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In regards to promotion of research and development, Economic Research Department of the TCCIMA prepares different reports about Iran's economic and trade performance. This report provides a quick overview of the Iran's labor market during the selected periods.



# Did you know?

**About 40.3% of the population of working-age (over 10 years old) are economically active in Iran.**

**The economically active population has been increasing in Iran. Recent statistics indicates a 3.1% rise in 1396 as compared with the previous year.**

**Approximately 88% of the economically active population employed in 1396. This ratio stands about 90% for men.**

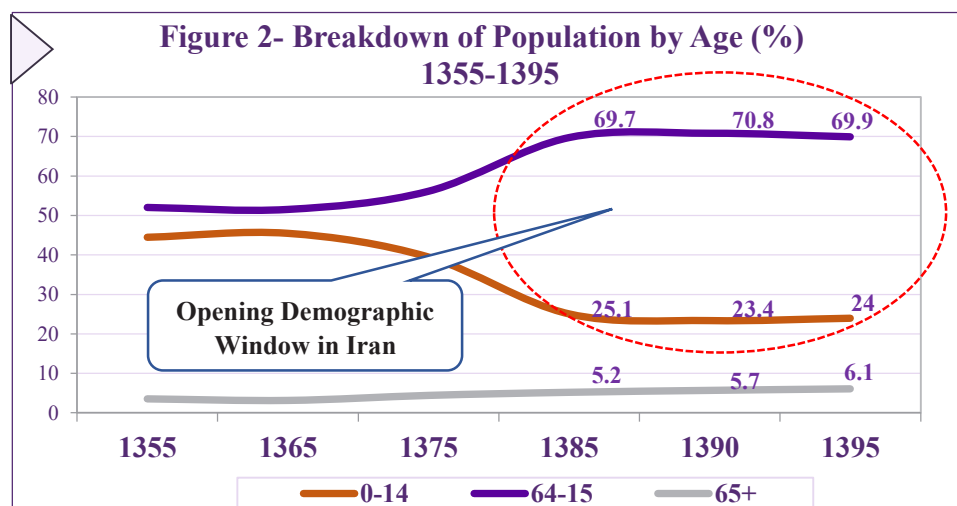
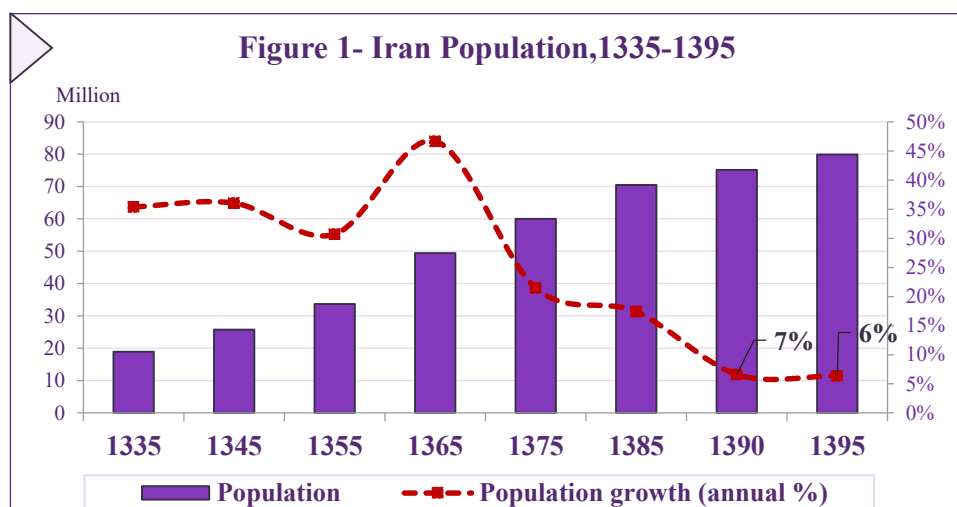
**More than 50% of the employed population is engaged in the service sector. Additionally, the industry sector accounted for about 32% of the total active population in 1396.**

**The demographic window in Iran will be open till 2045. During this period, consistent investment in human capital and appropriate policy choices are necessary to make the most of the demographic window of opportunities.**

## Population

Iran's population has been increasing slowly since 5 years ago and reached approximately 80 million in 1395. The estimates indicate a growth of 6.7 percent according to last corresponding period (Figure 1). The remarkable point of Iran's population is that demographic window has been opened since 1385 in Iran. It refers to the period of demographic transition when the proportion of the population of working-age group (15-64 years of old) is truly more than other groups (Figure 2). In other words, the ratio of dependents to working-age population (Dependency Ratio) decreases in this specific era. Therefore it is considered a unique opportunity for economic growth by boosting investments in human capital.

