

Islamic Republic of Iran
Organization for investment economic and technical assistance of Iran

"Summary of technical-economical prefeasible study"

Name:

Sugar Beet Processing Plant Plan

Sector: Industrial/ Food Manufacturing Industry

Sub sector: Sugar and Sugar Loaf

isic code: 1542412308-1542512321-1542512332-1542512336

The owner of:

Agricultural Jihad Organization

Counselor plan:

Razi University

The Address:

Kermanshah, Iran.

Date of P.F.S:

2024/10/22

**Manager of Iran Investment Opportunities
SHAHRIG Engineering Company**

www.shahrig.com



Contents

1- Abstract	2
2- Project's location	Error! Bookmark not defined.
2-1- Province.....	Error! Bookmark not defined.
2-2-	the
2-3-	the
2-4-	access
3- Technical Specifications of plan.....	Error! Bookmark not defined.
3-1-	product
3-2-	project's
3-2-1-Space	and
3-2-2-Equipment	and
3-2-3- Raw	materials
3-2-4-management	and
4- Ownership and legal permission.....	Error! Bookmark not defined.
4-1-	ownership
4-2- Intellectual	property
4-3-	legal
5- Market study and Competition.....	Error! Bookmark not defined.
5-1-	Introduce
6- Physical Progress of project	Error! Bookmark not defined.
7- Action plan and Implementation schedule	Error! Bookmark not defined.
8- Financial projection	Error! Bookmark not defined.
8-1-	The
...	Error! Bookmark not defined.

The cost estimate
 ...**Error! Bookmark not defined.**
 8-2- Estimated revenues
 ...**Error! Bookmark not defined.**
 8-3-Duration of project operation
 ...**Error! Bookmark not defined.**
 8-4-Break-even analysis
 ...**Error! Bookmark not defined.**
 8-5- Cost-benefit analysis
 ...**Error! Bookmark not defined.**
 8-6- Sensitivity analysis of IRR
 ...**Error! Bookmark not defined.**
 8-7- Summarize table
 ...**Error! Bookmark not defined.**
 8-8-Estimation of exchange rate changes during the project implementation
 ...**Error! Bookmark not defined.**
 9- Capital needs, the supply and guarantees method**Error! Bookmark not defined.**
 9-1- Foreign currency needed
 ...**Error! Bookmark not defined.**
 9-2- The Way of participation and finance method
 ...**Error! Bookmark not defined.**
 9-3- Payback period
 ...**Error! Bookmark not defined.**
 10- Incentives, features and advantages of project**Error! Bookmark not defined.**

1- Abstract:

PROJECT PROFILE - SUMMARY SHEET

Project Introduction	
1- Project title: Sugar production from sugar beets	
2- Sector: Industrial / Food Industries	Sub Sector: Sugar and Sweetener Production
3- Products / Services: The product in question is from the category of food products and beverages (15), specifically from the subgroup of sugar and sweeteners (1542), including refined sugar derived from sugar beets (1542412308), lump sugar from refined sugar beets (1542512321), dried beet pulp (1542512336), and beet molasses (1542512332). The products under consideration are classified under the tariff subheadings (1701) of Iran's customs regulations, titled "Sugar and sugar from sugarcane or sugar beet and pure sucrose in solid form," and are imported and exported under the tariff (17011200).	

4- location (address): Kermanshah, Qasr-e Shirin County, Qasr-e Shirin Free Trade-Industrial Zone

Free Zone ■

Economic Special Zone □

Industrial Estate □

Main Land □

5- Project description:

This project is designed with a capacity of 75,000 tons per year, and upon obtaining the necessary permits, construction will commence, followed by the start of operations. Therefore, from its annual revenue, which includes the sale of sugar from sugar beets, sugar from sugar beets, dry pulp, and molasses, it will be able to cover its costs and generate annual income. According to existing standards, producing sugar from sugar beets requires 300,000 square meters of land to establish a sugar production unit with a capacity of 75,000 tons per year. Of this area, 20,600 square meters will be covered space, 279,400 square meters will be uncovered space, and the remainder will be allocated for the open area of the industrial unit. The planned area for this project is 300,000 square meters, with any excess land designated for green space and open areas. For this complex, the necessary power supply and transformer have been allocated, which will be sourced from the Qasr-e Shirin Free Trade-Industrial Zone. Additionally, a water supply has been designated for the complex from the Qasr-e Shirin Free Trade-Industrial Zone. The plumbing for the area, inside the halls, and other parts of the production unit will be carried out by a qualified contractor. The required equipment and machinery in various sections include the following:

Pre-processing equipment:

- Beet harvesting machinery
- Washing and cleaning machinery for raw materials
- Raw material crushing equipment
- Conveyors and internal transport systems

Cooking and refining equipment:

- Cooking and refining devices for converting raw materials into syrup and refining it
- Syrup evaporation equipment
- Filters and other purification systems

Sugar conversion equipment:

- Crystallizers and equipment for sugar extraction from syrup
- Sugar crushing machinery
- Cleaning and packaging equipment for sugar

Sugar packaging

Storage and warehousing equipment:

- Syrup storage tanks
- Sugar storage tanks
- Transfer and storage systems

The human resources required for this project include 40 skilled workers, 33 unskilled workers, and 200 specialists directly involved.

Project Status

6- Local / internal raw material access : 75,000 tons

7- Sale :

- Anticipated local market: 50 %

- Anticipated export market: 50 %

8 – Project total time (from start of activities to start of commercial operation in years) :

The implementation of the project phases until its operation is scheduled for a duration of 36 months.

Schedule	Start of activities :
	Start of works at site
	End of Works :
	Start of commercial operation :

9- Project status :

- Feasibility study available?	Yes
- Required land provided?	No
- Legal permissions (establishment license, foreign currency quota, environment, etc) taken?	No
- Partnership agreement concluding with local /foreign investor?	No
- Financing agreement concluding?	No
- Agreement with local /foreign contractor(s) concluding?	No
- Infrastructural utilities (electricity water supply, telecommunication, fuel, road, etc) procured?	No
- List of know- how, machinery, equipment, as well as seller /builder companies defined?	Yes
- Purchases agreement machinery, equipment and know-how concluded?	No

Financial Table

10- Financial structure :

Descriptions	Local Currency Required			Foreign Currency Required Million Euro	Total Million Euro
	Million Rials	Rate	Equivalent in Million Euro		
Fix Capital	10544380	600	10.8	6.7	17.5
Current Capital	3961490	600	6.6	0	6.6
Total Investment	14505870	600	17.4	6.7	24.1

- Value of foreign equipment / machinery 6.7 Million
- Value of local equipment / machinery 1.9 Million Euro
- Value of foreign technical know-how..... Million Euro
- Value of local technical know-how..... Million Euro
- Net present value (NPV): 7.6 Million Euro
- Internal Rate of Return (IRR): 38%
- Capital Rate of Return: 26.15 %
- Payback Period 5 years and 5 months

General Information11 - Project type : Establishment ☒Expansion and completion ☐**12- Company Profile**

- Name (Legal/Natural persons): 1. Dr. Somayeh Azami 2. Dr. Ehsan Khosravi

- Company's current activities: Razi University

- Address: Razi University, Taq-e Bostan, Kermanshah, Iran.

