Ministry of Economy's investment strategy to neutralize snapback

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Acting on a proposal by Ali Madanizadeh, the Iranian Ministry of Economy has rolled out a comprehensive plan to attract foreign investment as part of its package to counter the "snapback mechanism".

At a time when the threat of snapback sanctions still practically hangs over Iran's economy, the ministry, under Madanizadeh's direction, has kicked off a new initiative to draw in foreign capital. The plan forms part of the government's broader strategy to cushion the psychological, financial, and budgetary blows of the adherence of some Western countries and their allies to the alleged return of sanctions.

Emphasizing that "the response to the snapback mechanism should be anti-fragile, not merely resilient," Madanizadeh said the program sets out to rebuild economic infrastructure in order to attract foreign funds, bring in technology, and secure sustainable financing.

Proactive response to snapback threat

Shifting from mere resilience to anti-fragility means the new ministry plan aims not only to blunt the impact of sanctions but also to turn the threat into a driver of reform.

In a meeting of the ministry's deputy council, Madanizadeh, referring to the ongoing "economic war," stressed that "the Ministry of Economy must, beyond day-to-day operations, live up to its commitments under the new circumstances and shore up the nation's defenses against threats."

By "resilience," he meant not passivity, but reinventing the very structures of the economy so it cannot just withstand shocks but draw strength from them. The planned reform pillars include:

1. Customs reform is gateway to investment

Madanizadeh highlighted that speeding up clearances and cutting through red tape must replace cargo stagnation at customs. Based on his remarks at the Government–Private Sector Dialogue Council, a comprehensive plan has been put together to address the backlog in customs clearance. Updating regulations, digitizing processes, and tapping into private-sector capacity are the three key pillars of this transformation.

"Our ultimate goal," he noted, "is to deliver on the promise of three-day cargo clearance." Such reform would send a clear message to foreign investors that Iran is doing away with unnecessary trade barriers.

A bill to overhaul the Customs Act has been put on the Iranian government and parliament's agenda, with detailed timelines already handed down to departments.

Linking digital customs with foreign investment is another goal. The ministry believes that a data-driven system, besides increasing transparency, will bring down transaction costs and boost predictability — two vital factors for investor confidence. Smart customs processes tie together anti-sanction goals and investment attraction.

2. Coordination among economic institutions to build trust

Under the anti-snapback package, responsibilities have been clearly divided:

• The Central Bank of Iran will keep an eye on exchange policy and inflation control.

• The Planning and Budget Organization will take charge of expenditure and deficit management.

• The Ministry of Economy will handle taxation, financing, insurance, customs, and investment.

According to Madanizadeh, the full details of the package will be rolled out soon, but the goal is clear: to hold the line against currency depreciation, keep production resources flowing, and back up capital movement.

3. Digital economy as magnet for investment

In a visit to the 28th Iran International Electronic, Computer & E-Commerce Exhibition (ELECOMP 2025), held from September 25 to September 28, 2025, Madanizadeh named the digital economy as one of the five pillars of the ministry's "justice-oriented agenda". He said that "economic transformation will be technology-driven," adding that a three-year task force has been set up to finance the digital ecosystem. He also mentioned a draft bill for deregulating the digital economy and the formation of a dedicated board to smooth the path for licensing. Supporting tech companies to go public is also on the table.

This fresh outlook serves as a missing link in the foreign investment chain: Investors will only stay in Iran's market if the digital and financial systems are transparent and dynamic.

4. Foreign investment, market psychology

At the ministry's deputy council meeting, Madanizadeh cautioned that "the economic war targets not just our finances, but also the psychology of the markets."

"The public must be kept in the loop," he insisted, "so they can rest assured the government is taking its responsibilities seriously."

This communication strategy forms part of the investment plan itself: Winning over domestic trust is a precondition for attracting foreign confidence. Investors will only step in once they see that the government has a firm grip on conditions and responds proactively.

5. Financial instruments to reduce risk

The ministry's proposed package includes specific measures aimed at cutting down investment risk:

• Investment insurance to guarantee principal and profit returns on select projects.

• Greater tax transparency and streamlined company registration.

• Incentives for overseas Iranian investors to bring back capital through favorable interest rates.

• Blockchain and cryptocurrency technologies brought under Central Bank oversight to ease international payments.

• Joint investment funds with aligned countries through BRICS and Shanghai blocs to bypass banking restrictions.

6. Synergy between smart taxation, exchange rate policies

Madanizadeh cited the government's new system of credit allocation as a key step to keep the foreign exchange market in check. Using the credit of importers and pre-sellers, instead of direct forex allocation, will help preserve reserves and add predictability to the economy — an essential factor for foreign investors.

In taxation, AI-driven systems are being rolled out to track transactions more transparently — something that investors see as a clear reduction in business risk.

7. Special committee on investment

On October 7, the ministry's third meeting of the Special Committee, chaired by Madanizadeh, zeroed in on customs challenges, facilitation of essential goods imports, support for economic actors, and laying the groundwork for foreign investment.

The committee included top representatives from policy, stock exchange, customs, and taxation — all entities the minister described as being "on the frontlines of the enemy's economic offensive," yet also potential pillars of strength if they work in sync.

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Iranian Minister of Economic Affairs and Finance Ali Madanizadeh (L) addresses the International Investment Forum 2025 held in Dushanbe, Tajikistan, on October 14, 2025.

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8. Simultaneous attraction of knowledge, capital

In ELECOMP, Madanizadeh reiterated: "The country's economic transformation cannot go forward without technology." This marks a fundamental shift in how Iran's Ministry of Economy defines foreign investment — not merely as an injection of cash but as an infusion of know-how, managerial expertise, and international standards. The focus on the tech ecosystem suggests that investment is not confined to traditional sectors but extends to a convergence between innovation and external capital.

9. Immediate measures to manage markets

In the same meeting, the minister announced that a "market defense operation room" has been set up to decide on real-time interventions aimed at staving off any plunge in the rial's value.

Such measures go hand in hand with the investment strategy since exchange rate stability and limited volatility are the first prerequisites for investor confidence.

Outlook of project

Economists have described the ministry's foreign investment package as a blend of endogenous reform and a smart, outward-looking approach. With customs and tax systems fully digitized, tech firms joining the stock market, and joint investment funds coming into play, Iran could emerge as a reliable destination for regional and Asian capital despite snapback pressure.

According to Madanizadeh, the ultimate objective is for Iran's economy to move beyond mere resilience into a state of anti-fragility — where every external shock triggers off internal reform.

Previously, foreign investment policy focused largely on oil and infrastructure contracts. But financial and banking sanctions shut down many of those avenues. Following regional agreements through the Shanghai Cooperation Organization and BRICS, however, new doors have opened up.

With its new mix of experience and technology, the Ministry of Economy's plan marks a turning point toward a transparent, smart framework designed to counter the snapback mechanism and set the country on a sustainable growth path.

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