According to United Nation estimates, the demographic window has been opened in 2005 and will be closed in 2045 in Iran (4 decades).

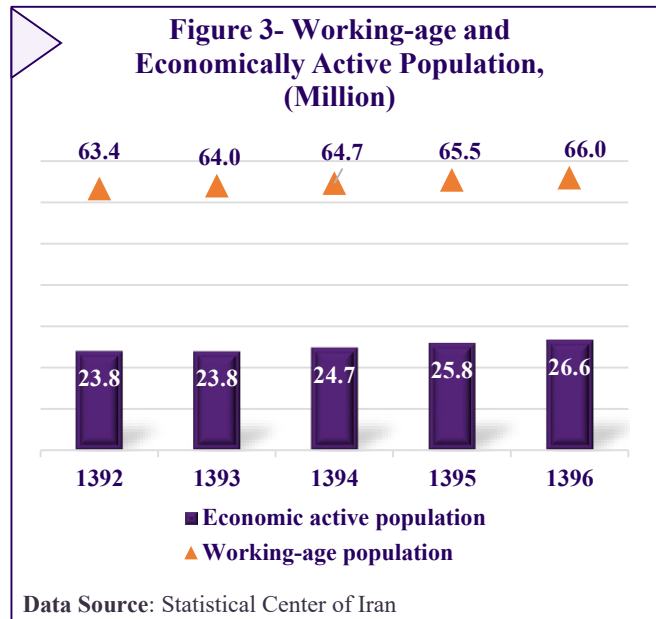


Data Source: Statistical Center of Iran

## Active Population

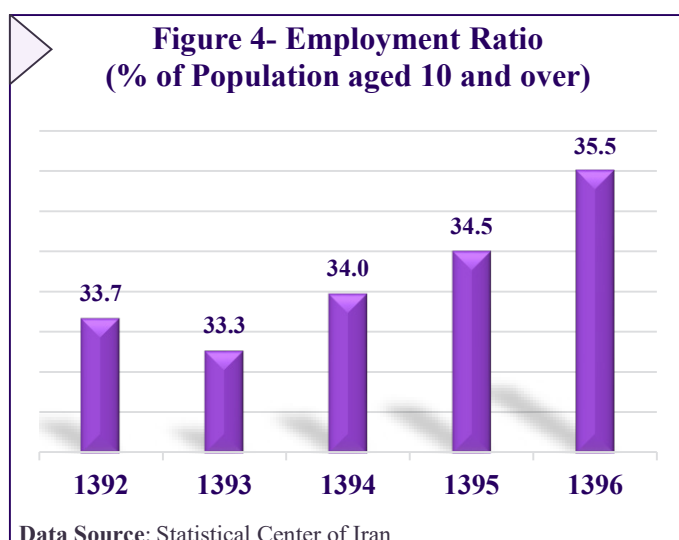
The Population of people aged 10 or over (working-age group), is estimated approximately 66 million in 1396 (Figure 3). About 40.3% of this age group, who have been employed or have been able to take part in the production of goods and services, are economically active in Iran. The number of people is considered as the active population has risen in recent years. It stood at about 25 million people in 1394 and increased to about 27 million people in 1396 (Figure 3).

Over 80% of the economically active population is consisted of men. However, the percentage of women in this group has been slightly growing.