- Tel: +988334277605-6

Fax: +988334277605-6

E-mail: info@razi.ac.irWeb Site: <https://en.razi.ac.ir>

- Company's legal structure :

Government ☒Non-Governmental ☐Public non-governmental ☐

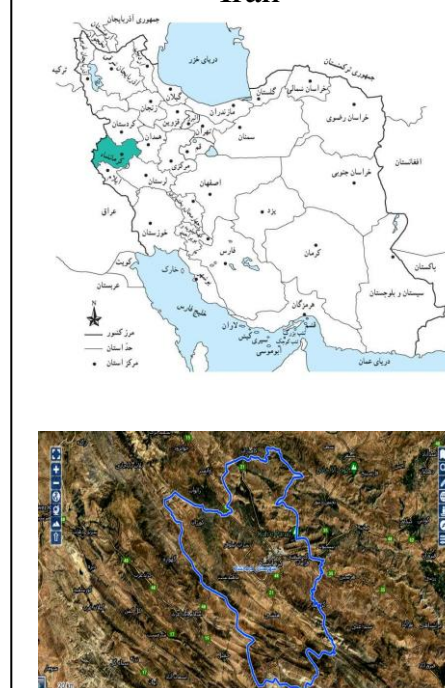
2- Plan Location:

2-1. Province:

Kermanshah Province, spanning 25,009 square kilometers and centered around the city of Kermanshah, ranks as Iran's 17th largest province. Situated in western Iran, it lies between latitudes 33°40' to 35°18' N and longitudes 45°24' to 48°7' E. It borders Kurdistan Province to the north, Lorestan and Ilam Provinces to the south, Hamadan Province to the east, and shares a 371-kilometer border with Iraq to the west. The average elevation is approximately 1,200 meters above sea level. Kermanshah Province covers 1.5% of Iran's total area. According to current administrative divisions, Kermanshah includes 14 counties, 31 cities, 86 rural districts, and 2,793 inhabited villages. The 2016 Census by Iran's Statistical Center recorded a population of 1,952,434, with a density of 78 people per square kilometer across 25,009 square kilometers. The largest city, Kermanshah, serves as the provincial capital with a population of 946,651. In terms of road infrastructure, Kermanshah ranks 11th nationwide in total road length (excluding rural roads), 17th in highway and freeway length per 1,000 kilometers, and 18th in main roads. The city of Kermanshah holds the highest proportion of roadways due to its substantial area within the province.

With its extensive network of intercity and rural roads, Kermanshah Province is well-positioned to

Map Showing the Location of Kermanshah in Iran

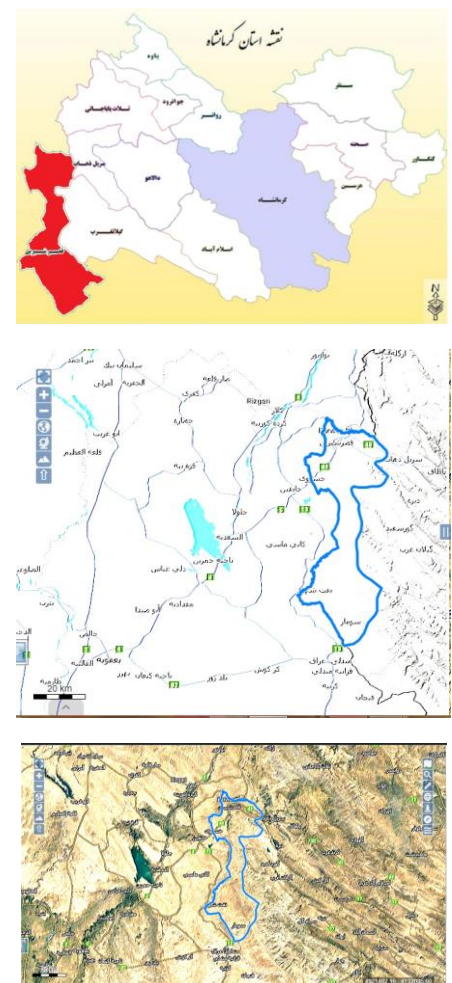


undertake ambitious road development projects, aiming to upgrade a significant portion of its road network to expressway standards. With six official border crossings(Khosravi, Parviz Khan, Sumar, Shushmi, Sheikh Saleh, and Tileh Koh) and substantial tourism potential, Kermanshah Province is well-positioned to significantly contribute to the country's foreign exchange revenue and national income. A key strategy to realize this potential is to invest in the development of its road infrastructure and transportation fleet. The Kermanshah International Airport is currently one of Iran's leading airports by flight volume, and the planned railway project will link it to the international Khosravi border and Iraq. Kermanshah is predominantly mountainous, with 70.8% of its area classified as mountainous terrain. The remaining 22.1% consists of plains, while 7.1% is categorized as foothills. In terms of altitudinal classification, 76.5% of the province is situated within the 1000-2200 meter elevation range, with the 1400-1800 meter band being the most prevalent. If we divide Kermanshah Province into two primary elevation categories—below and above 1400 meters—approximately 58.2% of the province's area falls within the higher elevation category, while the remaining 41.8% is at elevations below 1400 meters. Therefore, in addition to being a mountainous region,

Kermanshah Province also has significant elevations. Kermanshah Province has a temperate mountainous climate. In the 4th century AD, this province, which was a pleasant village at the time, was chosen as the second royal residence of the Sassanian Empire. Extensive gardens were built in this area during the Sassanian period, providing a serene retreat for Sassanian monarchs for centuries. Throughout the Islamic period, Kermanshah was renowned for its pleasant climate, flowing waters, lush vegetation, and affordable goods. Writing in 290 AH, the geographer Ibn Faqih describes Kermanshah in his work 'Al-Buldan': "From Madain to the Balkh River, Qabad traversed vast lands, yet nowhere did he find a region as enchanting as Kermanshah and the Hamdan-Asadabad pass. The purity of its air, the sweetness of its water, and the delight of its breeze compelled him to construct Qarmasin." Kermanshah experiences a maximum of 2999 hours of sunshine annually, with the highest solar radiation occurring in July and August, and the lowest in December and January. The climatic and ecological conditions of Kermanshah, characterized by moderate annual rainfall and relative humidity, give rise to a landscape predominantly covered in forests and pastures. The region also features arable lands that are both irrigated and rain-fed. The annual average

temperature in Kermanshah Province is approximately 14 degrees Celsius, and the average annual precipitation is 456.8 millimeters. The primary inhabitants of Kermanshah are Kurds. Kermanshah Province is the ancestral homeland of numerous prominent Kurdish tribes, including the Zangeneh, Kalehor, Guran, Jaaf, Sanjabi, Qalakhany, Kelyayi, Bajlan, Zoleh, Jamir, as well as Laki tribes such as Jalalvand, Kakavand, Osmanvand, Payravand, and Balavand. Despite the official classification of Laks as a Kurdish subgroup, Kermanshah exhibits linguistic diversity, with Turkish-speaking communities, particularly the Sonqori Turks, residing alongside the Kilyayi Kurds in the city of Sanqor and Kelyai. The Sanqori dialect is a variety of Azerbaijani Turkish that is often described as a transitional form between Azerbaijani Turkish and Khorasan Turkish. Additionally, a community of Lurs resides in Kangavar County, speaking the Luri-e-Salasi dialect. Over the past two centuries, migrants from other provinces, particularly Hamadan, Markazi, Isfahan, and Semnan, have settled in Kermanshah. Some non-Kurdish families, such as the Al-Aqa, Nojumi, Meybodi, Feyz Mahdavi, Shahrastani, Soduqi, Muhammadi Eraghi, Kazazi, Jaberi, and Dezfuli families, migrated to Kermanshah due to religious motivations to promote Shia Islam. These

