

## PRESS RELEASE

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### Rouhani visit to Austria: Iranian economy entering stormy weather

Iranian President Hassan Rouhani is this week visiting Europe, including Austria, at a crucial time for his country, with the US having pulled out of the nuclear deal, and set to impose new sanctions on Iran in August. A new wiiw study on Iran concludes that the economy is likely to suffer badly, with the US actions set to exacerbate an already difficult situation. Much of the good work of recent years could be undone.

Austria and the EU are keen to help and could have vital role to play in mitigating the negative fallout, although the room for manoeuvre without risking a significant rupture with Washington is limited. To coincide with the visit, wiiw's major new study looks at the challenges and opportunities in the Iranian economy, putting recent developments in the context of four decades of economic underperformance.

Fundamentally, the Iranian economy has some big strengths, including access to natural resources and a decent level of human capital. One of the things it needs most is technology transfer from the West, something that look highly challenging in the current environment. As long as Iran remains in conflict with the US, it will be difficult to significantly lift the level of economic development.

#### Further information

Report summary article '*Iran: Rouhani visit to Austria comes at a difficult time*', wiiw News, 3.7.2018

Full study: '*The Iranian Economy: Challenges and Opportunities*', wiiw Research Report No. 429, July, 2018

#### Questions, comments, interviews

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