



Djibouti Parliament Building &amp; Commercial Center



Isfahan-Shiraz Railroad, Section 4



Karbala 220-units Residential Tower

clients.

#### How can a company win a tender in Iraq?

First, the problems should be removed. One of the problems expected to be removed by the government is the bank guarantees. In the past, the banks had transactions with each other to fix this issue. But since the sanction imposed, the banks of other countries have restricted works with the Iranian banks. So things have become difficult for the Iranian companies. The government should take a special

not enter into this business.

On the other hand, if today the target market is Iraq, then payment of the export incentives should be prioritized and accelerated. Unfortunately, we do not have a strong exporters' association". The exporters should be also supported by "Association of Techno-Engineering Services Exporters".

#### What do you suggest to the Iranian contractors for working in Iraq?

The first thing to do is differentiating the investor from the contractor. We

do you know any private company in Iran needing my advice to make investment in Iraq?!

Infact, some Iranian private companies do not have enough capacity to conduct

undertake design and construction of these projects, in a way that Stratus Int'l. Contracting Co. (a member of STRATUS Holding Group) has been prequalified for implementing of more

#### Development Committee?

The performance of this committee was very good during the management of Mr. Qomi. His approach was beyond the state and private categorizations and the committee offered good support to the economic activists in Iraq. I do not have any comment about the current management performance and I hope that it is still better than the previous.

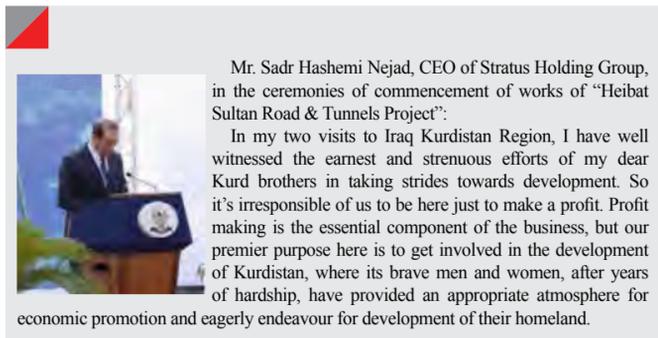
#### What are the current legal barriers and impediments in terms of activity in Iraq?

In my opinion, the trend of approving laws and regulations has been proper

#### to the past years?

The reason is that Iran did not have so many petrochemical companies in the past. Rise in the export volume of Iran is mainly due to the exports of petrochemicals and gas condensates. It is whilst that the export volume of techno-engineering services is not tripled. The differences and ratios are obvious from the export statistics and figures.

#### Do you think that Iran condition beyond the borders is changed given the approach of the new administration? What are



Mr. Sadr Hashemi Nejad, CEO of Stratus Holding Group, in the ceremonies of commencement of works of "Heibat Sultan Road & Tunnels Project".

In my two visits to Iraq Kurdistan Region, I have well witnessed the earnest and strenuous efforts of my dear Kurd brothers in taking strides towards development. So it's irresponsible of us to be here just to make a profit. Profit making is the essential component of the business, but our premier purpose here is to get involved in the development of Kurdistan, where its brave men and women, after years of hardship, have provided an appropriate atmosphere for economic promotion and eagerly endeavour for development of their homeland.

approach towards this issue to search banks capable to issue the guarantees to avoid the Iranian contractors wandering in Iraq. It's unfortunate again that the Iraqi banks are taking unfair advantages from the sanction condition and receive high and unconventional commission fee from the Iranian contractors for issue of different guarantees.

It should be mentioned that the companies with weak financial background and less renowned internationally cannot grow in overseas markets. Only those with a strong financial stance are suggested to enter the export markets. For example, we start a project and do some part of the works, while we have not yet received a penny from the advance payment. If we stop the works, we will bear loss. Time is the main asset of a contractor and the company lacking such potency should

#### Government should pave the way for Iranian contractors to compete in the international tenders, by timely export incentives and banking facilities

Design and build of 'New Ojeda Residential City' in Venezuela, consisting of 12,000 units to reside 60,000 inhabitants is another deed of honour to Stratus Holding Group.

This project, with all infrastructures, public structures and facilities, is under construction by Iranian Int'l. Housing Co.

should talk about the investors and contractors separately.

The contracting market is different and almost depends on the export incentive and competitive banking facilities and services. The credit issues and interbank relationships are accounted as part of the problems the contractor encounters. But the issue of investment in Iran is different from other countries.

