

IRAN

Digital Economy Report 2020

1st Edition, March 2021





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About this report

Purpose

This report was prepared at the request of Automation and Digital Technologies Headquarter of the Vice-Presidency of Science and Technology. It reviews Iranian digital economy and three layers of it-namely: core of digital economy, limited scope of digital economy, and extensive area of digital economy. Considering Iran potential in creating value through digital evolution on the one hand and the ever-increasing importance of several concepts such as the fourth industrial revolution on the other hand, this report tries to explain the place of digital economy in Iran by describing the current status of each layer.

Respondents and Sponsors

This report may be used by a wide range of digital economy, technology and innovation practitioners, including government and policy makers, organizations, investors, technologists, and researchers. The first edition of this report was developed with the support of Automation and Digital Technologies Development Headquarter of the Vice-Presidency for Science and Technology. Saytek is hopeful to update this report by the cooperation of relevant authorities.

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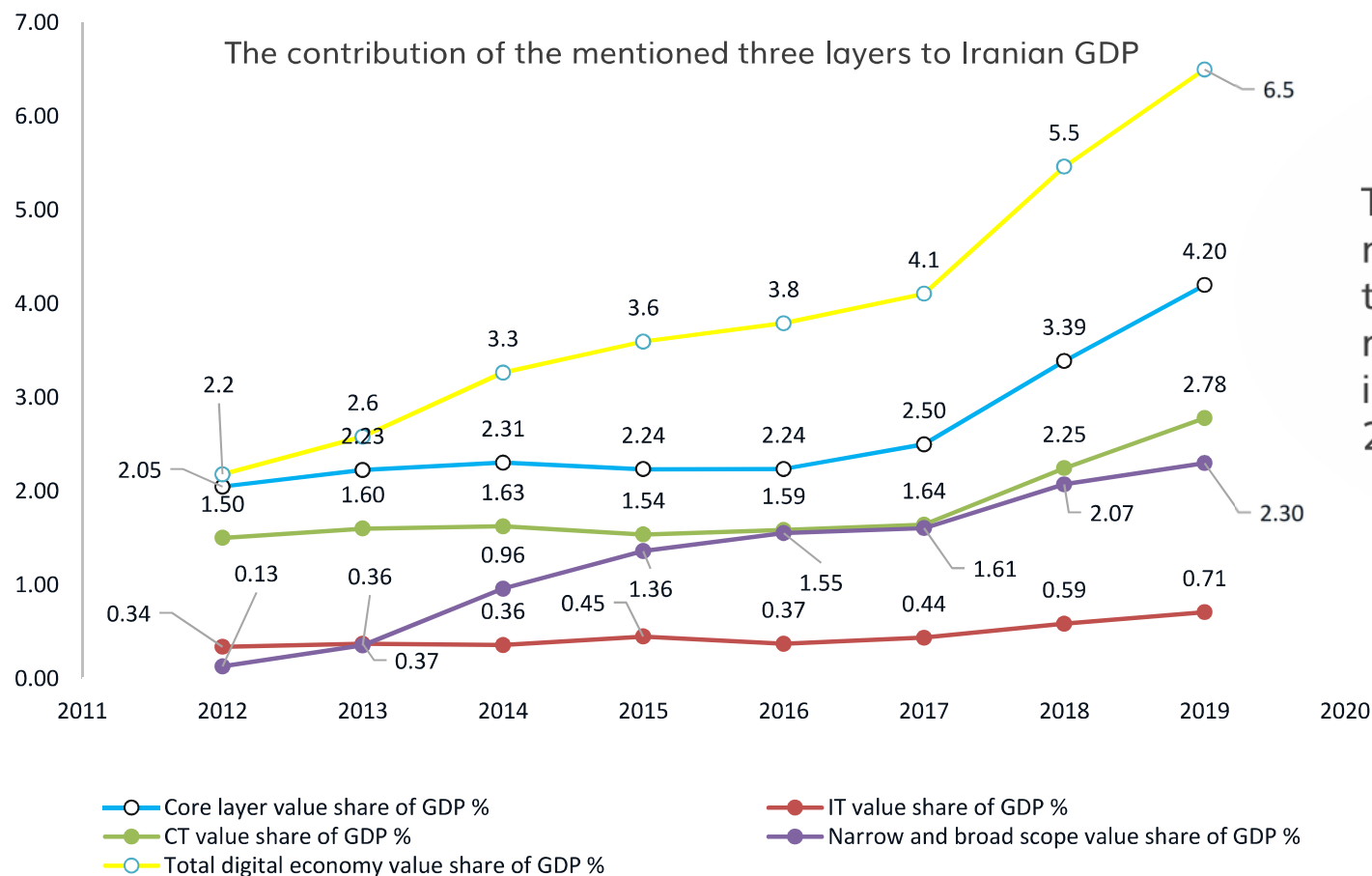
Foreword: A Review on Digital Economy in Iran

Digital economy increasingly blends with economic performances. During the past year, Covid-19 pandemic highlighted the importance of digital economy and relevant infrastructures. According to UNCTAD's 2019 report, various types of technologies and different dimensions of digital economy could be classified within three categories:

- **Core of digital economy:** core layer covers empowering infrastructures, including the Internet and telecommunication networks, and main technologies, including computers and smart phones.
- **Limited scope of digital economy including digital Services and platform Economy:** this category produces key products or services related to main digital technologies such as digital platforms, smart phone applications, and payment services.
- **Extensive area of digital economy:** this category addresses areas where digital technologies and services are increasingly being used.

The contribution of the mentioned three layers to Iranian GDP has been raised from 2.2 percent in 2012 to 6.5 percent in 2020 where the contribution of the core layer 4 percent approaches global average 4.5 percent, while those of the second and third layers (2.5 percent) are different from global averages by far (15 percent). Nevertheless, digital economy shows an ever-increasing development trend in Iran. According to Tufts University's report, Iran ranks 6 among 90 studied countries in terms of digital economy momentum.

A 6.5 Percent Contribution of Digital Economy to Iranian GDP



The contribution of the mentioned three layers to Iranian GDP has been raised from 2.2 percent in 2012 to 6.5 percent in 2020

Source: The concept of digital economy and its size in the country, Ministry of Communications and Information Technology, 2020