2
Grapes and raisins	76	95	112	119	142	6.2	19.4	1.1	1.4
Dates	30	35	38	77	95	102.1	23.1	0.7	0.9
Apple	13	32	20	69	81	240.2	17.4	0.7	0.8
Handwoven carpets	514	539	489	466	413	-4.6	-11.4	4.5	3.9
Live animals	3	5	20	154	26	▣	-82.8	1.5	0.3
Vegetables and plants	103	95	88	141	261	59.6	85.1	1.3	2.5
Saffron	59	71	95	95	76	0.5	-20.5	0.9	0.7
All kinds of hide and leather	82	89	91	94	106	2.7	13.3	0.9	1.0
Casings	28	49	53	66	74	24.3	11.5	0.6	0.7
Others	318	397	338	330	485	-2.3	46.7	3.2	4.6
Metallic mineral ores	32	46	96	170	321	77.6	88.9	1.6	2.5
Industrial goods	2,853	3,851	4,860	7,760	9,550	59.7	23.1	74.1	73.5
Oil and gas products	503	888	1,056	1,924	2,237	82.2	16.3	18.4	17.2
Petroleum gas and other petroleum hydrocarbons	280	379	409	1,044	1,337	155.2	28.1	10.0	10.3
Naphthalene and other aromatic hydrocarbons	55	103	199	311	331	56.5	6.6	3.0	2.6
Light oils and products thereof	38	126	263	279	293	5.7	5.3	2.7	2.3
Cast iron, iron, steel and their articles	350	299	926	1,122	1,327	21.2	18.3	10.7	10.2
Organic chemicals	196	252	372	776	694	108.5	-10.7	7.4	5.3
Cyclic hydrocarbons (benzene, xylene, toluene, etc.)	112	150	232	358	239	54.3	-33.3	3.4	1.8
Methanol (methyl alcohol) and ethylene glycol	8	4	31	235	195	▣	-16.9	2.2	1.5
Aluminum, copper, zinc and their articles	206	241	332	482	840	45.3	74.2	4.6	6.5
Plastic materials and their products	163	157	202	438	852	116.9	94.5	4.2	6.6
Soil and stone, cement, plaster, stone and ceramic products	172	247	245	427	390	74.4	-8.7	4.1	3.0
Ready-made clothes, tricot and all kinds of fabric	215	268	184	235	209	27.6	-11.2	2.2	1.6
Transportation vehicles and their spare parts	69	99	155	235	345	51.7	47.0	2.2	2.7
Inorganic chemicals	91	105	154	210	270	36.0	28.8	2.0	2.1
Metallic oxides and hydroxides	30	11	30	78	94	157.8	20.1	0.7	0.7
Ammonia	30	36	58	66	120	13.5	82.2	0.6	0.9
All kinds of sulfur	18	37	39	39	30	0.3	-23.7	0.4	0.2
Machine-made carpets and other kinds of carpeting	93	146	127	182	158	43.1	-13.0	1.7	1.2
Ornaments and jewelry	1	29	60	137	80	126.8	-41.8	1.3	0.6
Soaps and other detergents	58	54	57	89	117	55.7	31.8	0.8	0.9
Footwear	71	94	47	81	84	73.9	3.1	0.8	0.6
Others	666	972	943	1,422	2,062	50.8	45.0	13.6	15.9
Total	4,608	5,972	6,847	10,474	12,997	53.0	24.1	100.0	100.0

Source: Iran's Customs Administration

(1) Excludes the export value of electricity and the exports of National Iranian Oil Company (NIOC) and National Iranian Gas Company (NIGC).

Table 55

SUMMARY OF THE ASSETS AND LIABILITIES OF THE BANKING SYSTEM (1)

(billion rials)

	Year-end balance					Percentage change ○	
	2002/03	2003/04	2004/05	2005/06 ▲	2006/07	2005/06	2006/07
Assets							
Foreign assets	236,073.7	294,009.1	592,646.9	770,170.4	928,552.5	30.0	20.6
Claims on public sector	206,216.9	221,900.6	235,940.9	235,607.7	256,219.8	-0.1	8.7
Government	128,938.5	143,031.2	148,723.7	135,794.5	160,269.3	-8.7	18.0
Public corporations and agencies	77,278.4	78,869.4	87,217.2	99,813.2	95,950.5	14.4	-3.9
Claims on non-public sector	327,072.9	454,799.8	625,714.9	865,315.4	1,226,201.0	38.3	41.7
Others	281,323.2	374,816.4	332,997.8	488,302.9	671,235.9	46.6	37.5
Sub-total	1,050,686.7	1,345,525.9	1,787,300.5	2,359,396.4	3,082,209.2	32.0	30.6
Below the line items	242,381.3	303,920.4	425,441.7	445,191.6	599,812.1	4.6	34.7
Total assets = total liabilities	1,293,068.0	1,649,446.3	2,212,742.2	2,804,588.0	3,682,021.3	26.7	31.3
Liabilities							
Liquidity	417,524.0	526,596.4	685,867.2	921,019.4	1,284,199.4	34.3	39.4
Money	182,652.7	217,356.8	252,815.1	317,919.4	414,544.9	25.8	30.4
Quasi-money	234,871.3	309,239.6	433,052.1	603,100.0	869,654.5	39.3	44.2
Deposits and loans of public sector	69,321.1	85,583.1	97,773.4	167,667.4	220,621.4	71.5	31.6
Government	64,058.9	78,619.3	90,764.3	156,378.9	208,532.4	72.3	33.4
Public corporations and agencies	5,262.2	6,963.8	7,009.1	11,288.5	12,089.0	61.1	7.1
Capital account	19,143.3	22,247.9	58,770.2	120,191.3	173,603.7	104.5	44.4
Foreign loans and credits and foreign exchange deposits	175,038.9	231,759.4	385,919.7	471,435.8	503,521.7	22.2	6.8
Import order registration deposits of non-public sector	2.0	2.0	2.0	2.0	2.0	0	0
Advance payments on letters of credit by public sector	1,557.3	1,418.3	1,187.9	1,275.1	1,194.2	7.3	-6.3
Others	368,100.1	477,918.8	557,780.1	677,805.4	899,066.8	21.5	32.6
Sub-total	1,050,686.7	1,345,525.9	1,787,300.5	2,359,396.4	3,082,209.2	32.0	30.6
Below the line items	242,381.3	303,920.4	425,441.7	445,191.6	599,812.1	4.6	34.7

(1) Excludes commercial banks' branches abroad and includes private banks (Pasargad as of January/February 2006 and Sarmayeh as of August/September 2006) and non-bank credit institutions, and Post Bank as of August/September 2005.