Map Showing the Location of the County in Iran



migrations have contributed to the distinctive Kermanshahi Persian dialect.

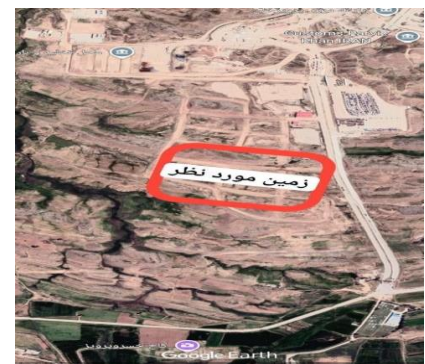
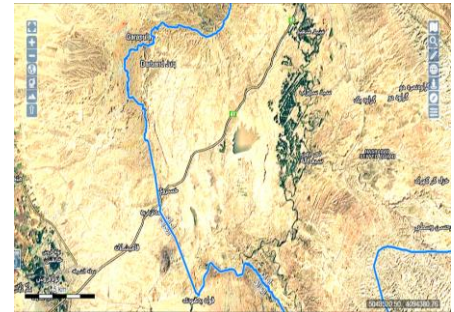
2-2. County:

Qasr-e Shirin County, with an area of approximately 1,550.28 square kilometers, accounts for 2.6% of the total area of Kermanshah Province. This county is located in the western part of the province, bordered by Sarpol-e Zahab County to the north, Ilam Province to the south, Gilan-e Gharb County to the east, and Iraq to the west. It comprises 2 urban centers, 2 districts, 4 rural districts, and 71 inhabited villages. The city of Qasr-e Shirin has three main entry and exit routes: Sarpol-e Zahab, Khosravi, and Gilan-e Gharb. Other entry and exit points connect the city with population centers such as Sarpol-e Zahab, Eslamabad, Kermanshah, and Gilan-e Gharb. Historically, Qasr-e Shirin has held significant importance due to its unique political and economic position, as well as its location on the Tehran-Baghdad highway. The county has an elongated shape, situated within the lowland plains along the western borderlands of Kermanshah Province. The lands within its boundaries are the lowest-lying areas in the province.

2-3. Project Location:

Based on the initial phase of studies and considering key factors such as the availability of raw materials, infrastructure, access to transportation networks, human resources, environmental considerations, government exemptions, and the presence of competitors, the Qasr-e Shirin Free Trade-Industrial Zone has been identified as a suitable location for the proposed project. This free trade-industrial zone was established in 2021 under Article 1 of the Law on the Administration of Free Trade-Industrial Zones, adjacent to the city of Qasr-e Shirin. The Qasr-e Shirin Free Zone, strategically positioned near two major customs points, Khosravi and Parvizkhan, has become one of the economic hubs of western Iran. The legal and governmental support provided within this zone includes various services, such as unrestricted domestic and foreign investment, guaranteed protection for foreign investments based on the mechanisms outlined in the Free Zone Law, free movement of capital and profits gained from economic activities, 20-year tax exemptions from the commencement of operations for all economic activities, duty-free import of machinery, spare parts, capital goods, raw materials, and construction materials. Additionally, products manufactured in the zone are exempt

Project Location Map



from general export regulations when shipped abroad. Other benefits include the ability to employ up to 10% foreign skilled labor in production units, flexible labor and employment regulations based on mutual agreements, unrestricted transit and re-export of goods, visa-free entry for foreigners, issuance of certificates of origin for goods exported from the zone, and customs exemptions for products made in the zone entering the domestic market based on their added value and the use of local materials. The customs incentives offered in the Qasr-e Shirin Free Zone cover a wide range of activities, including placing orders in the zone with long-term letters of credit, cargo handling by personnel selected by the owner, transferring goods before customs clearance, a 15% rebate upon clearance, clearance based on a bank guarantee, splitting warehouse receipts upon request, issuance of certificates of origin, and negotiable warehouse receipts for bank transactions. Additional advantages include simplified procedures for transit and re-export of foreign goods, unrestricted import of all types of goods (except those prohibited under Islamic law), guaranteed legal protection for foreign investors against expropriation and nationalization, the freedom to engage in any economic activity for foreign investors, company registration by the Free Zone Authority, and the ability for 100% foreign

ownership without the need for Iranian partners. These benefits significantly facilitate the investment process in the Qasr-e Shirin Free Trade-Industrial Zone.

2-4. Infrastructure Accessibility:

The implementation site of this project is the Qasr-e Shirin Free Trade-Industrial Zone. A general review of infrastructure access in the Qasr-e Shirin Free Trade-Industrial Zone is shown in the table below.

Row	Required infrastructure	Distance to the Project	Infrastructure Supply Source
1	Water	0	Qasr-e Shirin Free Trade and Industrial Zone
2	Electricity	0	Qasr-e Shirin Free Trade and Industrial Zone
3	Gas	0	Qasr-e Shirin Free Trade and Industrial Zone
4	Telecommunications	0	Qasr-e Shirin Free Trade and Industrial Zone
5	Main Road	0	-
6	Secondary Road	0	-
7	Airport	186 Km	-
8	Port	650 Km	-
9	Railway Station	180	-

3- Plan Technical Specifications:

3-1. Product:

Sugar beet is one of the world's primary agricultural crops. This annual plant, which belongs to the spinach family, is typically cultivated in mountainous climates, where it grows well and reaches high quality. The growing period for sugar beet, in order to extract sugar, is estimated at 6 to 9 months. Sugar beet and its by-products have many applications in various industries. Some of the by-

products of sugar beet include pulp, molasses, silage, and cellulose. Sugar beet pulp and molasses are by-products of sugar production. During the sugar extraction process from sugar beet roots, two valuable feed products—pulp and molasses—are produced. Due to their high fiber content, these by-products are used in animal feed production. They can be used separately or mixed with other feeds, either dried or processed, in a variety of livestock feeds. Dried pulp can be prepared with or without molasses, both of which are suitable for ruminants. Sugar beet pulp, due to its high energy content, is used to feed dairy cows and in lamb fattening.

