Today, the Iranian ICT sector is one of the fastest growing and most promising industries of the Iranian economy. The demand for ICT and telecom-related products and services in this market are well above market supply, forcing the Iranian government to source its needs from foreign companies. The third five-year development plan (2000–2005) pushed the Iranian ICT Ministry toward privatization. Iran's largest mobile telecom contract was awarded in February 2004, when the government awarded the second GSM operator licence to a private company called Irancell, a consortium led by Turkcell of Turkey. The project involves issuing some 15 million mobile numbers in the next four years, worth an estimated $25 billion in revenues for the next decade. Backed by TeliaSonera and Ericsson as the main technology partners, and by Turkey's Cukurova Group, the consortium has made a $300-million cash deposit along with a $1.5-billion investment to offer 2.8 million mobile lines in 2004–2005. However, the recent legislation targeting the Irancell project has left the fate of this key economic development project uncertain.

Automobiles

During 2004, as ratified by the Iranian parliament, all real and legal entities as well as foreign companies were permitted to import new vehicles and their spare parts into Iran. The government is also studying the possible approval of imports of second-hand vehicles into the country. Iran reduced its automobile import tariffs from 170% to 130% in 2004 and is expected to further reduce them to about 60% over the next five years. Moreover, according to Iran's budget law (March 2003–2004), domestic car makers are now required to produce cars with dual fuel systems (gasoline and natural gas) at a rate commensurate with the overall capacity of gas filling stations. The requirement is intended to reduce air pollution (specially in Tehran) and also to cut gasoline imports, which cost the government billions of dollars in the form of subsidies. By the end of the current Iranian year (March 20, 2005), 100,000 vehicles will have been mandated to use gas as a fuel, and 280 compressed natural gas filling stations will have been constructed in 15 cities. The move should enable Canadian companies to benefit from opportunities in Iran's automotive sector.

Oil and Gas

Iran's constitution prohibits any foreign company from legally owning hydrocarbon fields. However, setting up buy-back contracts (BBCs) is allowed. The investment for a BBC comes from the entrepreneur. In return, the entrepreneur receives compensation in the form of an allocation of a share of production. Unlike past agreements, the latest BBCs include penalty clauses in the event of low output, but there is no positive counterpart if the field's production is higher than anticipated. Furthermore, petroleum legislation keeps all activities in this sector under government control. Although a recent restructuring plan led to the privatization of a few organizations, the main companies remain under state control. Finally, the regulation requiring 51% of resources to be set aside for Iranian use is sometimes impossible to apply in this sector, because it is often only a foreign company that can provide the necessary know-how and/or technologies. This restriction has in several cases led to delays, the use of unethical methods or the misuse of local partners' purchasing power.

Mines

Under the current Mines Act of Iran adopted in 1998, there is no theoretical restriction on the exploration and exploitation of minerals in Iran, and all persons (real and juridical, Iranian and foreign) can engage in these activities upon the issuance of the appropriate licences and decrees. This is an important improvement on the previous legislation, which excluded foreign-owned companies. However, the exploitation of "large mines" (a term that is not clearly defined) continues require the approval of the Council of Ministers on a case-by-case basis, constituting an effective barrier to entry for foreign companies.

Pharmaceuticals

In July 2004, the Food and Drug Department of Iran's Ministry of Health announced that all international pharmaceutical companies interested in Iran's drug market should establish an exclusive representative in Iran. Pharmaceutical companies that already export their products into Iran though the Iran Pasteur Institute or the Iranian Red Crescent Society are among the affected companies. In addition, the