**SUMMARY OF THE ASSETS AND LIABILITIES OF CENTRAL BANK
OF THE ISLAMIC REPUBLIC OF IRAN**

Table 56

(billion rials)

	Year-end balance					Percentage change ○	
	2002/03	2003/04	2004/05	2005/06 ▲	2006/07	2005/06	2006/07
Assets							
Foreign assets	175,854.7	214,498.3	299,677.9	428,172.1	563,869.5	42.9	31.7
Notes and coins	341.4	737.3	416.2	821.2	619.9	97.3	-24.5
Claims on public sector	131,569.0	136,040.0	132,361.5	123,212.3	131,432.2	-6.9	6.7
Government	111,620.3	117,141.9	111,930.0	101,254.9	104,094.8	-9.5	2.8
Public corporations and agencies	19,948.7	18,898.1	20,431.5	21,957.4	27,337.4	7.5	24.5
Claims on banks	24,308.4	23,542.2	21,493.2	35,916.2	54,887.3	67.1	52.8
Government revolving funds payment	4,480.4	5,074.1	6,046.1	10,385.9	14,846.6	71.8	42.9
Others (1)	19,828.0	18,468.1	15,447.1	25,530.3	40,040.7	65.3	56.8
Others	4,770.5	3,443.0	3,302.2	3,192.6	9,923.0	-3.3	210.8
Sub-total	336,844.0	378,260.8	457,251.0	591,314.4	760,731.9	29.3	28.7
Below the line items	16,073.4	14,740.9	16,344.7	15,949.3	19,402.5	-2.4	21.7
Total assets = total liabilities	352,917.4	393,001.7	473,595.7	607,263.7	780,134.4	28.2	28.5
Liabilities							
Notes and coins	37,517.3	42,842.9	48,893.5	56,502.2	68,109.0	15.6	20.5
With the public	34,780.1	38,732.5	44,772.0	50,675.6	61,451.6	13.2	21.3
With banks	2,395.8	3,373.1	3,705.3	5,005.4	6,037.5	35.1	20.6
With the Central Bank	341.4	737.3	416.2	821.2	619.9	97.3	-24.5
Deposits of banks and credit institutions	82,440.0	86,605.3	102,722.7	164,860.4	212,486.0	60.5	28.9
Legal	62,568.6	76,512.6	94,573.3	128,002.2	184,827.7	35.3	44.4
Sight (2)	19,871.4	10,092.7	8,149.4	36,858.2	27,658.3	352.3	-25.0
Deposits of public sector	51,495.7	58,062.7	66,366.8	114,560.2	149,866.1	72.6	30.8
Government	46,233.5	51,098.9	59,357.7	103,271.7	137,777.1	74.0	33.4
Public corporations and agencies	5,262.2	6,963.8	7,009.1	11,288.5	12,089.0	61.1	7.1
Capital account	1,165.4	1,681.3	3,324.8	5,173.2	13,692.7	55.6	164.7
Foreign exchange liabilities	94,467.2	96,455.7	116,398.5	170,605.1	192,674.1	46.6	12.9
Foreign loans and foreign exchange deposits (3)	90,692.2	92,231.4	111,849.3	166,113.5	188,005.7	48.5	13.2
Clearing foreign exchange	1,094.8	1,200.5	1,252.4	1,291.1	1,288.2	3.1	-0.2
Special Drawing Right allocations	2,680.2	3,023.8	3,296.8	3,200.5	3,380.2	-2.9	5.6
Import order registration deposits of non-public sector	2.0	2.0	2.0	2.0	2.0	0	0
Advance payments on letters of credit by public sector	1,557.3	1,418.3	1,187.9	1,275.1	1,194.2	7.3	-6.3
Others	68,199.1	91,192.6	118,354.8	78,336.2	122,707.8	-33.8	56.6
Sub-total	336,844.0	378,260.8	457,251.0	591,314.4	760,731.9	29.3	28.7
Below the line items	16,073.4	14,740.9	16,344.7	15,949.3	19,402.5	-2.4	21.7

(1) Since 2003/04, figures have been revised based on Credit Commission's approval in 2003/04 including total balance of banks' account (net) with CBI.

(2) Includes banks' special term deposits. It is based on Credit Commission's approval in 2003/04 including total balance of banks' account (net) with CBI.

(3) Includes issued Eurobonds.