Molasses is a syrupy by-product left after processing sugar beet. It is typically concentrated to about 75% dry matter before being sold in the market. Among the significant substances that can be extracted from sugar beet molasses are alcohol and disinfectants.

The target product for this project falls under the Food and Beverage Manufacturing Group (15), specifically in the Sugar Production Subgroup (1542), and includes refined sugar derived from sugar beet (1542412308), sugar loaf from refined beet sugar (1542512321), dried beet pulp (1542512336), and beet molasses (1542512332). The products covered in this project are imported and exported under the Iranian Customs Tariff Code (1701), titled "Sugar from sugarcane or sugar beet

Product/Sample Image



and chemically pure sucrose, in solid form," specifically under sub-code 17011200.

3-2. Plan Requirements:

3-2-1. Required Space and Infrastructure:

This project is designed with an annual production capacity of 75,000 tons. After obtaining the necessary permits, construction will commence, followed by securing the operating license, after which operations will begin. The project's annual revenue, generated from the sale of beet-derived sugar, refined sugar, dried pulp, and beet molasses, will cover its costs and yield annual profits. According to existing standards for sugar production from sugar beet, establishing a sugar production facility with a capacity of 75,000 tons per year requires a land area of 300,000 square meters. Of this, 20,600 square meters will be allocated to covered spaces, 279,400 square meters to uncovered areas, and the remainder will serve as open spaces for the industrial complex. The entire allocated area of 300,000 square meters includes provisions for green spaces and open areas. The necessary electrical infrastructure, including transformers with the required capacity, will be sourced from the Qasr-e Shirin Free Trade-Industrial Zone. Additionally, the water supply for the facility will also be provided by this free trade zone. Qualified contractors will be responsible for the piping across the premises, inside the production halls, and other sections of the facility. The presence of two pre-existing sugar factories—Bistoon Sugar Factory with a capacity of 37,500 tons and Eslamabad-e Gharb Sugar Factory with a capacity of 14,000 tons—has led to the development of a well-established production system and expertise in sugar beet cultivation in Kermanshah Province. Producing beet sugar does not require advanced technology, as the necessary technical knowledge is already available domestically. However, production must adhere to local standards. Below are

the specifications for the land, main buildings, auxiliary facilities, and the associated investments required for this project.

Plan Investment in Land, Landscaping, and Construction

No.	Description/Name of Structures	Details	Required Investment		Total Cost (Million IRR)
			Quantity/Meterage Required	Unit Cost (IRR)	
1	Land	30 hectares of land in the Qasr-e Shirin Free Trade-Industrial Zone.	300,000	7,000,000	2,100,000
2	Landscaping Operations	As per detailed specifications	270,000	5,388,900	1,455,000
3	Construction	Industrial Shed	8,500 sqm	113,760,000	966,960
		Administrative Building	700 sqm	150,000,000	105,000
		Other Buildings	10,000 sqm	150,000,000	1,500,000
Total			-	-	6.126.960

3-2-2. Equipment and Machinery:

Pre-Processing Equipment:

Beet harvesting machinery
Washing and cleaning machines for raw materials
Raw material crushing equipment
Conveyors and internal transport systems

Cooking and Refining Equipment:

Cooking and refining machines for converting raw materials into syrup and purifying it
Syrup evaporators
Filters and other purification systems

Sugar Conversion Equipment:

Crystallizers and equipment for sugar extraction from syrup
Sugar crushing machines
Sugar cleaning and molding equipment
Sugar packaging machinery

Storage and Warehousing Equipment:

Syrup storage tanks
Sugar storage tanks
Transfer and warehousing systems

Required Equipment and Machinery

No.	Machine/Equipment Name	Power Consumption (kWh)	Total Quantity	Working Days per Year	Daily Operating Hours	Required Investment			Total Cost (Million IRR)
						Quantity	Unit Purchase Price	Currency	
1	Sugar and Beet Processing Line	1,500	1	300	24	1	3,320,000	Million IRR	3,320,000
Total									3,320,000

Auxiliary Machinery and Equipment

No.	Machine/Equipment Name	Unit of Measure	Type of Equipment	Required Investment for Plan		Total Cost (Million IRR)
				Quantity	Unit Purchase Price (Million IRR)	
1	Electrical Connection/Demand Capacity	KW	Facilities	2,500	6	15,000
2	Various Electrical Cables	M	Facilities	4,000	4	16,000
3	Electrical Lighting System Equipment	Units	Facilities	825	40	33,000
4	Panels and Related Electrical Equipment	Units	Facilities	60	320	19,200
5	Water Connection	-	Facilities	1	30,000	30,000
6	Other Water Transfer Equipment	Units	Facilities	1	20,000	20,000
7	Piping for Drinking Water, Firefighting, etc.	M	Facilities	3,000	8	24,000
8	Other Piping (Electrical, etc.)	M	Facilities	1,500	3	4,500
9	Firefighting, Safety, Health Equipment	Capsule	Facilities	150	30	4,500
10	Gas Piping	M	Facilities	4,500	5	22,500
11	Gas Connection	-	Facilities	1	55,000	55,000
12	Ventilation Equipment	Fan	Facilities	60	36	2,160
13	Air Conditioner	Set	Facilities	20	700	14,000
14	Cooling Tower	Set	Facilities	2	50,000	100,000
15	3-Ton Forklift	Unit	Vehicles	1	17,700	17,500
16	5-Ton Forklift	Unit	Vehicles	1	25,000	25,000
17	Light Truck	Unit	Vehicles	1	24,000	24,000
18	Pickup Truck	Unit	Vehicles	2	8,000	16,000
19	Passenger Car	Unit	Vehicles	3	6,000	18,000
20	Workshop and Laboratory Tools	Unit	Workshop Equipment	1	50,000	50,000
21	Safety Equipment & CCTV System	Set	Facilities	1	9,000	9,000
22	Office Equipment	Set	Office Equipment	9	800	7,200
23	Restaurant Equipment	Set	Office Equipment	254	30	7,620
24	Other Auxiliary Facilities	-	Facilities	1	15,820	15,820
Total						550,000

3-2-3. Raw Materials and Intermediate Components:

Cost of Utilized Raw Materials

Row	Description	Unit	Purchase Cost (Thousand IRR)	Annual Consumption	Annual Cost (Million IRR)
1	Sugar Beets	Ton	26,000,000	550,000	14,300,000
3	Pre-Processing Chemicals	Kilogram	7,540	65,000	490,000
Total					14,790,000

3-2-4. Management and Human Resources:

No.	Skill Level	Quantity	Base Salary (Thousand IRR)
1	Specialists	40	240,000
2	Skilled Workers	33	180,000
3	Unskilled Workers	200	125,000

- Number of skilled direct workers required: 40
- Number of unskilled direct workers required: 33
- Number of direct specialists required: 200

3- Ownership and Legal Licenses:

4-1. Land Ownership:

Free Trade-Industrial Zones operate under their own specific laws and regulations.

