

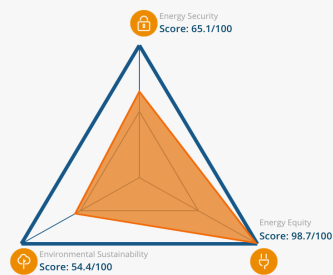
Iran (Islamic Republic)

**Trilemma Rank**
47**Trilemma Score**
69.3**Balance Grade**
AAD

Iran's progress has been hampered by a multiple layer of sanctions that remained in place even after the nuclear agreement with the big powers. However, it has managed to improve its Energy Equity performance though at a high cost to the state budget due to very high energy subsidies. Iran also scores well on Energy Security as it can meet nearly all of its domestic demand from domestic oil and gas production. A series of U.S. sanctions against the energy, banking and shipping sectors have led to the led to an economic contraction though this has not had much impact on greenhouse gas emissions, which remain high, pulling down the Environmental Sustainability score. Iran's balance grade is AAD and its global ranking is 47.

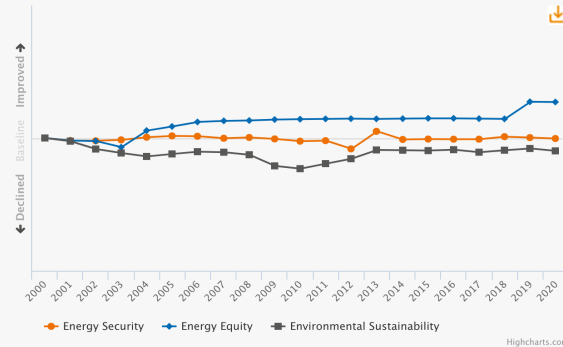
Population
81.2 (millions) **GDP Per Capita**
5,628 (PPP US\$) **GDP Growth**
0.0 (annual %) **Land Area**
1,628.8 (thousand sq. km) **Industrial Sector**
0.0 (% of GDP)

Balance



Historical Trilemma Scores

Trend lines track the country's performance in each dimension, beginning with a baseline of 100 in the year of 2000



Trends and Outlook

The U.S. withdrawal from the Joint Comprehensive Plan of Action (JCPOA) and the imposition of unilateral sanctions against Iran by Washington in 2018 have choked off Iran's oil exports and a main source of revenue. Iranian oil exports slumped to just over 100,000 barrels per day in July 2020 from around 2.2-2.3 million b/d before the U.S. imposed stringent sanctions on the Iranian energy, shipping and banking sectors. Third parties or countries that conduct business with Iran or invest in the country risk penalties. The U.S. sanctions have locked Iran out of the international banking system, which has restricted the country's ability to trade with the outside world. The Iranian economy has shrunk because of the loss of oil export revenues, the value of the Rial has collapsed while already high unemployment has risen further as has inflation. As a result of these pressures and the impact of COVID-19, the IMF expects zero economic growth in 2020.

The departure of foreign oil companies and contractors left the Iranian energy sector in the hands of domestic contractors, which have managed to maintain oil and gas production and even expand gas output from the massive South Pars offshore gas field. However, Iran needs foreign technical expertise to reverse steep declines from its older oil fields while its infrastructure is also in need of upgrades. Although Iran has the world's second-largest natural gas reserves, it is a modest exporter, mainly to Turkey and to Iraq. Prior to 2020, when the UAE began operating its Barakah nuclear power plant, Iran was the only country in the region to have a nuclear power plant in operation. The Russian-built Bushehr nuclear plant accounts for 2% of the generation mix.

Iran is the world's biggest provider of energy subsidies to its people even after raising the price of domestic gasoline. This makes gas, electricity and gasoline affordable to Iranian consumers but is a drain on an economy burdened by sanctions. The Energy Equity score reflects the generous energy subsidies offered by the state, which make for affordable energy. The country does not score so well on Environmental Sustainability due to dependence on oil and gas for power generation and production of petrochemicals and other energy intensive industries, all of which contribute to high levels of GHG emissions, particularly in Tehran, where air quality has deteriorated.

Tehran has made a determined effort to deploy renewable energy, mainly solar, wind and hydropower, to lessen reliance on fossil fuels for power generation. However, except for hydropower, renewables make up a very small share of installed capacity (16GW hydro, 0.35 GW solar PV, 0.092 GW wind). The plan in 2017 was to produce 4GW of non-hydro renewables by 2021 but this is unlikely to be met because of the sanctions. More than 100MW of renewables was installed by foreign investors in the period after sanctions were lifted in 2015 under the JCPOA.

Iran has been the Middle Eastern country hit hardest by the COVID-19 pandemic. The government has responded by offering interest free loans to low income families affected by the slowdown in business activity and job losses.

Key metrics

Metrics are determined relative to other countries, with a full bar representing a score of 100.