**SUMMARY OF THE ASSETS AND LIABILITIES OF BANKS
AND NON-BANK CREDIT INSTITUTIONS (1)**

Table 57

(billion rials)

	Year-end balance					Percentage change ○	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07
Assets							
Foreign assets	60,219.0	79,510.8	292,969.0	341,998.3	364,683.0	16.7	6.6
Notes and coins	2,395.8	3,373.1	3,705.3	5,005.4	6,037.5	35.1	20.6
Deposits with the Central Bank	82,440.0	86,605.3	102,722.7	164,860.4	212,486.0	60.5	28.9
Legal	62,568.6	76,512.6	94,573.3	128,002.2	184,827.7	35.3	44.4
Sight (2)	19,871.4	10,092.7	8,149.4	36,858.2	27,658.3	352.3	-25.0
Claims on public sector	74,647.9	85,860.6	103,579.4	112,395.4	124,787.6	8.5	11.0
Government (3)	17,318.2	25,889.3	36,793.7	34,539.6	56,174.5	-6.1	62.6
Public corporations and agencies	57,329.7	59,971.3	66,785.7	77,855.8	68,613.1	16.6	-11.9
Claims on non-public sector	327,072.9	454,799.8	625,714.9	865,315.4	1,226,201.0	38.3	41.7
Others	167,067.1	257,115.5	201,358.2	278,507.1	387,282.2	38.3	39.1
Sub-total	713,842.7	967,265.1	1,330,049.5	1,768,082.0	2,321,477.3	32.9	31.3
Below the line items	226,307.9	289,179.5	409,097.0	429,242.3	580,409.6	4.9	35.2
Total assets = total liabilities	940,150.6	1,256,444.6	1,739,146.5	2,197,324.3	2,901,886.9	26.3	32.1
Liabilities							
Deposits of non-public sector	382,743.9	487,863.9	641,095.2	870,343.8	1,222,747.8	35.8	40.5
Sight	147,872.6	178,624.3	208,043.1	267,243.8	353,093.3	28.5	32.1
Savings and time	234,871.3	309,239.6	433,052.1	603,100.0	869,654.5	39.3	44.2
Claims of the Central Bank (4)	24,308.4	23,542.2	21,493.2	35,916.2	54,887.3	67.1	52.8
Loans and deposits of public sector	17,825.4	27,520.4	31,406.6	53,107.2	70,755.3	69.1	33.2
Government	17,825.4	27,520.4	31,406.6	53,107.2	70,755.3	69.1	33.2
Public corporations and agencies	0	0	0	0	0	0	0
Capital account	17,977.9	20,566.6	55,445.4	115,018.1	159,911.0	107.4	39.0
Foreign exchange loans and deposits	80,571.7	135,303.7	269,521.2	300,830.7	310,847.6	11.6	3.3
Others	190,415.4	272,468.3	311,087.9	392,866.0	502,328.3	26.3	27.9
Sub-total	713,842.7	967,265.1	1,330,049.5	1,768,082.0	2,321,477.3	32.9	31.3
Below the line items	226,307.9	289,179.5	409,097.0	429,242.3	580,409.6	4.9	35.2

(1) Includes Karafarin, Saman, Eghtesad-e-Novin and Parsian private banks, and the Non-bank Credit Institution for Development as of August/September 2002. As of January/February 2006 and August/September 2006, it includes Pasargad and Sarmayeh private banks, respectively.

(2) Includes banks' special term deposits. Since 2003/04, figures have been revised based on Credit Commission's approval in 2003/04 including total balance of banks' accounts (net) with CBI.

(3) Includes public sector participation papers.

(4) Since 2003/04, figures have been revised based on Credit Commission's approval in 2003/04 including total balance of banks' accounts (net) with CBI.

Table 58

SUMMARY OF THE ASSETS AND LIABILITIES OF COMMERCIAL BANKS (PUBLIC) (1)

(billion rials)

	Year-end balance					Percentage change ○	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07
Assets							
Foreign assets	53,937.1	69,262.3	263,549.7	292,133.2	305,021.5	10.8	4.4
Notes and coins	2,038.8	2,813.3	2,880.7	3,885.6	4,442.5	34.9	14.3
Deposits with the Central Bank (2)	74,877.8	78,692.8	87,523.2	132,949.6	165,330.6	51.9	24.4
Legal	57,834.3	69,195.3	79,896.1	101,163.4	139,253.8	26.6	37.7
Sight (3)	17,043.5	9,497.5	7,627.1	31,786.2	26,076.8	316.8	-18.0
Claims on public sector	68,890.6	79,155.9	95,676.5	102,728.6	109,098.4	7.4	6.2
Government (4)	12,458.3	20,043.5	30,407.3	25,917.1	40,964.8	-14.8	58.1
Public corporations and agencies	56,432.3	59,112.4	65,269.2	76,811.5	68,133.6	17.7	-11.3
Claims on non-public sector	230,292.2	323,608.0	434,493.9	556,380.1	775,113.0	28.1	39.3
Others	151,028.5	231,000.9	153,451.3	191,663.7	268,714.3	24.9	40.2
Sub-total	581,065.0	784,533.2	1,037,575.3	1,279,740.8	1,627,720.3	23.3	27.2
Below the line items	204,372.2	257,120.7	357,287.0	349,777.2	466,065.5	-2.1	33.2
Total assets = total liabilities	785,437.2	1,041,653.9	1,394,862.3	1,629,518.0	2,093,785.8	16.8	28.5
Liabilities							
Deposits of non-public sector	328,539.0	407,948.0	502,697.7	634,890.0	850,729.2	26.3	34.0
Sight	135,727.0	163,598.9	187,584.4	242,533.7	313,771.4	29.3	29.4
Savings and time	192,812.0	244,349.1	315,113.3	392,356.3	536,957.8	24.5	36.9
Claims of the Central Bank (5)	20,246.6	19,184.0	16,955.4	27,965.0	37,271.6	64.9	33.3
Loans and deposits of public sector	16,244.3	23,955.0	23,673.6	37,635.0	52,209.0	59.0	38.7
Government	16,244.3	23,955.0	23,673.6	37,635.0	52,209.0	59.0	38.7
Public corporations and agencies	0	0	0	0	0	0	0
Capital account	9,168.7	9,477.7	30,609.1	74,732.2	108,270.7	144.2	44.9
Foreign exchange loans and deposits	77,140.5	129,309.3	248,635.7	267,498.2	274,342.2	7.6	2.6
Others	129,725.9	194,659.2	215,003.8	237,020.4	304,897.6	10.2	28.6
Sub-total	581,065.0	784,533.2	1,037,575.3	1,279,740.8	1,627,720.3	23.3	27.2
Below the line items	204,372.2	257,120.7	357,287.0	349,777.2	466,065.5	-2.1	33.2

(1) Excludes commercial banks' branches abroad and includes Post Bank as of August/September 2005.