One of the special features of free zones is the possibility of 100% foreign ownership of property and assets.

According to Article 2 of the Regulation on the Utilization of Land and National Resources in Free Trade Zones, all lands within the boundaries of each free trade-industrial zone that are owned or controlled by the government fall under the jurisdiction of this regulation.

Pursuant to Article 5 of the same regulation, all rights related to land covered by the Urban Land Law, the Nationalization of Forests and Rangelands Law, the Law on the Protection and Exploitation of Forests and Rangelands, and the Law

on Newly Created and Coastal Lands within the boundaries of any free zone are exercised by the organization governing the zone.

According to Article 6, the relevant land registry office shall, in its records, register state-owned lands in the name of the government, represented by the respective Free Zone Organization, and will amend previously issued documents accordingly.

As per Article 7, from the date of approval of the regulation, all debts, rights, and obligations related to the National Land and Housing Organization and the Forests, Rangelands, and Watershed Management Organization, as well as any entities governed by relevant regulations, concerning natural resources in each free zone, are transferred to the corresponding Free Trade-Industrial Zone Organization. Land use is permitted only within the framework of the approved master plan and the internal regulations of each Free Zone Organization.

Article 24 of the Law on the Administration of Free Trade-Industrial Zones specifies that the use of land and national resources, as well as the terms for their sale or lease to citizens within each zone where the land is government-owned, shall be determined in accordance with the regulations approved by the Cabinet and with due regard for each zone's development plans.

According to the Amendment to Article 8 of the Regulation, the utilization of government lands must comply with Article 24 of the Law on the Administration of Free Trade-Industrial Zones, while non-governmental lands are subject to the applicable laws and regulations.

Under Article 15, all authorities related to the protection against encroachment, occupation, and destruction of state, national, and coastal lands, as well as their protected zones, previously assigned to ministries by the Law on the Protection and Exploitation of Forests and Rangelands (1969 and its subsequent amendments), and the Law on Newly Created and Coastal Lands (1975), are transferred to the respective Free Zone Organization upon the regulation's

approval. The organization is also authorized to lease national resources to individuals or legal entities in compliance with all relevant laws.

Article 53 of the Financial and Transactional Regulations for Free Zone Organizations classifies the assets of the organization into two categories: Exclusive Assets: Assets over which the organization has proprietary control, such as land, buildings, furnishings, etc.

Public Assets: Assets intended for public use, such as roads, streets, squares, bridges, cemeteries, flood channels, water and sewage systems, canals, trees planted in public areas, lawns, flowerbeds, etc.

According to Article 54, the organization may, upon approval of the Board of Directors, sell or lease surplus movable and immovable property and obsolete furnishings to individuals or legal entities in accordance with the relevant regulations or donate or exchange such assets with governmental, cultural, or charitable institutions (except for assets of scientific significance or historical buildings). If perishable, they may be disposed of, and the effects recorded in the accounts. Proceeds from the sale or exchange of such assets will be allocated to the appropriate accounts. The receipt of any property, machinery, or equipment (movable or immovable) from other institutions, governmental or non-governmental, and individuals is permissible under relevant regulations. After evaluation by an appointed expert, it will be recorded as assets.

As per Article 56, the responsibility for maintaining the organization's public movable and immovable assets and preparing them for public use, as well as preventing encroachment, rests with the organization. Responsibility for safeguarding the organization's exclusive movable and immovable assets entrusted to staff members is jointly held by the recipient and the property custodian. The financial manager or the unit's financial officer is responsible for maintaining the accounts.

4-2. Intellectual Property and Incentives:

For the production of beet sugar, there is no need for highly specialized technical knowledge, and the necessary technical expertise exists within the country. Today, the production of high-quality sugar is of fundamental importance in various industries. The production of beet sugar through the extraction method has placed Iran among the countries that produce and possess the technology for sugar production from sugar beets. Of course, the production must comply with domestic standards.

4-3. Legal Licenses

Natural and legal persons engaging in any type of production and industrial activity require an industrial establishment permit, which in free trade and special economic zones is issued under the supervision of the regional authority. Obtaining this permit is the prerequisite for any investment activity in the production and industrial sectors.

After the establishment of the industrial unit and the completion of the pilot production phase, an operating license will be issued if the conditions specified in the establishment permit are met. Possession of an establishment permit is a prerequisite for the issuance of the operating license.

A commission, comprised of representatives from the Ministries of Industry and Mines, Commerce, Agriculture, the Central Bank, the Customs Administration of the Islamic Republic of Iran, the Secretariat of the High Council, and the regional representative, is responsible for determining the permissible percentage (i.e., the portion of goods produced by the industrial unit that can enter the domestic market as domestic products without the need for registration) and the value-added percentage (i.e., the level of customs duty reduction). These percentages are determined based on the feasibility study of the production unit and the required domestic and foreign raw materials.

Every industrial and production unit must obtain a production certificate for each part of its production, detailing the manufactured product, as well as the domestic and foreign raw materials used.

Products manufactured by industrial units in free trade and special economic zones have four potential destinations:

- Consumption within the zone
- Shipment to the domestic market
- Export to foreign countries
- Shipment to other free zones

In this context, economic operators are required to specify the final destination of their products. Additionally, to manufacture this product, it is necessary to obtain the relevant legal permits (such as the industrial establishment permit and operating license) from the Agricultural Jihad Organization or the Organization of Industry, Mining, and Trade of Kermanshah Province, as well as an environmental permit.

Considering that, based on the type of materials consumed and produced, as well as the process stages, the type and amount of pollutants in industries are different, meaning that various processes are susceptible to pollution in three stages: collection of raw materials, production and conversion of intermediate materials, and collection and storage of produced materials. Among the environmental activities recommended is obtaining certifications such as ISO 14000 from reputable institutions approved by the Environmental Organization and the Institute of Standards through the following activities:

1- Treatment of Industrial and Sanitary Wastewater:

Accurate identification of wastewater and quantitative and qualitative measurement of pollutants in all units and installation of wastewater treatment systems.

2- Efforts to Prevent Pollution:

In the field of air pollution control resulting from industrial activities, quantitative and qualitative assessment studies of pollutants have been carried out and necessary measures will be taken to control them, including the installation of advanced atmospheric pollutant measurement devices and CCTV cameras that measure pollutants daily and online.

3- Removal of Solid Waste:

4- Conducting Environmental Research: These activities are based on process improvement and waste reduction, water and wastewater treatment, air pollution control and waste recycling.

5- Development of Green Space: Integrating industry with green space is one of the main goals of upstream and downstream industries. According to environmental standards, ten percent of the industrial area should be allocated to green space, and in this complex, a higher percentage of this amount has been allocated to green space (the irrigation of this green space is done using treated industrial wastewater, which greatly reduces water consumption).

