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Iran's tech sector to display potential in Berlin

Najmeh Bozorgmehr in Tehran

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Employees of Navaak, a start-up in Tehran

The biggest gathering of Iranians outside of the Islamic Republic in more than 30 years will take place in Berlin next month.

When members of the diaspora meet Tehran entrepreneurs and businesspeople, their focus will not be political reform in one of the world's most repressive countries or the complexities of the nuclear negotiations with the world powers, but instead burgeoning opportunities in the Iran's tech sector.

As many as 2,000 participants — mostly Iranians from the US, Europe and Iran as well as foreign investors — will attend the iBridges conference, a sign of the pent-up interest in investing in Iran if and when international sanctions are lifted.

“The conference will be good for networking and will make our world bigger by seeing people who have world-class experience,” said Ehsan Razzazi, a 26-year-old, whose Navaak application is modelled after Spotify — the international commercial music streaming service.

Navaak is one of hundreds of start-ups, whose interests range from green and wearable technologies to robotics and nano-tech fields, to attend the conference.

Mr Razzazi is a graduate of Sharif University, Iran's prestigious technical university. While many of its alumni head to Silicon Valley, he ditched his plan to go to Berkeley and decided instead to concentrate on his start-up at home, helped by funding from his alma mater.

“Iran has an untapped market and it is easier to work here. We may not have this atmosphere in five or six years' time,” he said, pointing out that competition will likely be more fierce then.

Mr Razzazi has since received funding from Dmond Innovation Group, which backs start-ups in Iran. There are almost 180 similar companies in Iran, many of them backed by state-run universities.

The conference highlights potential investment opportunities once sanctions are lifted. With an untapped market and a tech-savvy young population, Iran's internet and mobile phone penetration rates are among the highest in the Middle East at 55 and 126 per cent respectively, according to unofficial figures.

However, the newly fledged tech sector has a long way to go. Entrepreneurs complain of



Ehsan Razzazi turned down the chance to go to Silicon Valley to focus on opportunities at home

poor protection for intellectual property rights and lack of support for start-ups.

“We need mentorship and know-how more than investment. There is a lot of money inside Iran,” Mr Razzazi added.

Kamran Elahian, an Iranian-American venture capitalist in Silicon Valley and one of the co-founders of iBridges, said the event was for delegates “to get to know each other” and be ready once sanctions are lifted.

“Any country that has huge reliance on oil and gas [as Iran does] is sitting on a time bomb,” said Mr Elahian who has not been to his home country in four decades.

Millions of jobs could be created if Iran moved towards a knowledge-based, innovative economy, he added.



Nader Pirouz's company is one of the sponsors of the Berlin gathering

News of the gathering has sparked anxiety in the Revolutionary Guard, the elite military unit with extensive business interests that may be threatened by a better relationship with the west. Intelligence officers have questioned businessmen over their sponsorship.

“There is concern about repetition of a Libya scenario in Iran,” said one analyst, highlighting fears that any opening up of Iran’s intellectual and economic space could trigger chaos in the hitherto closed society.

But the centrist government of president Hassan Rouhani has encouraged organisers to go ahead. “The government has assured us that nothing will happen to participants and the guards seem finally convinced that it is not a security threat,” said one organiser.

Still, as the end June deadline for sealing a nuclear agreement approaches, entrepreneurs are aware that they are treading a fine line as they avoid provoking hardliners at home or violating international sanctions. Iranian businesses are sponsoring flights and accommodation to avoid breaching banking sanctions, said Ali Zuashkiani, head of the iBridges steering committee in Iran.

Despite the challenges, organisers are optimistic.

“Like the Chinese, Indians and Koreans in Silicon Valley, the Iranian community in the US likes to establish [professional] links with their home country,” said Nader Pirouz, head of Dmond Innovation Group, a sponsor of the conference.

“A momentum is also being formed inside Iran as the youth see people come from the US to listen to a 20-year-old Iranian.”

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