In Iran, investment is conducted by collaboration of a vast network of small businesses and the banking system is not active in this regard. So, they become bankrupt for some reasons.

But, over the past years, investment in the fields of cement, petrochemical, steel etc has been made by some quasi-state large and strong companies. Now,

an international activity, while Iraq has a clear potentiality for macro investments. Nowadays terrorism attacks in Iraq are practically preventing the fast growth and renovation of this country. I believe that by the tact and foresight of the policymakers the security and accelerated growth shall be established. Our cultural, political and economic ties with Iraq had been damaged during the war. But the situation is now suitable in Iraq and the tribal conflicts are only to prevent consolidation and stabilization of the conditions.

#### How is the interaction of the Iraqi government in materializing and promotion of the objectives of techno-engineering services?

The Iraqi government is determined and has sufficient budget for development and renovation of the country, however the security problems as well as tribal and parties disputes are the most important challenge before the Iraq government for promoting

#### Submission of all types of guarantees requested by the foreign employers is currently one of the main concerns of techno-engineering services exporters

the development objectives. The Iraqi political and economic officials are well acquainted with the capabilities of "Stratus" in construction of mass housing, road, bridge, dam, airport, water and other civil projects. They recognize "Stratus" as an international entity, competent and capable to

than 10 big projects in Iraq.

The ceremony for commencement of works of "Basra Residential Town" was graced by the presence of the honorable prime minister of Iraq accompanied by some ministers and governors. Stratus is also known as a top international company by the officials of Iraq Kurdistan Region, in a way that in the ceremonies for commencement of works of "Heibat Sultan Road & Tunnel Project", the honorable prime minister of Kurdistan Region together with his ministers and officials were present and delivered some speeches. The Iraqi governors pay special attentions to civil development affairs.

We have some projects under construction in Karbala, Basra, Erbil and Sulaymaniyah and are enjoying the support of the local officials, particularly the governors. Construction & Housing Ministries of Iraq and Kurdistan Region are our two governmental employers who have constructive interactions with

#### Active foreign policy and targeted interactions with neighboring countries lay the ground for development of export of techno-engineering services

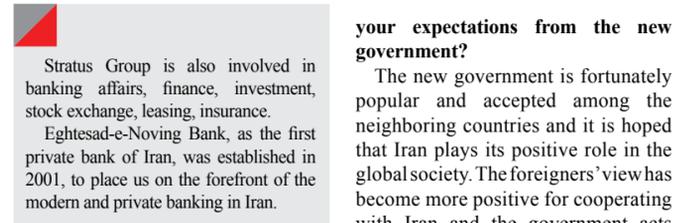
Stratus. Recently H.E. Minister of Iraq Construction & Housing, accompanied by his deputies and directors, visited "Basra Residential Project" and were quite satisfied with the quality of the project and pace of the works.

#### How do you evaluate the performance of Iran-Iraq Economic



H.E. Mr. Nechirvan Barezani, Prime Minister of Iraq Kurdistan Region, at ceremonies of the commencement of the works of Heibat Sultan Road & Tunnel Project.

I would like to thank Stratus Co. who has come here today. A professional Iranian company, renowned internationally and having undertaken projects in other countries.



Stratus Group is also involved in banking affairs, finance, investment, stock exchange, leasing, insurance.

Eghtesad-e-Noving Bank, as the first private bank of Iran, was established in 2001, to place us on the forefront of the modern and private banking in Iran.

over the past 20 years and we are satisfied with. We have the best laws in the world. No bank in the world is obliged to issue bank guarantee for the exporter of techno-engineering services at 0.5% commission fee, against 2% cash and the balance in promissory notes. But such valuable facility is offered in Iran. Believe me if the state companies did not enter this field and there were more space for the private companies, the condition was much better now.

#### What are the impacts of Subsidy Reform Plan and sanctions on your activities?

The sanctions have been problematic and with negative impacts for our overseas activities. After the sanction, the Iranians were not invited to some tenders. The question was that how we are to transfer money in and out?

#### So, how was Iran's trade volume increased by several folds compared

#### your expectations from the new government?

The new government is fortunately popular and accepted among the neighboring countries and it is hoped that Iran plays its positive role in the global society. The foreigners' view has become more positive for cooperating with Iran and the government acts very actively and professionally in the field of foreign policy. For example, in Iraq, the condition has become much better compared to the previous years. We hope that Iran will achieve much better regional interactions, especially with Iraq and other neighboring countries.