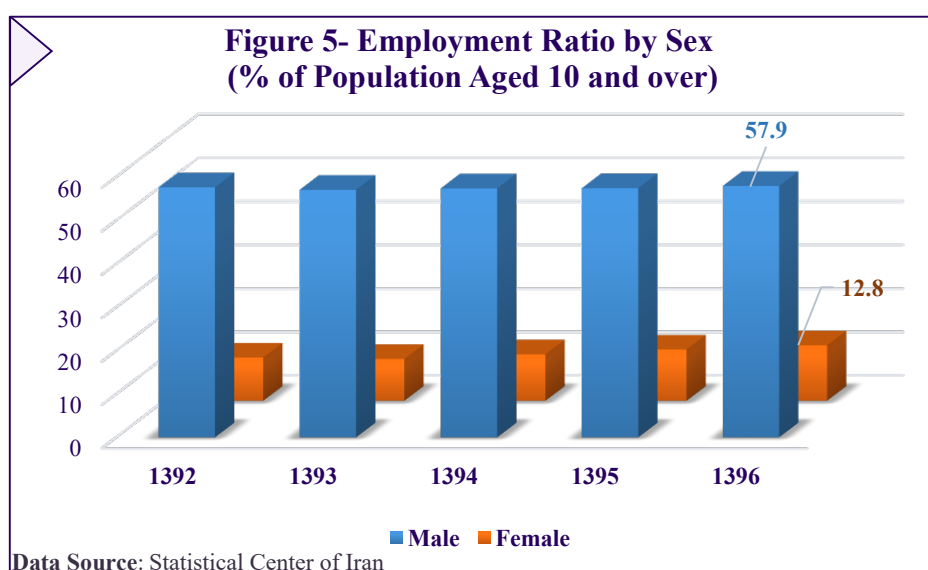
## Employed Population

Approximately 35.5% of Iran's population (aged 10 and over) has employed in 1396. It consists of about 23.4 million people.

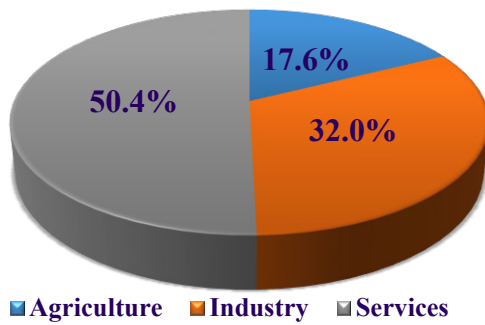


The employment ratio which is the ratio of the employed population (10 years of age or over) to the total population (10 years of age or over) is estimated about 35.5% in 1396. This ratio has recently been on rise. So that it has increased 1.5 percentage points over the two last years (Figure 4).

A review of the employment ratio in male and female individuals indicates that almost 13% of population of women has been employed in 1396. This indicator stands higher for men at about 58%.



**Figure 6- Employment of Population Aged 10 and over by Main Economic Sectors in 1396 (%)**

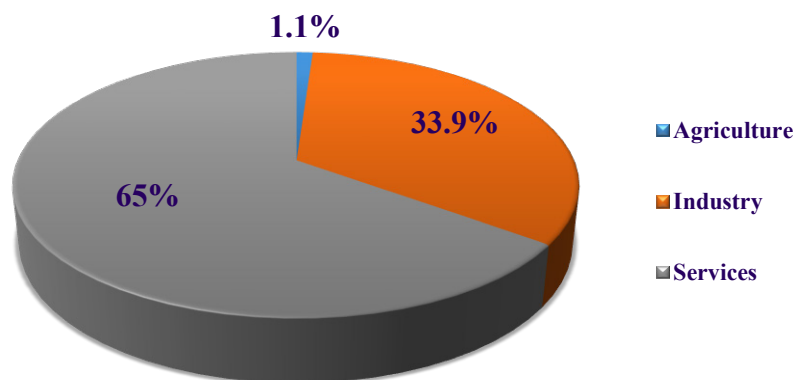


Data Source: Statistical Center of Iran

The most significant proportion of the employed population has been working in the service sector. Nearly one out of two (50.4 %) works in this sector. The manufacture sector holds the second share of employment with about 32% of the total. These are followed by agriculture sector with 18% (Figure 6).

Tehran as the most populated province of Iran has a bit different composition of employment. The share of agriculture sector seems to be negligible, whereas service sector is quite significant in Tehran, employing over 65 % of the labor force (Figure 7).