(2) As of August/September 2002 until January 20, 2004, it includes private banks' deposits.

(3) Includes banks' special term deposits. It is based on Credit Commission's approval in 2003/04.

(4) Includes public sector participation papers.

(5) Figures have been revised based on Credit Commission's approval in 2003/04.

Table 59

SUMMARY OF THE ASSETS AND LIABILITIES OF SPECIALIZED BANKS (PUBLIC) (1)

(billion rials)

	Year-end balance					Percentage change ○	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07
Assets							
Foreign assets	6,101.8	9,864.3	25,815.5	31,791.6	44,726.6	23.1	40.7
Notes and coins	322.1	455.4	633.2	634.2	673.9	0.2	6.3
Deposits with the Central Bank	6,771.0	5,808.1	7,982.6	14,886.0	14,590.0	86.5	-2.0
Legal	3,955.4	5,232.6	7,544.9	10,009.7	13,887.0	32.7	38.7
Sight (2)	2,815.6	575.5	437.7	4,876.3	703.0	☐	-85.6
Claims on public sector	3,587.5	5,174.7	6,458.6	4,980.3	6,643.1	-22.9	33.4
Government (3)	2,690.3	4,315.8	4,942.1	3,936.0	6,163.6	-20.4	56.6
Public corporations and agencies	897.2	858.9	1,516.5	1,044.3	479.5	-31.1	-54.1
Claims on non-public sector	92,757.7	113,821.1	141,988.9	203,760.0	281,621.6	43.5	38.2
Others	14,481.0	21,485.0	39,518.8	62,752.3	70,681.9	58.8	12.6
Sub-total	124,021.1	156,608.6	222,397.6	318,804.4	418,937.1	43.3	31.4
Below the line items	19,556.0	27,572.7	43,028.0	55,759.8	58,053.1	29.6	4.1
Total assets = total liabilities	143,577.1	184,181.3	265,425.6	374,564.2	476,990.2	41.1	27.3
Liabilities							
Deposits of non-public sector	48,073.7	63,244.9	93,686.8	131,421.1	180,656.1	40.3	37.5
Sight	10,992.3	13,293.5	16,562.0	19,585.9	27,947.7	18.3	42.7
Savings and time	37,081.4	49,951.4	77,124.8	111,835.2	152,708.4	45.0	36.5
Claims of the Central Bank (2)	4,061.8	4,358.2	4,537.8	7,951.2	17,615.7	75.2	121.5
Loans and deposits of public sector	1,581.1	3,565.4	7,733.0	15,472.2	18,546.3	100.1	19.9
Government	1,581.1	3,565.4	7,733.0	15,472.2	18,546.3	100.1	19.9
Public corporations and agencies	0	0	0	0	0	0	0
Capital account	7,684.7	9,731.9	20,704.4	27,914.3	31,820.8	34.8	14.0
Foreign exchange loans and deposits	3,323.2	4,682.5	17,247.2	16,891.9	21,032.5	-2.1	24.5
Others	59,296.6	71,025.7	78,488.4	119,153.7	149,265.7	51.8	25.3
Sub-total	124,021.1	156,608.6	222,397.6	318,804.4	418,937.1	43.3	31.4
Below the line items	19,556.0	27,572.7	43,028.0	55,759.8	58,053.1	29.6	4.1

(1) Since March 2002, figures have been revised on the basis of exchange rate unification.

(2) It is based on Credit Commission's approval in 2003/04.

(3) Includes public sector participation papers.

**SUMMARY OF THE ASSETS AND LIABILITIES OF PRIVATE BANKS
AND NON-BANK CREDIT INSTITUTIONS (1)**

(billion rials)

Table 60

	Year-end balance					Percentage change ○	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07
Assets							
Foreign assets	180.1	384.2	3,603.8	18,073.5	14,934.9	401.5	-17.4
Notes and coins	34.9	104.4	191.4	485.6	921.1	153.7	89.7
Deposits with the Central Bank (2)	791.2	2,104.4	7,216.9	17,024.8	32,565.4	135.9	91.3
Legal	778.9	2,084.7	7,132.3	16,829.1	31,686.9	136.0	88.3
Sight	12.3	19.7	84.6	195.7	878.5	131.3	348.9
Claims on public sector	2,169.8	1,530.0	1,444.3	4,686.5	9,046.1	224.5	93.0
Government (3)	2,169.6	1,530.0	1,444.3	4,686.5	9,046.1	224.5	93.0
Public corporations and agencies	0.2	0	0	0	0	0	0
Claims on non-public sector	4,023.0	17,370.7	49,232.1	105,175.3	169,466.4	113.6	61.1
Others	1,557.6	4,629.6	8,388.1	24,091.1	47,886.0	187.2	98.8
Sub-total	8,756.6	26,123.3	70,076.6	169,536.8	274,819.9	141.9	62.1
Below the line items	2,379.7	4,486.1	8,782.0	23,705.3	56,291.0	169.9	137.5
Total assets = total liabilities	11,136.3	30,609.4	78,858.6	193,242.1	331,110.9	145.0	71.3
Liabilities							
Deposits of non-public sector	6,131.2	16,671.0	44,710.7	104,032.7	191,362.5	132.7	83.9
Sight (4)	1,153.3	1,731.9	3,896.7	5,124.2	11,374.2	31.5	122.0
Savings and time	4,977.9	14,939.1	40,814.0	98,908.5	179,988.3	142.3	82.0
Claims of the Central Bank	0	0	0	0	0	0	0
Deposits and funds of public sector	0	0	0	0	0	0	0
Government	0	0	0	0	0	0	0
Public corporations and agencies	0	0	0	0	0	0	0
Capital account	1,124.5	1,357.0	4,131.9	12,371.6	19,819.5	199.4	60.2
Foreign exchange loans and deposits	108.0	1,311.9	3,638.3	16,440.6	15,472.9	351.9	-5.9
Others	1,392.9	6,783.4	17,595.7	36,691.9	48,165.0	108.5	31.3
Sub-total	8,756.6	26,123.3	70,076.6	169,536.8	274,819.9	141.9	62.1
Below the line items	2,379.7	4,486.1	8,782.0	23,705.3	56,291.0	169.9	137.5

(1) Includes Karafarin, Saman, Eghtesad-e-Novin and Parsian private banks, and the Non-bank Credit Institution for Development as of August/September 2002. As of January/February 2006 and August/September 2006, it includes Pasargad and Sarmayeh private banks, respectively.