6- Utilizing Up-to-Date Technology and Avoiding the Use of Inefficient Technology: When a new environmental standard is established, due to environmental pressures, it requires significant cost and manpower to eliminate existing pollution in order to reduce a percentage of pollutants. Calculations have shown that if new technology used in the industry complies with the desired standards, in addition to reducing pollution, its high efficiency will also lead to increased production. In this regard, the company, considering its up-to-date technology and having all the world's environmental and quality standards, can prove this. Preserving the environment can also promote technological advancement. This method has been used in European countries, and technologies that have reached the end of their lives and do not comply with the mentioned standards are collected. Of course, these technologies are sometimes sent to developing countries, and Iran has not been without its share in this regard. Environmental experts believe that if our industry does not have the

ability to produce a product while maintaining environmental standards, and at the same time does not see itself capable of accessing the appropriate technology, it should not move towards producing those products. Because in some units, due to the use of obsolete and old technologies, so much raw material and energy is wasted that the discussion of the priority of economic efficiency over environmental protection has also become meaningless. If the costs that must be paid to obtain a more expensive but up-to-date technology are compared with the costs that are wasted due to the use of inappropriate technology in the consumption of raw materials, energy and environmental restoration, the result is that these cases are much more cost-effective and in terms of technology development and industrial growth will also be more useful.

4- Market Analysis and Competition:

Sugar beet is one of the most important agricultural crops cultivated globally. This plant belongs to the spinach family and is grown as an annual crop. Sugar beet typically thrives in mountainous climates, achieving optimal growth and quality. The growth period of sugar beet for sugar extraction is estimated to be between 6 to 9 months. Sugar beet, along with its by-products, has numerous applications in other industries. Some of the by-products of sugar beet include pulp, molasses, silage, and cellulose. Pulp and molasses are by-products derived from sugar production. In the process of sugar extraction from sugar beet roots, two valuable feed materials, sugar beet pulp and molasses, are obtained. These by-products are used in animal feed production due to their high fiber content. Pulp and molasses can be used separately or mixed with other feed materials, in either dried or processed forms, to prepare various types of livestock feed. Dried pulp is prepared in two forms: molasses-coated and non-molasses-coated, both of which are suitable for feeding ruminants. Sugar beet pulp, due to its high energy content, is used in feeding dairy cows and rearing lambs. Molasses

is the syrup that remains after sugar beet processing. It is usually diluted until it reaches 75% dry matter before being marketed. One of the important substances that can be extracted from sugar beet molasses is alcohol, which also serves as a disinfectant. The global production and consumption of sugar are approximately 188 million tons annually, with about 75 million tons held in reserves each year. Sugar is produced in 120 countries, and 80% of global sugar production is based on sugarcane. Brazil and India are leading producers in the global sugar industry. In the global sugar trade, Brazil holds the position of the largest exporter, while China ranks first in sugar imports. Iran is one of the seven countries worldwide with the climatic diversity and geographical latitude to produce sugar from both sugar beet and sugarcane. However, contrary to global statistics, the share of sugar production from sugar beet in Iran exceeds that from sugarcane. Approximately 60% of the sugar produced in Iran comes from processing sugar beet. A total of 58 sugar production factories have been established in Iran, with detailed information available in the following table.

Licensed Units for Production of Proposed Products

Province	Unit Name	Capacity (tons)
West Azerbaijan	Azar Ghand Naqadeh	40,000
	Shahd	Shahd
	Paniz Fam Sugar Factory (Miandoab Sugar Factory)	25,200
	Negin Chaypareh Sugar Cube Factory	1,500
	Urmia Sugar Factory	57,000
	Piranshahr Sugar Factory	45,000
	Sougati Shahin Dezh Food Products	120,000
Isfahan	Aghajani Fesharki - Hossein	160
	Isfahan Sugar	14,000
	Karkas Kavir Sugar - Company	1,250
	Naghshe Jahan Sugar	30,000
Alborz	Mohammad Taghi Sheikh Alishahi & Mohammad Hossein Kazempour	1,000

Tehran	Khwarazmi Sugar Development and Trading	16,500
Chaharmahal & Bakhtiari	Chaharmahal Food and Sugar Products	20,000
Khorasan-e-Jonobi	Ghohestan Public Joint Stock Sugar	13,115
Razavi Khorasan	Torbat Heydarieh Sugar (Public Joint Stock)	59,000
	Torbat Heydarieh Sugar (Public Joint Stock)	20,000
	Chenaran Sugar	6,500
	Shirin Sugar	46,000
	Neyshabur Sugar	52,200
	Sabt Khorasan Production & Industrial	50,000
	Jovein Agro-Industrial	67,000
North Khorasan	Shirvan, Quchan, and Bojnord Sugar Production	60,000
Khuzestan	Asal Ghand Abadan Production	3,250
	Pedideh Bazargani Arvand Industrial	10,400
	Ahvaz Sugar Refining Factory	45,000
	Imam Khomeini Agro-Industrial (Public Joint Stock)	100,000
	Hakim Farabi Khuzestan Agro-Industrial	100,000
	Danial Tamin Sepehr Agro-Industrial	37,500
	Salman Farsi Agro-Industrial	100,000
	Karun Agro-Industrial	380,000
	Mirza Kuchak Khan Agro-Industrial	107,000
	Dehkhoda Sugarcane Agro-Industrial	1,100,000
	Amir Kabir Agro-Industrial	100,000
	Dael Khezai Agro-Industrial	100,000
Zanjan	Rasul & Mohammad Hossein Rostamkhani Supplementary	3,500
	Golpak Ghoncheh	1,600
Semnan	Sugar	54,750
Fars	Bita Sugar Kazerun	900
	Eqlid Sugar	547,500
	Pars Sugar	14,000
	Star Kazerun Sugar Cube	8,250
	Marvdasht Sugar	602,250
	Mamasani Rostam Sugar	50,000
	Mino Fasa Sugar	10,000
	Laram Rahmat Sugar Cubes & Sugar Loaves	150
Qazvin	Sharaf Industrial & Production	300
	Qazvin Sugar	36,000
	Kimia Sugar Azar - Unit 2	3,120
Qom	Zia'uddin Al Es'haq	50

Kerman	Ahmad Kalantari Pour	1,750
Kermanshah	Paniz Fam Company – Eslamabad Gharb Sugar Factory	14,000
	Bistoon Sugar	37,500
Kohgiluyeh & Boyer-Ahmad	Yasuj Public Joint Stock Sugar	9,000
Lorestan	Lorestan Sugar	26,600
Mazandaran	Cooperative Savadkooh Sugar	18,000
	Red Sugar Production Mazandaran	60,000
Hamedan	Hegmataneh Sugar	50,000
Yazd	Meybod Sugar Refining & Processing	82,000
Total		4,604,795

