

In light of expanded international trade, interconnectedness among countries, and increasing interactions in local and international markets, the transportation systems play a focal role in optimization of and decline in transportation costs, and safety and efficiency of market transaction all over the world. The expansion of transportation systems not only facilitates trade and provision of infrastructural services which enhance GDP growth but also generates a rare opportunity for Iran to present itself as a regional transportation hub, given the country's closeness to so many landlocked and Central Asian countries as well as Iraq, Afghanistan and Pakistan, which may use Iran for trade and goods transit. Hence the modernization of transportation facilities and infrastructure of Iran should be conceived as a strategic goal with a high-income potential and capability to replace oil income as the major revenue source for the country.

Based on national accounts data, value-added of "transport, storage, and communication" grew by 4.6 percent at constant 1376 prices. Therefore, share of this sector in GDP reached 9.1 percent in 1389, at current prices.

In the land transport sector (rail and road), 924.8 million passengers and 574.5 million tons of goods were transported, down by 0.1 percent and up by 4.7 percent, respectively, compared with the year before. In the sea and air transport sectors, a total of 32.8 million passengers and 140.3 million

tons of goods were transported, showing 16.6 and 7.0 percent increase, respectively, compared with the previous year.

**Table 6.1. Performance of Transportation Fleet in 1389**

	Passengers		Goods	
	Number (million persons)	Share (percent)	Amount (million tons)	Share (percent)
Road	896.0	93.6	541.0	75.7
Rail	28.8	3.0	33.5	4.7
Sea	8.8	0.9	140.1	19.6
Air	24.0	2.5	0.1	*
<b>Total</b>	<b>957.6</b>	<b>100.0</b>	<b>714.7</b>	<b>100.0</b>

Source: Statistical Yearbooks of the Islamic Republic of Iran Road Maintenance and Transportation Organization, Islamic Republic of Iran Railways, Ports and Maritime Organization, and the Ministry of Road and Transportation

### Government Investment

According to the Budget Law for 1389, a sum of Rls. 41,749.2 billion was approved as credits for acquisition of non-financial-national assets projects of transportation sector (road, air, sea, and rail), indicating 25.4 percent rise compared with the approved figure of the previous year. According to the Treasury General, the government spent Rls. 26,492.3 billion for the implementation of transportation sector projects, showing 63.5 percent realization compared with the approved figure and 2.1 percent decline compared with last year.

**Table 6.2. Credits for Acquisition of Non-financial–National Assets in Transportation Sector** (billion rials)

	1387	1388	1389	Percentage change	
				1388	1389
Transportation sector	16,634.1	27,068.0	26,492.3	62.7	-2.1

Source: Treasury General, Ministry of Economic Affairs and Finance

In this year, road and rail transport sectors accounted for the highest shares of paid credits by 63.3 and 32.2 percent, respectively. Performance figures for the road and rail transport sectors indicated 12.4 percent decrease and 25.9 percent increase, respectively.

### Freight and Passenger Transport

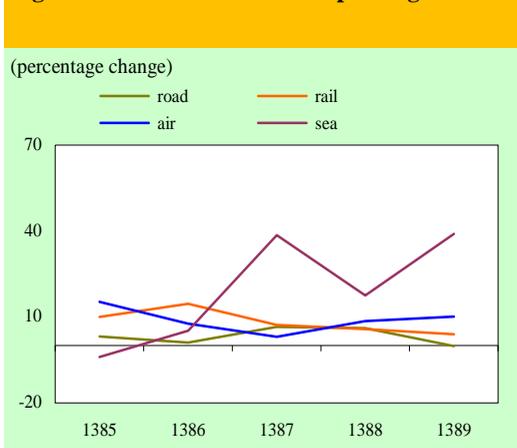
#### Road Transport

In 1389, the share of road transport sector in total carried passengers was 93.6 percent and in total carried goods, 75.7 percent. Moreover, 541 million tons of goods (with and without bill of lading) were carried through roads, showing 4.9 percent rise compared with the previous year. Approximately 8.2 million tons of goods were transited through roads, up by 41.9 percent compared with the year before.

In this year, 245 million passengers, using the public transport system, were carried through roads (based on manifest), indicating 8.2 percent fall compared with the previous year. The number of carried passengers measured in person-kilometers decreased by 7.6 percent and reached 59.9 billion person-kilometers. In 1389, the average number of

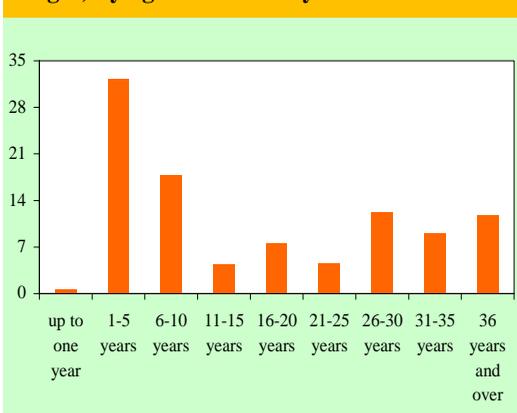
carried passengers was 12.5 persons and the average distance traveled by public transport was 188 kilometers.

**Figure 6.1. Number of carried passengers**



The length of the roads under the supervision of the Ministry of Road and Transportation (excluding rural roads) reached 78.0 thousand kilometers, of which 2.5 percent were freeways, 13.7 percent highways, 27.3 percent main roads, and 55.5 percent side roads.