**Figure 7- Employment of Population Aged 10 and over by Main Economic Sectors in Tehran in 1396 (%)**



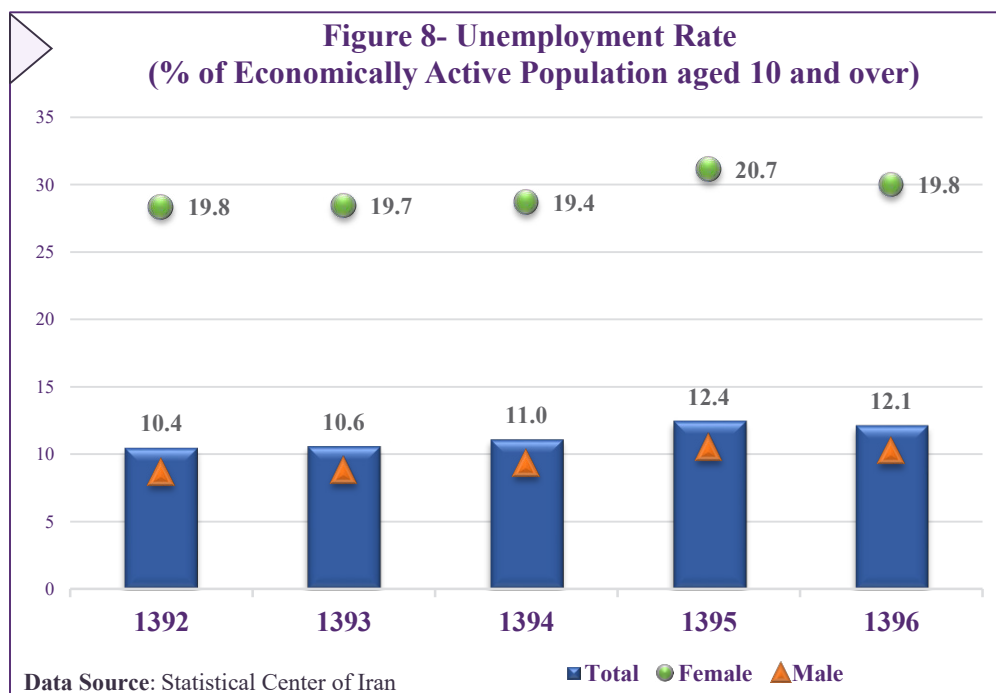
Data Source: Statistical Center of Iran



## Unemployment Rate

According to the Statistical Center of Iran, nearly 3.2 million people aged 10 and over were unemployed in 1396 which is considered about 12.1% of the economically active population. This ratio has fallen by 0.9 percentage points as compared with the previous year (Figure 8).

Although the economically active population of women is truly less than men (almost one out of four), women's unemployment rate stands remarkably higher than men at 19.8% (Figure 8).



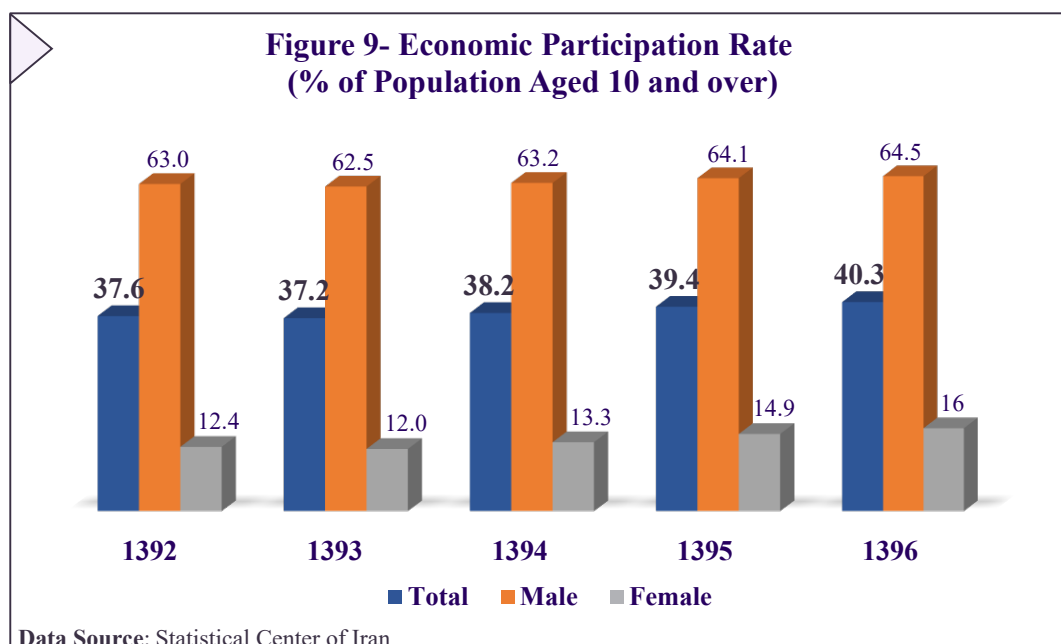
It is notable that unemployment rate of youths aged 15-24 is generally higher and has increased to 28.4% in 1396. This rate stands about 44% and 24% respectively for women and men.