(2) As of August/September 2002 until January 20, 2004, it only refers to the deposits of the Non-bank Credit Institution for Development and excludes private banks.

(3) Includes public sector participation papers only.

(4) In credit institutions, it includes only miscellaneous creditors.

**BANKS AND NON-BANK CREDIT INSTITUTIONS CLAIMS
ON NON-PUBLIC SECTOR**

Table 61

(billion rials)

	Year-end balance					Percentage change ○	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07
	Banks and credit institutions	327,072.9	454,799.8	625,714.9	865,315.4	1,226,201.0	38.3	41.7
Facilities (1)	314,039.2	431,546.9	597,324.3	804,361.1	1,146,843.5	34.7	42.6
Loans and credits (2)	6,276.7	12,402.2	17,307.4	32,483.7	46,478.5	87.7	43.1
Direct investment and legal partnership	6,757.0	10,850.7	11,083.2	28,470.6	32,879.0	156.9	15.5
Commercial banks	230,292.2	323,608.0	434,493.9	556,380.1	775,113.0	28.1	39.3
Facilities	219,483.4	305,853.2	415,609.5	511,217.5	714,982.1	23.0	39.9
Loans and credits	5,663.3	11,335.4	14,836.1	25,295.9	37,776.4	70.5	49.3
Direct investment and legal partnership	5,145.5	6,419.4	4,048.3	19,866.7	22,354.5	390.7	12.5
Specialized banks	92,757.7	113,821.1	141,988.9	203,760.0	281,621.6	43.5	38.2
Facilities	90,709.3	109,072.0	134,338.5	191,228.9	272,260.5	42.3	42.4
Loans and credits	580.9	871.6	1,847.0	6,098.8	3,181.8	230.2	-47.8
Direct investment and legal partnership	1,467.5	3,877.5	5,803.4	6,432.3	6,179.3	10.8	-3.9
Private banks and non-bank credit institutions	4,023.0	17,370.7	49,232.1	105,175.3	169,466.4	113.6	61.1
Facilities	3,846.5	16,621.7	47,376.3	101,914.7	159,600.9	115.1	56.6
Loans and credits	32.5	195.2	624.3	1,089.0	5,520.3	74.4	406.9
Direct investment and legal partnership	144.0	553.8	1,231.5	2,171.6	4,345.2	76.3	100.1

(1) Facilities are extended by banks based upon the Usury-free Banking Law (excluding direct investment and legal partnership), debt purchase and machinery and housing units transacted under Islamic contracts.

(2) Includes former housing loans, customers' indebtedness for letters of credit, paid guarantees, exchange rate differential, participation papers, former claims and protested promissory notes.

Table 62

LIQUIDITY

(billion rials)

	Year-end balance					Percentage change ○	
	2002/03	2003/04	2004/05	2005/06	2006/07	2005/06	2006/07
	1. Money (M1)	182,652.7	217,356.8	252,815.1	317,919.4	414,544.9	25.8	30.4
Notes and coins with the public	34,780.1	38,732.5	44,772.0	50,675.6	61,451.6	13.2	21.3
Sight deposits	147,872.6	178,624.3	208,043.1	267,243.8	353,093.3	28.5	32.1
2. Quasi-money	234,871.3	309,239.6	433,052.1	603,100.0	869,654.5	39.3	44.2
Gharz-al-hasaneh savings deposits	38,108.0	45,706.0	69,806.2	93,230.1	133,522.4	33.6	43.2
Term investment deposits	185,862.4	251,738.2	349,149.3	489,693.2	707,100.5	40.3	44.4
Short-term	88,452.6	119,809.0	159,867.9	223,291.6	353,666.8	39.7	58.4
Long-term	97,409.8	131,929.2	189,281.4	266,401.6	353,433.7	40.7	32.7
Miscellaneous deposits (1)	10,900.9	11,795.4	14,096.6	20,176.7	29,031.6	43.1	43.9
3. Liquidity (1+2) (M2)	417,524.0	526,596.4	685,867.2	921,019.4	1,284,199.4	34.3	39.4

(1) Includes L.C. advance payments, guarantees' deposits, advance payments for transactions, and pension and savings funds of banks' employees.

Table 63

BALANCE SHEET
AS AT THE END OF 1385 (March 20, 2007)

<u>March 20, 2006</u>	ASSETS	<u>March 20, 2007</u>
56,000,000	Note cover including gold, foreign exchange, and quota and subscription to international agencies	67,500,000
821,161	Notes and coins held at the Central Bank	619,880
10,701,630	Free gold holdings	15,766,449
397,207,233	Foreign exchange assets	525,683,887
	Loans and credits to:	
62,882,542	Government	56,378,293
21,957,428	Government institutions and corporations	27,337,394
25,530,284	Banks	40,040,680
110,370,254		123,756,367
10,385,923	Government revolving funds kept with banks	14,846,631
2,635,703	Government securities	2,635,703
1,150,823	Fixed assets (less accumulated depreciation)	7,801,091
2,041,671	Other assets	2,121,932
591,314,398		760,731,940
15,949,254	Customers' undertakings regarding opened letters of credit and guarantees	19,402,469
607,263,652		780,134,409
858,310	Assets of the Central Bank Employees' Pension Fund	1,087,608
51,943	Assets of the Central Bank Employees' Savings Fund	67,031
62,599	Assets of the Central Bank Employees' Cooperative Fund	82,091
608,236,504		781,371,139

