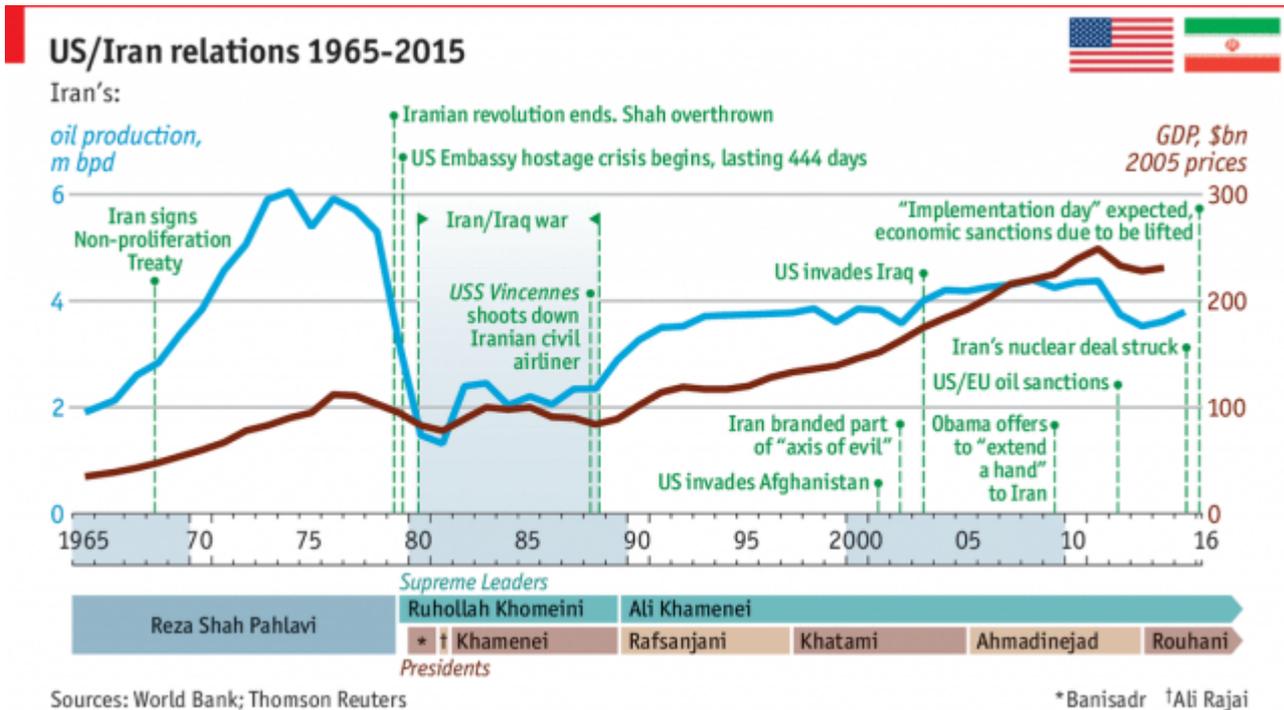


Graphic detail

In graphics: Iran, sanctions and the nuclear deal

Iran's nuclear deal becomes a reality

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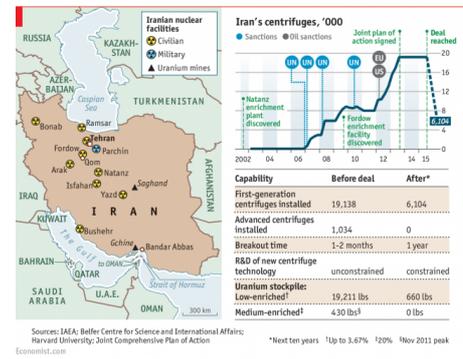
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Graphic detail

Jan 14th 2016 | by THE DATA TEAM

SOMETIME in the next few days Iran's "Implementation Day" is almost certain to be declared. That is the moment when Iran is deemed to have complied with all its obligations in dismantling those parts of its nuclear programme that would soon have put it weeks away from being able to build a bomb. All nuclear-related sanctions, including the freezing of \$100bn of Iranian assets, will be lifted. At the same time, Iran will apply the Additional Protocol of its safeguards agreement (subject to ratification by its parliament, the Majlis) with the International Atomic Energy Agency, a measure which gives the agency's inspectors access to materials and sites beyond declared nuclear facilities.

The deal itself, signed after weeks of wrangling in July 2015, adheres closely to a framework agreed on in Lausanne last April, while resolving a number of tricky issues, any one of which could have scuppered the enterprise. It seeks to stretch from about two months to at least a year the “breakout” time that Iran would need, should it choose to abandon all caution and attempt to produce enough fissile material for a single nuclear weapon. Among other limitations, the deal also reduces Iran’s capacity to enrich uranium by two-thirds, from nearly 20,000 centrifuges (about half of which were operating) to just over 6,000 at its Natanz facility for ten years. It will cut its stockpile of low- and medium-enriched uranium (from which the weapons-grade stuff is spun) by 96%, to no more than 300kg, by diluting it or selling it abroad for 15 years.



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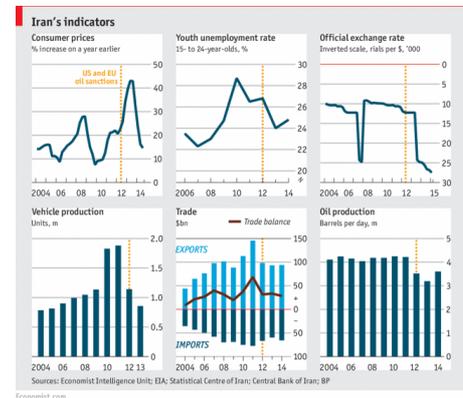
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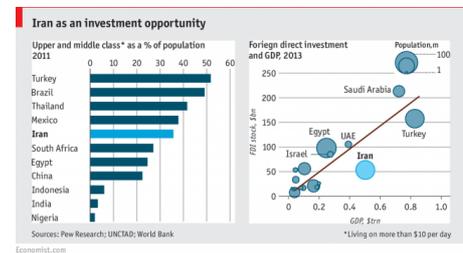


consequence of the deal will be economic. Unlike its richer Gulf neighbours, Iran is

not an oil-soaked rentier state, but a regional power with an industrial economy and lots of educated people who work. It manufactures (and even exports) its own cars. But mismanagement under the hardline former president, Mahmoud Ahmadinejad, as well as corruption, sanctions and the collapse in oil prices, have shrunk economic output. The introduction of crippling oil sanctions cut export revenues by a third. The supreme leader, Ayatollah Ali Khamenei, has set a target of 8% average annual growth for the next five years, up from its current 2.5% (see chart). Some Western diplomats and financiers in Tehran reckon that, within a decade, Iran’s GDP might surpass that of Saudi Arabia and Turkey, the regional economic powerhouses.

The prospects in a post-deal Iran are vast. It is the world’s 18th-largest economy. The population of 80m is well-educated; the country’s oil and gas reserves are huge.

The Tehran stock exchange is the second-biggest in the Middle East, with a capitalisation of about \$150 billion, according to Turquoise Partners, the first foreign investment fund dedicated to Iran. But at the end of 2014 foreigners owned only 0.1% of listed companies' shares, compared with 50% on Turkey's main exchange in Istanbul. Iran ought to be able to attract much more foreign direct investment, given its size. One estimate puts Iran's pent-up need at over \$1 trillion. In the next five years the country needs an estimated \$230 billion-\$260 billion of investment in oil and gas, according to analysts. And Iran Air, starved of investment since the Islamic Revolution in 1979, wants to buy several hundred planes. Iran is preparing for take off.



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