

Economic Potentials & Investment Opportunities in South Khorasan Province

Industry Sector:

Main industrial activities in South Khorasan province include tire, poly-ethylene pipes, cement, coal concentrate, tile, sanitary wares, low density ACC blocks, magnesium oxide, sodium sulfate, micronized mineral powders, casting grade of sand, magnesium ingot, packing and printing services, dairy products, barberry and fruits concentrate, sorting and packing of barberry, saffron and dried fruits. Additionally, some agreements for establishment and development of industrial units have been issued by South Khorasan Industry, Mine and Trade Organization. Qaenat Sponge iron project, development of Kavir Tire plant, Bagheran cement project, Ferdows white cement project, Tabas coke project, Omid Noor iron pellet production, Mahoor copper production and development of Sarbisheh magnesium oxide plant are some of the most important investing projects in the province.

Vast reserve of metallic and non-metallic mineral resources, as described in next part, is considered as the bedrock of industrial development in the province. Some agricultural and animal products in the province such as saffron, barberry, jujube, medicinal herbs, wool and fluff are strategic, well-known and unique in quality or quantity. Processing of these products to encourage commercialization, value addition and minimization of pre/post harvest wastage is one of other opportunities and priorities to invest in industry sector too.

Now, there are 20 industrial parks with suitable state of installations and infrastructures around the province. Additionally, Birjand special economic zone is constructed in 2 phases (the main phase in Birjand and next phase near to Mahirood border terminal).

Many universities and higher education institutes can support business units in human resource training and development as well as carrying out of research activities

Mine Sector:

Special geological properties of South Khorasan province which ends to various kinds of minerals (about 39 kinds of minerals with definite reserve of 1.5 billion tons) make a suitable concept for mining activities and Mining Industries development. Some of those minerals are coal, gold, copper, iron, tungsten, antimony, decorative stones (granite, marble, travertine, etc.), basalt, garnet, magnesite, dolomite, chromite, perlite, industrial minerals, bentonite, kaolin, silica, feldspar, fluorine, sodium sulfate, barite, zeolite, potash, tuff, gypsum, lime stone and marl.

In case of coal, according to geological data's from Parvadeh and Mazinoo zones in south-west of the province, about 5 billion tons of coal variants such as coking and thermal coal has been geological estimated and about 1 billion tons reserve is proved now.

Business Sector:

Saffron, dried fruits, minerals, constructional products, detergents, metallic and plastic products, textile fabrics and oil-base products are the main exports of the province.

460 kilometers of borders with Afghanistan, 2 official customs (Birjand and Mahirood), 4 border markets (Yazdan, Golvardeh, Mahirood and Dokoothaneh) are suitable capabilities and potentials

for trading with Afghanistan. Completion and development of structures and infrastructures at the Mahirood border such as buildings, installations, transit roads, etc. are going to be completed.

Strengths & Potentials:

The most important strengths and potentials of the province to invest in industry, mine and trade sectors are:

- Well reserve of metallic and non-metallic minerals.
- Providing of infrastructures such as road, energy and telecommunication in the entrance of industrial parks by government.
- Special agricultural and animal products such as barberry, saffron, jujube, medicinal herbs, wool and fluff, etc. and suitable concepts for processing and producing high value-added products.
- Young Graduated human resources.
- Universities and high education institutes as knowledge, technology, research and professional services providers.
- Suitable levels of security for investing and goods transit.
- Infrastructures and facilities for foreign trade such as 2 customs, 4 border markets and Mahirood official border.
- Suitable position of the province on Asian high-way, Iranian east-west transit corridor and Iranian east transit corridor.
- Comparative advantages in producing of special handicrafts such as carpet, rug, etc.
- Cultural similarities and appropriate level of political relations between Iran and neighbor countries.
- Accessing to economic and trade capacities of CIS countries.
- Suitable state of telecommunication, internet and IT infrastructures for establishing and developing of e-commerce and e-businesses.

Development Strategies:

According to the province general and special conditions and properties of the province, main developing strategies in industry, mine and trade sectors include providing infrastructures of mining, industrial and trade activities, development of mining activities such as exploration, mining, mineral processing and mining industries, development and empowerment of trade with foreign countries, high-tech and knowledge base businesses development and establishment of agricultural and animal products processing units specially using foreign investment resources.

Investment Incentives:

- Providing of land and infrastructures are possible for industrial project especially in industrial parks.
- Providing of infrastructures such as road, energy and telecommunication in the entrance of industrial parks by government.
- 100% tax exemption for 10 years in low developed parts of the province.
- Exploiting cost of industrial park installations can be paid by cash or installments.

- Providing bank facilities in rial or foreign currencies using national development fund of Iran resources.

Investment Opportunities:

Some of the main concepts for investment in the province are:

1- Hi-tech and knowledge-base industries and businesses

2- Mineral processing:

- Coal processing.
- Ferro-alloys production because of mineral reserves of coal, chromite, silica, manganese, and iron.
- Magnesite & Chromite processing.
- Magnesium extraction from dolomite.
- Decorative stones processing.
- Bentonite processing.
- Perlite processing.
- Kaolin processing.
- Zeolite processing.
- Copper processing.
- Silica processing.
- Basalt processing, basalt fibers, ...

3- Agricultural and animal products processing:

- Barberry processing.
- Saffron processing.
- Jujube processing.
- Medicinal herbs processing.
- Wool and fluff processing, ...