Executive Board

Ebrahim Sheibany
Governor

Mohammad Javad
Vahhaji
Deputy Governor

Mohammad Jaafar
Mojarrad
Vice-Governor

Akbar
Komijani
Vice-Governor

Mohammad Reza
Shojaeddini
Vice-Governor

**AMOUNT IN
MILLION RIALS**

<u>March 20, 2006</u>	LIABILITIES	<u>March 20, 2007</u>
56,000,000	Notes issued	67,500,000
502,177	Coins issued	608,969
10,769,076	Central Bank's participation papers	21,565,536
	Deposits:	
224,448,181	Government: sight	245,556,839
16,875,316	Government institutions and corporations: sight	13,754,290
1,548,999	Non-government public institutions and corporations: sight	1,848,537
	Banks and credit institutions:	
129,085,954	Legal	185,965,579
61,151,624	Other deposits	89,717,253
433,110,074		536,842,498
1,368,895	Income tax	2,869,345
2,163,066	Share of government in net profit	6,556,974
41,069,858	Other liabilities	45,109,496
0	Retirement benefits	102,471
2,500,000	Capital	10,363,000
1,320,916	Legal reserve	2,460,159
1,352,308	Contingency reserve	869,533
41,158,027	Foreign exchange assets' and liabilities' revaluation reserve	65,883,958
1	Net profit carried forward	1
591,314,398		760,731,940
15,949,254	Letters of credit and guarantees	19,402,469
607,263,652		780,134,409
858,310	Liabilities of the Central Bank Employees' Pension Fund	1,087,608
51,943	Liabilities of the Central Bank Employees' Savings Fund	67,031
62,599	Liabilities of the Central Bank Employees' Cooperative Fund	82,091
608,236,504		781,371,139

Table 64

**PROFIT AND LOSS ACCOUNT
AS AT THE END OF 1385 (March 20, 2007)**

<u>2005/06</u>		<u>2006/07</u>
7,870,343	Returns on deposits and investment abroad	13,516,141
2,551,854	Profit received from extended facilities	3,295,717
115,939	Commission received for banking services	174,725
911,817	Result of foreign exchange and gold transactions	1,239,448
24,148	Profit paid on special participation papers	0
675,121	Other incomes	1,571,132
12,149,222		19,797,163
5,407,667	Net profit	11,392,437
0	Net profit carried forward	1
5,407,667		11,392,438

Executive Board

**Ebrahim Sheibany
Governor**

Mohammad Javad
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Deputy Governor

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Akbar
Komijani

Vice-Governor

Mohammad Reza
Shojaeddini

Vice-Governor

**AMOUNT IN
MILLION RIALS**

<u>2005/06</u>		<u>2006/07</u>
90,559	Cost of receiving credit and overdraft from foreign banks	129,164
0	Profit paid on foreign exchange accounts	2,792
1,076,750	Rewards paid on banks' legal deposit	1,476,190
2,066,240	Profit paid on Central Bank's participation papers	2,402,064
72,774	Profit paid on banks' special deposits	1,572,698
380,687	Commission paid on banking services	388,750
1,738,265	Result of foreign exchange revaluation-adjustment	918,384
761,772	Personnel and administrative expenditures	840,181
486,127	Money issue and miscellaneous printing expenditures	607,873
60,993	Depreciation cost of fixed assets	38,068
7,388	Other expenditures	28,562
<u>6,741,555</u>		<u>8,404,726</u>
5,407,667	Net profit	11,392,437
<u>12,149,222</u>		<u>19,797,163</u>

APPROPRIATION ACCOUNT

1,368,894	Income tax	2,869,345
540,767	Transfer to legal reserve	1,139,244
1,307,561	Transfer to contingency reserve	769,487
2,163,066	Share of government in net profit	6,556,974
27,378	0.5 percent of net profit allocated to low-income groups for housing provision	57,387
1	Net profit carried forward	1
<u>5,407,667</u>		<u>11,392,438</u>

Table 65

TEHRAN STOCK EXCHANGE ACTIVITIES

	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change	
						2005/06	2006/07
Shares traded							
Number (million shares)	4,145.4	7,878.8	14,171.5	14,502.9	15,784.4	2.3	8.8
Value (billion rials)	22,776.1	66,869.8	103,705.0	56,528.8	55,644.2	-45.5	-1.6
Number of buyers	359,751	868,150	1,570,492	...	...	0	0
Number of tradings	812,316	1,263,948	2,340,647	2,115,244	1,858,999	-9.6	-12.1
Public sector's shares offering (1)							
Number (million shares)	967.0	759.4	682.6	157.6	1,218.9	-76.9	□
Value (billion rials)	4,418.3	9,003.7	6,795.2	652.2	3,408.4	-90.4	422.6
TSE price indices (end of period) (1990/91=100)							
TEPIX	5,062.8	11,379.4	12,113.0	9,459.4	9,821.0	-21.9	3.8
Financial	8,986.0	23,202.6	34,205.1	20,941.4	20,770.4	-38.8	-0.8
Industrial	4,642.9	10,060.1	9,215.0	7,427.3	7,751.6	-19.4	4.4
Price and dividend index	11,345.9	27,074.9	30,762.0	26,849.8	30,786.5	-12.7	14.7
Cash dividend index	3,704.7	3,933.2	4,198.1	4,692.2	5,182.0	11.8	10.4
Market capitalization (end of period) (billion rials)	117,772.9	309,695.8	387,547.2	325,727.8	395,028.2	-16.0	21.3
Number of trading days	243	240	243	244	239	0.4	-2.0
Number of companies listed on TSE (end of period)	366	417	422	419	416	-0.7	-0.7

Source: Tehran Stock Exchange (TSE)

(1) In 2006/07, 1,659.6 million shares of public organizations and specialized holding companies worth Rls. 4,386.9 billion were transferred to the Brokerage Company of Justice (Edalat) Shares.