The country's annual sugar consumption is approximately 2 to 2.5 million tons . Considering that only 36 of the aforementioned production units are operational, annual sugar production is approximately 1.6 million tons. Given that the spring production capacity for beet-based sugar is 1 million tons and the sugarcane-based production capacity is between 0.9 to 1 million tons, the production shortfall is addressed through autumn cultivation and imports. Spring sugar beet cultivation takes place from early March to May, with harvesting occurring from late September to the end of December. The sugar content (polarity) of the resulting beets ranges from 16% to 20%. Autumn sugar beet cultivation is conducted from late September to early December, with harvesting occurring from late April to late June. The sugar content of autumn sugar beet is between 14% and 16%. Given that sugar is a staple commodity, its pricing is regulated, meaning that it is set by the government. On average, 80% of sugar factories' sales (beet-based sugar) follow regulated pricing, while the remaining by-products (molasses and dried pulp) are sold at market-driven prices determined by the board of directors. The price of sugar is based on the government-approved price of sugar beet. Over the past 15 years, the price of sugar has averaged 11 times the price of sugar beet. This is because the sugar beet price is announced before spring planting, while the sugar price is declared before September. In 2023, the approved price for one kilogram of sugar beet

was set at 2,800 IRR. According to the correlation between sugar and sugar beet prices, the price of one kilogram of sugar was announced as 25,000 IRR. The existence of two sugar factories in Kermanshah province—Bistoon with a capacity of 37,500 tons and Eslamabad Gharb with a capacity of 14,000 tons — has led to the establishment of a production system and cultivation expertise for this crop. In recent years, approximately 11,000 hectares of land have been cultivated, yielding over 600,000 tons of sugar beet. This production has been limited to the province's cold and temperate regions. With the launch of the Tropical Water Project and the management of border waters, autumn sugar beet cultivation is considered one of the key potentials for agricultural development in these areas.

5-1. Target Market Introduction:

The sugar industry, following the textile industry, is the second-oldest industry in Iran, with a history dating back 120 years. The sugar industry is seasonal, with most factory operations occurring in the autumn. The agricultural sector is the primary supplier of raw materials (sugar beet and sugarcane), while the dairy, beverage, confectionery, and other food industries are the main consumers. Given the scale of its clients, the primary product leaving the factories is sugar. The main product of the industry, sugar derived from sugar beet, accounts for an average of 78% of sales. By-products include dried pulp (12%), primarily purchased by livestock and dairy farms, and molasses (5%), which is used in the alcohol industry. Other products include toll-processed sugar and refined raw sugar. The target market for this industry is domestic (e.g., the food industry), with virtually no export share. Consequently, the industry generates no foreign currency revenue, and exchange rate fluctuations do not directly impact company incomes.

Physical Progress of the Plan: Yes ☐ No ☒

The purpose of this plan is to fulfill domestic requirements and to create export opportunities. There has been no progress in the implementation of this project so far.

5- Operational Program and Plan Implementation Schedule:

The plan is scheduled to be completed and operational within 36 months.

Plan Implementation Schedule

		M th. 2	M th. 4	M th. 6	M th. 8	M th. 10	M th. 12	M th. 14	M th. 16	M th. 18	M th. 20	M th. 22	M th. 24	M th. 26	M th. 28	M th. 30	M th. 32	M th. 34	M th. 36
Sugar Beet Processing Plant Plan	Feasibility Study																		
	Permits																		
	Construction																		
	Equipment																		
	Training																		
	Operation																		

1- Project Financial Plan:

8-1. Costs Estimates:

Costs Estimates

Row	Item	Cost (Million IRR)
1	Fixed Capital Investment	10,544,380
2	Operating Costs (Working Capital)	3,961,490
3	Financing Costs	14,505,870

Fixed Capital Investment Breakdown

Row	Item	Cost (Million IRR)
1	Land Purchase	2,100,000
2	Landscaping and Land Improvement	1,455,000

3	Construction and Building Development		2,572,000
4	Machinery and Production Equipment		3,220,000
5	Service and Auxiliary Equipment		550,000
6	Safety and Environmental Equipment		0
7	Overhead Costs		0
8	Pre-Production Expenses	Pre-Investment Studies	12,500
		Project Management and Organization	110,460
		Technology Acquisition	29,570
9	Contingency Costs		494,850
Total			10,544,380

Working Capital Estimates (Production Costs)

Row	Item		Cost (Million IRR)
Ongoing Operating Costs			16,738,100
1	Raw Materials		14,790,000
2	Human Resources		558,480
3	Marketing (excluding labor)		335,320
4	Other Operating Costs	- Fuel and Energy	46,130
		- Maintenance and Repairs	211,120
		- Contingencies	797,050
Fixed Costs			939,230
5	Raw Materials		0
6	Human Resources		139,620
7	Marketing (excluding Human Resources)		0
8	Depreciation		634,200
9	Other Fixed Costs	- Fuel and Energy	10,120
		- Maintenance and Repairs	90,480
		- Contingencies	43,720
		- Insurance	21,090
Total			17,677,330

8-2. Revenue Estimates:

Project Revenues in the First 5 Years of Operation

Row	Item	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4	Year 5
1	Sugar from Beet Sugar	350,000	350,000	350,000	350,000	1,400,000	1,487,500	1,575,000	1,662,500	1,750,000
2	Refined	3,730,000	3,730,000	3,730,000	3,730,000	14,920,000	15,852,500	16,785,000	17,717,500	18,650,000

	Sugar from Beet									
3	Dried Pulp	79,000	79,000	79,000	79,000	316,000	335,750	355,500	375,250	395,000
4	Molasses	312,000	312,000	312,000	312,000	1,248,000	1,326,000	1,404,000	1,482,000	1,560,000
Total		4,471,000	4,471,000	4,471,000	4,471,000	17,884,000	19,001,750	20,119,500	21,237,250	22,355,000

8-3. Project Operation Period:

Generally, production plans have three main lifecycle phases:

- Project Lifecycle (Construction Phase);
- Operational Lifecycle (Production Phase);
- Product Lifecycle.

The project life cycle is the same as the project construction phase. In this phase, significant costs are typically incurred. A successful project is one that completes this phase within the allocated time and cost. To achieve this, project management techniques must be implemented alongside proper and timely control, so that any issues can be corrected in the planning phase.

The operational life cycle corresponds to the production phase, which includes the useful life of operation or production. In conversion and processing industry projects, it is typically designed for a 10-year period. During the operation process, due to product sales, there will be both revenues and costs. However, revenues are usually higher than costs; otherwise, the plan lacks economic justification. In the operational life cycle, project management techniques should no longer be applied. Instead, production planning methods and process operations are more suitable for scheduling. In industrial and agricultural projects during the operational phase, only maintenance and repair management should be properly executed.

8-4. Break-Even Analysis:

A. Fixed Capital Investment (Million IRR)

$$10391850 + 152530 = 10544380$$

B. Cost Price of Product (IRR)

$$\text{Cost Price} = \text{Total Annual Production Costs} / \text{Total Production Volume}$$

$$1732090000000 / 75000000 = 23094$$

C. Annual Break-Even Percentage

$$\text{Break-Even Percentage} = (\text{Total Sales (P)} - \text{Variable Costs (V)}) / \text{Fixed Costs (TFC)}$$

$$939230 / (22355000 - 16738100) = 17\%$$

The difference between P and V is referred to as the unit contribution margin, representing the profit per unit or the portion of each sale that covers fixed costs. The break-even point occurs when the total contribution margin of all units equals the total fixed costs. In this case, sales exceeding 17% of fixed costs will cover these costs.