**Figure 6.2. Shares of vehicles (passenger and freight) by age of vehicles by end-1389**



**Table 6.3. Road Transport**

	1387	1388	1389	Percentage change	
				1388	1389
<b>Carried goods (million tons)</b>	<b>511.5</b>	<b>515.7</b>	<b>541.0</b>	<b>0.8</b>	<b>4.9</b>
Transited goods (million tons)	4.7	5.8	8.2	23.4	41.9
<b>Carried passengers</b>					
Total carried passengers (million persons)	845.8	897.8	896.0	6.1	-0.2
Public transport (million persons)	490.0	493.0	452.0	0.6	-8.3
Share of public transport in carried passengers (percent)	57.9	54.9	50.4	-5.2	-8.2

Source: Islamic Republic of Iran Road Maintenance and Transportation Organization

### Rail Transport

In the review year, 28.8 million passengers were carried by rail, registering 4.0 percent growth compared with the previous year. Accordingly, rail share in total carried passengers was 3.0 percent.

Total goods carried by rail increased by 2.0 percent to 33.5 million tons. Rail share in total freight transport was 4.7 percent. Moreover, 1.4 million tons of goods (oil and non-oil) were transited by rail, down by 3.7 percent compared with the year before.

The number of locomotives reached 704 at year-end, revealing 5.1 percent growth compared with the previous year. The ratio of locomotives in service to total locomotives (operation coefficient) was 58.8 percent, showing 2.2 percentage points decrease compared with the previous year.

In this year, 82.3 kilometers of railroads were renovated and 42.7 kilometers of new railroads were established.

**Table 6.4. Rail Transport**

	1387	1388	1389	Percentage change	
				1388	1389
Carried passengers (million persons)	26.2	27.7	28.8	5.7	4.0
Carried goods (million tons)	33.0	32.8	33.5	-0.7	2.0
Transited goods (thousand tons)	1,357.0	1,487.0	1,432.0	9.6	-3.7

Source: Statistical Yearbooks of Islamic Republic of Iran Railways

### Air Transport

In 1389, the total number of air passengers grew by 10.1 percent to 24 million. Therefore, air share in total passenger transport equaled 2.5 percent. The share of non-public sector in domestic flights was 60.0 percent and in international flights 58.7 percent. Meanwhile, the number of national air fleet (passenger) decreased by 10.4 percent to 129.

In this year, the amount of cargo carried by air (domestically and internationally) amounted to 143.2 thousand tons, indicating 18.3 percent growth compared with the previous year.

**Table 6.5. Air Transport**

	1387	1388	1389	Percentage change	
				1388	1389
<b>Carried passengers (million persons)</b>	<b>20.1</b>	<b>21.8</b>	<b>24.0</b>	<b>8.5</b>	<b>10.1</b>
Domestic flights	12.8	14.4	16.1	12.5	11.8
International flights	7.3	7.4	7.9	1.4	6.8
<b>Carried goods (thousand tons)</b>	<b>123.3</b>	<b>121.0</b>	<b>143.2</b>	<b>-1.9</b>	<b>18.3</b>
<b>Transit flights (thousand)</b>	<b>165.0</b>	<b>153.0</b>	<b>157.0</b>	<b>-7.3</b>	<b>2.6</b>

Source: Ministry of Road and Transportation

Sea Transport

The nominal capacity of commercial ports reached 163.0 million tons (oil and non-oil), up by 8.7 percent compared with the previous year. Moreover, the capacity of the commercial sea transportation fleet was 5.7 million tons, up by 5.6 percent compared with the year before.

Port container traffic grew by 10.8 percent, from 2,707 thousand TEU<sup>1</sup> in 1388 to 3 million TEU in 1389. Furthermore, port container capacity amounted to 5.0 million TEU, up by 13.6 percent compared with the previous year.

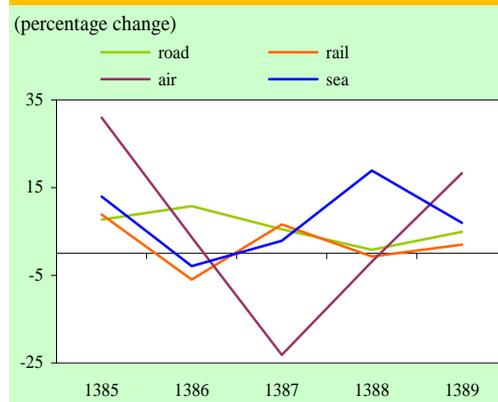
Performance of ports in 1389 indicates that loading and unloading of oil products amounted to 43.0 million tons, down by 3.9 percent. Meanwhile, loading and unloading of non-oil goods rose by 12.7 percent to 97.1 million tons.

Table 6.6. Loading and Unloading of Goods at Ports (million tons)

	1387	1388	1389	Percentage change	
				1388	1389
Non-oil goods	69.3	86.1	97.1	24.3	12.7
Oil products	40.8	44.8	43.0	9.7	-3.9
<b>Total</b>	<b>110.1</b>	<b>130.9</b>	<b>140.1</b>	<b>18.9</b>	<b>7.0</b>

Source: Ports and Maritime Organization

Figure 6.3. Volume of carried goods



<sup>1</sup> Twenty-foot Equivalent Unit