Table 66

SUMMARY OF PARTICIPATION PAPERS ISSUANCE IN 1385 (2006/07)

Subject	Approved amount (1) (billion rials)	Date of issuance	Issued amount (billion rials)	Sold amount (billion rials)	Provisional profit rate (% per annum)
Government participation papers	17,400		14,700	11,275.1	15.5
Governmental – budgetary (2)	8,400		8,400	5,040.2	15.5
Note 1	8,400	05.10.1385	8,400	5,040.2	15.5
Governmental – non-budgetary (3)	9,000		6,300	6,234.8	15.5
Ministry of Energy, Note 1	1,500	04.07.1385	1,500	1,500.0	15.5
Ministry of Road and Transportation, Note 1	850	27.08.1385	850	850.0	15.5
Ministry of Energy, Note 1	200	02.10.1385	200	200.0	15.5
Ministry of Road and Transportation, Note 1	850	30.10.1385	850	850.0	15.5
Ministry of Road and Transportation, Note 1	1,000	30.10.1385	1,000	999.3	15.5
Ministry of Energy, Note 1	1,100	14.11.1385	1,100	1,100.0	15.5
Others, Note 1	500				
Ministry of Housing (Renovation of old buildings), Note 6	500	23.11.1385	500	435.5	15.5
Mashad Municipality, Note 6	300	15.07.1385	300	300.0	15.5
Others - Municipalities (Renovation of old buildings), Note 6	200				
Cooperative Fund (Cooperative sector projects), Note 1	2,000				
CBI's participation papers (Article 10, 4th FYDP)	30,000		26,500	22,187.0	15.5
New issuance (1 st phase)	7,500	19.06.1385	7,500	6,407.1	15.5
New issuance (2 nd phase)	5,000	13.08.1385	5,000	4,356.1	15.5
Substituted papers (3 rd phase)	5,000	19.09.1385	5,000	4,576.1	15.5
Substituted papers (4 th phase)	4,000	23.10.1385	4,000	2,584.8	15.5
Substituted papers (5 th phase)	5,000	05.12.1385	5,000	4,262.8	15.5
Banks' participation papers	4,000				
Bank of Industry and Mine	4,000				
Corporations' participation papers	16,000		4,500	4,500.0	15.5
Participation papers, Subject of Article 4, Law on Issuance of Participation Papers	11,000				
National Petrochemical Company (Arvand Project)	1,500	16.10.1385	1,500	1,500.0	15.5
National Petrochemical Company (Pars Petrochemical 9 th Olefin Project)	500	23.11.1385	500	500.0	15.5
National Petrochemical Company (Bandar Imam NF3 Project)	1,000	20.12.1385	1,000	1,000.0	15.5
National Petrochemical Company (Khark Ethylene Project)	1,500	20.12.1385	1,500	1,500.0	15.5
Participation papers, Subject of Article 17, Law on Facilitation of Industries Renovation	5,000				
Grand total	67,400		45,700	37,962.0	

Source: Budget Law for 2006/07, and the CBI

(1) Components may not sum to total.

(2) Participation papers, repayment of principal and profit of which is projected in annual budget laws.

(3) Participation papers, repayment of principal and profit of which is financed through domestic resources of utilizing corporations.

**ANNUAL AVERAGE CONSUMER PRICE INDEX
IN URBAN AREAS**

(1997/98=100)

Table 67

	Relative weight in the base year	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change	
							2005/06	2006/07
Special groups								
Goods	60.93	183.8	207.1	232.9	255.8	286.7	9.8	12.1
Services	12.03	239.3	288.4	342.1	396.1	458.3	15.8	15.7
Housing, water, fuel and power	27.04	241.2	285.9	338.0	384.8	442.7	13.8	15.1
General index	100.00	206.0	238.2	274.5	307.6	349.5	12.1	13.6
Main and selected minor groups								
Food, beverages and tobacco	32.45	213.2	246.1	281.0	310.3	353.9	10.4	14.1
Red meat, poultry and fish	7.91	261.9	306.9	342.8	363.4	415.1	6.0	14.2
Bread, rice and cereal products	5.56	216.1	237.0	257.3	287.2	311.9	11.6	8.6
Fruits and vegetables	7.95	198.8	236.5	286.7	331.7	388.3	15.7	17.1
Dairy products and eggs	3.84	195.4	233.7	271.8	283.6	333.6	4.3	17.6
Housing, water, fuel and power	27.04	241.2	285.9	338.0	384.8	442.7	13.8	15.1
Housing	25.41	235.6	280.1	332.8	381.7	442.7	14.7	16.0
Water, fuel and power	1.63	329.5	376.9	419.2	432.7	444.0	3.2	2.6
Clothing and footwear	9.55	132.6	142.8	156.3	171.0	186.6	9.4	9.1
Household furnishings and operation	7.22	150.0	164.7	191.2	214.0	237.7	11.9	11.1
Transportation and communications	11.40	187.6	213.1	236.6	254.7	275.1	7.7	8.0
Medical care	4.57	246.0	287.6	337.5	402.8	475.5	19.3	18.1
Recreation, reading and education	3.53	192.2	217.6	250.8	288.8	338.4	15.1	17.2
Miscellaneous goods and services	4.24	204.6	245.0	281.0	315.8	353.1	12.4	11.8

Table 68

ANNUAL AVERAGE WHOLESALE PRICE INDEX

(1997/98=100)