#### And final comments?

I believe that the officials are definitely realist and have good wishes for the country, but they are entrapped in different minor problems which weaken the power of decision making. I suggest them not let the hard problems change their goals and aspirations, and not let the hardships make their wishes impossible. They should adopt more courage as well. Survival is in courage. If you serve and have minor mistakes, people will admit. I have preserved my 3 formulas: perseverance, perseverance and perseverance. Always employ this magic formula and be ensured of its miracle. It did in my life.



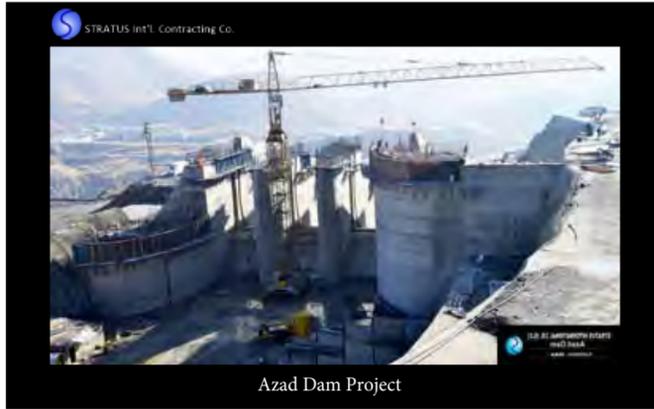
Mr. Nechirvan Barzani and his accompanying delegation in the ceremony of commencement of works of "Heibat Sultan Road & Tunnel Project" in Iraq Kurdistan Region



Ceremony of commencement of works of "Basra Residential Town Project", attended by Iraqi Prime Minister, Nouri al-Maliki



Qom-Kashan Freeway Project



Azad Dam Project



Qazvin-Rasht Railway Project

## “Stratus”

# The First Iranian Exporter of Techno-Engineering Services

■ Would you please brief us about the holding company under your management and explain about the carried out projects?

Stratus Holding Group contains a variety of economic activities. An old member of the Holding is Stratus Int'l. Contracting Company that is the first exporter of techno-engineering services in the Islamic Republic of Iran by undertaking the first project outside Iran 21 years ago. The company has developed significantly since then. It holds grade one in design and construction of roads, railways, tunnels, bridges, dams, and buildings, as well as carrying out water and other development projects.

Iranian International Housing Company is another member of Stratus Holding Group. Carrying out a housing project in Venezuela is among the activities of this company. Currently, the company has under construction the

“Stratus” enjoys four decades of technical experience and knowledge in implementing the building and civil projects nationwide and internationally

Ojeda New City Project in Venezuela, comprising of 12,000 residential units along with all required infrastructures and facilities.

The Holding is also active in the field of mass housing projects performed by “Iran Construction Investment Company”, “Tehran Construction and Renovation Company” and other affiliates.

Another part of the Holding is involved in the financial sector, such as Eghtesad Novin Bank and its subsidiaries including Leasing, Money Exchange, Finance, and Insurance.

Some other companies are active in the commercial sector.

Construction of “Qom-Kashan Freeway” is one of our projects carried out in Iran 25 years ago at high quality standards.

### Stratus Holding Group



Seyed Mohammad Sadr Hasheminejad was born in 1950 in the city of Kerman. He was graduated in civil engineering from Technical Faculty of Tabriz University. He has experienced tough years to realize his goals and achieve his objectives. He refers to “perseverance” as the main factor for success in life. “I will not forget the days I worked in some companies as trainee until finally got employed. My first monthly salary was US\$420. I also remember the day I went to Zanjan and launched contracting job by construction of a bridge project jointly with a friend.”

Hasheminejad is currently the managing director of Stratus Holding Group. He is a well-known and reputable entrepreneur who has founded and launched sixty companies so far. Stratus Holding Group is renowned internationally and is honored to have pioneered the export of techno-engineering services in Iran.

Eng. Sadr Hasheminejad has created over 10,000 jobs in the country in different development, construction, production, and economic projects. In a winter afternoon, we conducted an interview with him in his office about the activities of Stratus Int'l. Contracting Co. in Iraq.