Unemployment of Tehran has been estimated about 11% in 1396 which has decreased 0.6 percentage points as compared with previous year.

## Labor Force Participation Rate

Labor force participation rate is considered as a measure of the proportion of working-age population (10 years of age or over) that engages actively in labor market, either by working or looking for work.

The economic participation rate reveals that more than 40.3% of population aged 10 and over have been economically active in 1396. Additionally, this rate has increased about 0.9 percentage points in comparison to the last previous year. In other words, the relative size of the supply of labor force available to engage in the production of goods and services has been growing recently (Figure 9).

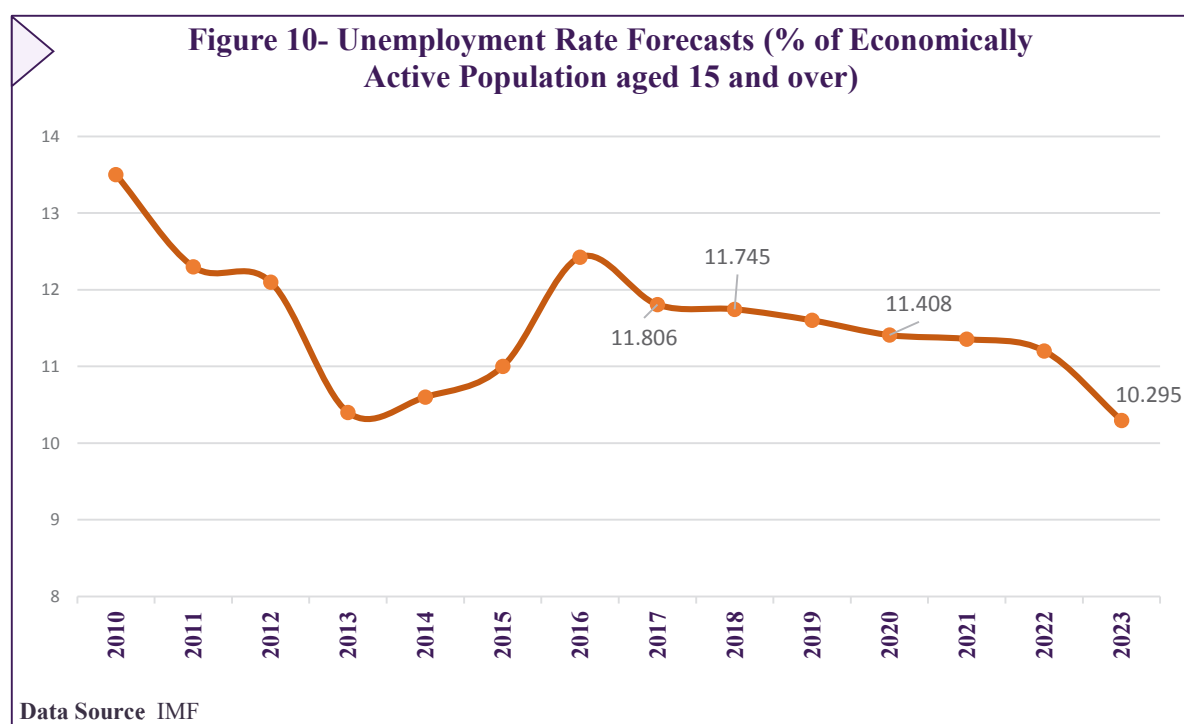


The breakdown of the labor force by sex and age group indicates that economic participation rate of men is really much higher than women. However, a careful assessment of these rates reveals that the proportion of the active population of women has been increasing rapidly in comparison with the proportion of the active population of men. This rate has risen from 14.9% in 1395 to 16% in 1396 for women, whereas it has increased only 0.4 percentage points for men by 1396 in comparison with last year.