	Relative weight in the base year	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change	
							2005/06	2006/07
Major groups								
Domestically produced and consumed goods	71.75	198.7	221.7	253.3	277.4	311.1	9.5	12.1
Imported goods	24.29	159.7	167.3	191.5	204.2	224.8	6.6	10.1
Exported goods	3.96	257.5	282.0	345.4	411.0	483.3	19.0	17.6
General index	100.00	191.5	210.9	241.9	264.9	297.0	9.5	12.1
Main groups								
Foodstuff	35.40	217.4	244.7	275.8	304.1	342.2	10.3	12.5
Beverages and tobacco	0.78	220.2	238.2	255.7	276.2	293.9	8.0	6.4
Industrial materials (except mineral fuels)	3.86	176.3	194.8	215.8	224.6	257.6	4.1	14.7
Mineral fuels and their products	2.76	342.3	413.9	464.5	486.3	499.5	4.7	2.7
Chemicals and petrochemicals	8.60	201.3	214.2	242.7	281.5	312.4	16.0	11.0
Manufactured goods according to raw materials	26.92	169.5	187.4	235.4	257.8	299.3	9.5	16.1
Machinery and transportation vehicles	19.45	155.7	159.6	171.1	182.4	196.9	6.6	8.0
Miscellaneous goods	2.23	149.9	157.1	162.9	176.2	182.4	8.2	3.5
Special groups								
Agricultural, animal husbandry and fishing products	26.82	219.6	248.6	282.1	310.6	353.9	10.1	13.9
Construction materials	10.74	192.1	217.0	268.8	285.4	342.3	6.2	19.9
Metallic	6.23	168.4	188.5	250.8	262.7	346.3	4.7	31.8
Non-metallic	4.51	224.8	256.3	293.8	316.9	336.8	7.9	6.3

Table 69

ANNUAL AVERAGE PRODUCER PRICE INDEX

(1997/98=100)

	Relative weight in the base year	2002/03	2003/04	2004/05	2005/06	2006/07	Percentage change	
							2005/06	2006/07
Special groups								
Agriculture, animal husbandry, forestry and fishing	23.61	219.4	253.7	299.2	312.5	353.5	4.5	13.1
Mining and quarrying, manufacturing and electricity, gas and water supply	47.91	195.7	217.1	249.2	271.7	302.5	9.0	11.3
Services	28.48	238.3	291.1	345.2	392.0	441.3	13.6	12.6
General index	100.00	213.4	246.8	288.3	315.6	354.0	9.5	12.2
Main groups								
Agriculture, animal husbandry and forestry	23.19	218.7	253.3	298.6	311.2	352.6	4.2	13.3
Fishing	0.42	260.7	272.9	334.3	385.3	404.0	15.3	4.8
Mining and quarrying	0.94	151.2	157.7	170.6	198.8	268.1	16.5	34.9
Manufacturing	45.17	195.5	216.4	248.2	271.4	302.6	9.3	11.5
Electricity, gas and water supply	1.80	226.0	266.7	315.1	317.7	317.7	0.8	0
Repairing of motor vehicles	0.32	201.2	236.3	280.2	323.9	376.5	15.6	16.2
Hotels and restaurants	0.73	246.7	289.5	335.9	377.9	425.6	12.5	12.6
Transport, storage and communications	10.53	223.1	266.8	304.7	342.3	376.1	12.3	9.9
Financial intermediations	1.17	370.3	598.1	801.4	848.9	845.6	5.9	-0.4
Real estate, renting and business activities	11.19	234.1	278.8	331.7	380.6	441.4	14.7	16.0
Education	0.59	275.9	333.6	409.9	494.3	605.4	20.6	22.5
Health and social work	2.23	251.4	295.5	350.9	422.0	498.3	20.3	18.1
Other community, social and personal services activities	1.72	242.0	302.9	357.6	405.1	453.5	13.3	11.9

**CORRESPONDENCE OF IRANIAN⁽¹⁾
AND GREGORIAN CALENDARS**

Table 70

Months		1381		1382		1383		1384		1385	
		<u>2002</u>		<u>2003</u>		<u>2004</u>		<u>2005</u>		<u>2006</u>	
Farvardin	1	March	21	March	21	March	20	March	21	March	21
	31	April	20	April	20	April	19	April	20	April	20
Ordibehesht	1	April	21	April	21	April	20	April	21	April	21
	31	May	21	May	21	May	20	May	21	May	21
Khordad	1	May	22	May	22	May	21	May	22	May	22
	31	June	21	June	21	June	20	June	21	June	21
Tir	1	June	22	June	22	June	21	June	22	June	22
	31	July	22	July	22	July	21	July	22	July	22
Mordad	1	July	23	July	23	July	22	July	23	July	23
	31	Aug	22	Aug	22	Aug	21	Aug	22	Aug	22
Shahrivar	1	Aug	23	Aug	23	Aug	22	Aug	23	Aug	23
	31	Sept	22	Sept	22	Sept	21	Sept	22	Sept	22
Mehr	1	Sept	23	Sept	23	Sept	22	Sept	23	Sept	23
	30	Oct	22	Oct	22	Oct	21	Oct	22	Oct	22
Aban	1	Oct	23	Oct	23	Oct	22	Oct	23	Oct	23
	30	Nov	21	Nov	21	Nov	20	Nov	21	Nov	21
Azar	1	Nov	22	Nov	22	Nov	21	Nov	22	Nov	22
	30	Dec	21	Dec	21	Dec	20	Dec	21	Dec	21
Dey	1	Dec	22	Dec	22	Dec	21	Dec	22	Dec	22
	30	Jan	20	Jan	20	Jan	19	Jan	20	Jan	20
Bahman	1	Jan	21	Jan	21	Jan	20	Jan	21	Jan	21
	30	Feb	19	Feb	19	Feb	18	Feb	19	Feb	19
Esfand	1	Feb	20	Feb	20	Feb	19	Feb	20	Feb	20
	29/30	March	20	March	19	March	20	March	20	March	20

(1) There are 31 days in each of the first six months of the Iranian calendar, 30 days in each of the next 5 months, 29 days in the last month, except in leap year when it has 30 days.

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P.O. Box: 15875/7177

TEHRAN – IRAN

Telex: (98)(21) 213965-8

Fax: (98)(21) 29954870

Email: G.Secdept@CBI.IR

Internet: <http://www.cbi.ir>