Stratus Int'l. Contracting Co. was established in 1978. During 35 years of successful performance, this company has accomplished design and construction of many projects in Iran, Middle East, Asia, Africa and Latin America.

It should be noted though that one of the most distinguished projects in our work record is construction of the famous bridge over Karoun III dam, at the length of 564 meters and an arch of 364 meters. It is interesting to add that the bridge span is 280 meters away from the river.

Azad storage dam and Talvar Dam have been also constructed by our company. Construction of Azad Dam power plant has recently begun by Stratus Int'l. Contracting Co., in association with an Iranian-foreign consortium.

A section of Isfahan-Shiraz railway has been also implemented by our company. Moreover, we have under construction the Qazvin-Rasht railway project.

We have participated in construction of Vavan Town. Specifically, twenty 14-floor towers have been designed and constructed by Stratus Int'l. Contracting Co. The foundations of these towers were completed just in 190 days. To date, 10 blocks of the said towers have been inaugurated by the residents.

■ Would you please tell us about



Perseverance, perseverance, and perseverance is the magic formula for success in all economic arenas

the company's activities in Iraq? How did you choose Iraq?

We started our business and activities in Iraq two years ago. Of course, in the first year, we just made identification, negotiation and marketing in this country. In my visit to Iraq, I reached a positive evaluation and so settled our executive team there.

Fortunately, my evaluation was true. Iraq enjoys a very good and potential market. I should say it is a

One of our basic problem is high commission fee and deposit for providing banks guarantees from Iraqi banks

sound and healthy market. Iraq is a very appropriate market for the Iranian goods and services, especially for techno-engineering services. In the past year, we have launched three projects in Iraq for construction of towers, mass housing, road and tunnel. These three projects at different functions reveal the importance of Iraq market for our company. We hope to develop and expand our activities in Iraq more quickly. It should be added that we have

Stratus Holding Group is the first, biggest and most diversified private economic group in Iran, extensively active in techno-engineering projects, e.g. design and construction of road, railway, airport, tunnel, bridge, dam, water transmission, sewage, residential complexes and towns, buildings for commercial, recreational, tourism, educational and office purposes, industrial structures, pipelines, etc.

several other projects under negotiation as well.

■ Is it possible to explain about the projects?

Presently, we are implementing a residential town in Basra, comprising of almost 500 duplex villas including all required infrastructures and public structures and buildings.

We are also building some residential towers (hotel-apartments) in Karbala for the esteemed trustee of the holy shrine of Imam Hussein (AS).

Our third project is “Heibat Sultan Road and Tunnel Project” in Iraq Kurdistan Region which is accounted as one of the major projects of the region. This tunnel connects Erbil and Suleimaniyeh highways. The project consists of two 2-span tunnels, each at 2.5 kilometers in length, totally 5 kilometers long.

■ How many jobs are created in your established companies?

Over 10,000 persons are working in

affiliated companies of our Holding in Iran, including Stratus Int'l. Contracting Co., EN Bank, ... I don't suppose any other private company in Iran has created so many jobs so far.

Currently around 1,000 persons in Iraq and 2,000 in Venezuela are working in our project sites.

■ What are your main problems in Iraq? What solutions you suggest?

Our main concern is the state-run companies who have entered Iraq techno-engineering services market and damaged the works due to lack of respective technical knowledge. This has encountered the projects with problems while undermining the reputation of the Iranian contractors. If such state companies did not intervene, we should now enjoy a much better stance in Iraq. Another basic problem for us is providing the bank guarantees required for each project. Due to the sanction issues, the Iraqi banks mostly do not accept counter guarantees of the Iranian banks. For certain cases accepted, they levy a high commission fee or deposit which does not accord to the marginal profit earned by the Contractor and the market's competitive conditions.

■ In your opinion, under which circumstances, the Iranian companies can better compete with other countries?

There are several cases. For instance, as one of the most influential approaches, we suggest that the Export Development Bank of Iran, as the only expert Iranian bank and supporter of the non-oil exports, concludes some special contracts with the Iraqi banks to facilitate and adjust their conditions and commission rate for issue of the bank guarantees required by the Iranian

We are also honoured to have played a noticeable role in development of housing areas by mass and industrial production.

Iran Construction Investment Co., a member of the Group, has constructed over 400 residential complexes and business centres at total area of 1.8 million m<sup>2</sup> in different cities of Iran.



Vavan Residential Town Project