## Unemployment Rate Forecasts

According to International Monetary Fund, Iran's unemployment rate at the end of 2018 will stand at 11.7%. Afterward, this will decrease gradually, and will drop to 11.4% in 2020. In 2023, it will reach the lowest unemployment rate in the period 2010-2023 and stand at 10.2%.



## Annex

### Correspondence of Iranian and Gregorian Calendars<sup>1</sup>

Month Year	1392		1393		1394		1395		1396	
	<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>	
Farvardin	1	March 21	March 21	March 21	March 20	March 21	March 19	March 21	March 21	
	31	April 20	April 20	April 20	April 19	April 20	April 19	April 20	April 20	
Ordibehesht	1	April 21	April 21	April 21	April 20	April 21	April 20	April 21	April 21	
	31	May 21	May 21	May 21	May 20	May 21	May 20	May 21	May 21	
Khordad	1	May 22	May 22	May 22	May 21	May 22	May 20	May 22	May 22	
	31	June 21	June 21	June 21	June 20	June 21	June 20	June 21	June 21	
Tir	1	June 22	June 22	June 22	June 21	June 22	June 20	June 22	June 22	
	31	July 22	July 22	July 22	July 21	July 22	July 20	July 22	July 22	
Mordad	1	July 23	July 23	July 23	July 22	July 23	July 21	July 23	July 23	
	31	Aug 22	Aug 22	Aug 22	Aug 21	Aug 22	Aug 20	Aug 22	Aug 22	
Shahrivar	1	Aug 23	Aug 23	Aug 23	Aug 22	Aug 23	Aug 21	Aug 23	Aug 23	
	31	Sept 22	Sept 22	Sept 22	Sept 21	Sept 22	Sept 20	Sept 22	Sept 22	
Mehr	1	Sept 23	Sept 23	Sept 23	Sept 22	Sept 23	Sept 21	Sept 23	Sept 23	
	30	Oct 22	Oct 22	Oct 22	Oct 21	Oct 22	Oct 20	Oct 22	Oct 22	
Aban	1	Oct 23	Oct 23	Oct 23	Oct 22	Oct 23	Oct 21	Oct 23	Oct 23	
	30	Nov 21	Nov 21	Nov 21	Nov 20	Nov 21	Nov 20	Nov 21	Nov 21	
Azar	1	Nov 22	Nov 22	Nov 22	Nov 21	Nov 22	Nov 20	Nov 22	Nov 22	
	30	Dec 21	Dec 21	Dec 21	Dec 20	Dec 21	Dec 20	Dec 21	Dec 21	
Dey	1	Dec 22	Dec 22	Dec 22	Dec 21	Dec 22	Dec 20	Dec 22	Dec 22	
	30	<u>2014</u> Jan 20	<u>2015</u> Jan 20	<u>2016</u> Jan 20	<u>2017</u> Jan 19	<u>2018</u> Jan 20				
Bahman	1	Jan 21	Jan 21	Jan 21	Jan 20	Jan 21	Jan 19	Jan 21	Jan 21	
	30	Feb 19	Feb 19	Feb 19	Feb 18	Feb 19	Feb 18	Feb 19	Feb 19	
Esfand	1	Feb 20	Feb 20	Feb 20	Feb 19	Feb 20	Feb 18	Feb 20	Feb 20	
	29/30	March 20	March 20	March 19	March 20	March 20	March 19	March 20	March 20	

<sup>1</sup>There are 31 days in each of the first six months of the Iranian calendar, 30 days in each of the next 5 months and 29 days in the last month, except in leap year when it has 30 days such as 1395.

## About Us

The Economic Research department of TCCIMA is responsible for providing economic analysis, conducting business research, managing official data collection, providing timely and accurate information to TCCIMA members and units. This sector actively seeks new data sources, suggests research topics, and prepares reports on various economic subjects' with the aim of analyzing economic challenges and increasing private sector awareness of macroeconomic and business environment issues.

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