The relationship between total sales revenue and total costs shows that this plan will operate at an annual break-even point exceeding 17%, ensuring profitability over three production cycles and creating a margin of safety for continued production. The margin of safety in break-even analysis indicates that actual or estimated sales exceed break-even sales by more than 17%.

D. Gross Value Added (Million IRR)

$$\text{Gross Value Added} = \text{Total Sales} - (\text{Maintenance} + \text{Fuel and Energy} + \text{Raw Materials and Packaging})$$

$$22355000 - (4260880 + 721150 + 12324000) = 7207150$$

E. Net Value Added (Million IRR)

Net Value Added = Gross Value Added – (Pre-Operational Depreciation + Depreciation)

$$7207150 - (634200 + 30510) = 6542440$$

F. Gross and Net Profit (Million IRR)

1. Gross Profit (Profit Before Taxes):

Gross Profit = Sales Revenue – Cost of Goods Sold

$$22355000 - 17320920 = 5034080$$

2. Net Profit (Profit After Taxes):

Net Profit = Gross Profit – (Administrative, Sales, Advertising, and Other Costs)

$$5034080 - 356410 = 4677670$$

G. Fixed Capital Per Capita (Million IRR)

Fixed Capital Per Capita = Fixed Investment / Number of Personnel

$$10544380 / 273 = 38624$$

H. Total Investment Per Capita (Million IRR)

Total Investment Per Capita = Total Investment / Number of Personnel

$$14505870 / 273 = 53135$$

I. Annual Rate of Return

Rate of Return = (Total Revenue – Total Costs) / Total Investment

$$(22355000 - 17677330) / 14505870 = 32\%$$

J. Annual Payback Period

$$\text{Payback Period} = \frac{1}{\text{IRR}} + \text{The duration of the construction period}$$

Payback Period= 5 years and 5 months

8-5. Cost-Benefit Analysis:

Table: Project Profitability Indicators

Present Value of Total Costs During Execution and Operation	17,677,330
Present Value of Total Revenues During Execution and Operation	22,355,000
Net Present Value (NPV)	4,593,026
Benefit-Cost Ratio (B/C)	1.3
Internal Rate of Return (IRR)	38%

8-6. Project Sensitivity Analysis:

Table: Sensitivity Analysis:

Discount Rate (%)	Net Present Value (NPV) (Million IRR)
10	14,778,481
20	6,180,218
30	1,913,231
40	-365,761
50	-1,647,737
60	-2,392,405
70	-2,830,267
80	-3,084,697
90	-3,225,442
100	-3,293,773

8-7. Summary:

Project Economic Analysis Summary

Activity Type	Detailed Activity Description with Code(ISIC)	Product Name	Nominal Capacity (Unit)
---------------	---	--------------	-------------------------

Sugar Beet Processing Plant Plan	1542412308 1542512321 1542512336 1542512332	Refined Sugar from Beet Sugar Loaf from Refined Beet Sugar Dried Beet Pulp Beet Molasses	75,000 tons
Implementation Period	Total Fixed Investment (Million IRR)	Annual Working Capital (Million IRR)	Required Workforce
10 years	10,544,380	3,961,490	273 people
Internal Rate of Return (IRR)	Net Present Value (NPV) (Million IRR)	Applicant Contribution (Million IRR)	Benefit-Cost Ratio (B/C)
38%	4,593,026	2,901,180	1.3

8-8. Estimated Exchange Rate Fluctuations During the Project Implementation

The purchasing and sales prices are influenced by market rates and are largely adjusted for exchange rate increases. As such, exchange rate fluctuations concerning the purchase of foreign equipment will be partially offset by the revenue from sales. Consequently, the impact of exchange rate volatility on the project evaluation results will be minimal. During the construction and implementation phases, if the project is financed through foreign currency resources or external financing, the required financial resources will not experience significant changes.

2- Capital Requirements, Funding Methods, and Guarantees:

9-1. Foreign Currency Requirements:

A significant portion of the plan's fixed capital investment is in IRR. The total plan investment is estimated to be 17.5 million Euros. Of this amount, the equivalent of 6.7 million Euros is projected in foreign currency, the payment of which is planned over three years (36 months, in line with the physical progress of the plan).

Required (fixed) foreign currency capital (EUR)

Row	Year	Foreign Currency Requirement
1	First	2,100,000
2	Second	2,100,000
3	Third	2,500,000
4	Fourth	0
5	Fifth	0

9-2. Participation and Funding Methods:

Participation in the present scheme and its financing are foreseen in the form of establishing a company within the country. All the required financial resources are projected to be provided through the investor's capital contribution, and no domestic bank facilities have been considered for the plan's implementation.

9-3. Payback Period:

The payback period for this project, based on the amount of fixed and variable investment and annual production sales, is approximately 5 years and 5 months. In other words, the invested capital will be recovered within this timeframe.

8- Incentives, Features, and Benefits of the Plan:

Advantages of implementing this project in the Qasr-e Shirin Free Trade-Industrial Zone are as follows:

- Commercial exchanges of the zones with countries outside of Iran, or with other special economic zones and free trade and industrial zones, after registration in customs, are exempt from customs duties, commercial profits, and all import and export duties under any title, and are not subject to the restrictions and prohibitions of import and export

regulations, with the exception of legal and religious restrictions and prohibitions. Commercial exchanges of the zones with other parts of the country, with the exception of the aforementioned zones, are subject to export and import regulations.

- The entry of goods from outside the country or free trade-industrial zones into the zone is carried out with minimal customs formalities, and the domestic transit of imported goods into the zone will be carried out according to the relevant regulations.
- Goods that are imported into the zone from abroad, free trade-industrial zones, or other zones can leave the country without any formalities.
- The zone's management can, after classifying and valuing the zone, transfer the right to use parts of it to eligible natural or legal persons.
- Owners of goods imported into the zone can declare all or part of their goods to customs for temporary entry into the country and clear them by complying with the relevant regulations.
- Goods produced or processed in the zone, upon entering other parts of the country, are considered domestic products (up to the total value added and the value of domestic raw materials and components used) and are exempt from import duties.
- Foreign raw materials and components used in produced or processed goods are permitted and considered as domestic raw materials and components, subject to the payment of import duties.
- The management of each zone is authorized, upon request of the applicant, to issue certificates of origin for goods that leave the zone, subject to the approval of the Customs of Iran. The country's banks are obligated to accept the aforementioned certificate.
- The customs office is obligated to accept the request of the owners of goods for the transit of goods and direct transport from other entry points to the zones, and to provide the necessary facilities in this regard.

- The National Organization for Registration of Deeds and Properties is obligated to register companies or branches of representative offices of companies that intend to operate in the zone, regardless of the amount of domestic or foreign shareholding, as well as registering tangible and intangible property rights in the zone.
- All goods required for the production or provision of services needed by the zone are exempt from the general export and import regulations.