

Transportation sector is an important infrastructural facility for all economic activities, which highly contributes to economic growth. This sector has a social and economic role to play in expanding domestic and international trade. Transportation sector provides services to all activities related to production, distribution and consumption of goods and services and is instrumental to the advancement of any country.

Based on national accounts data, value-added of "transport, storage, and communication" grew by 4.7 percent at constant 1376 prices. Therefore, share of this sector in GDP reached 9.9 percent in 1388.

In the land transport sector (rail and road), 925.5 million passengers and 548.5 million tons of goods were transported, up by 6.1 and 0.7 percent, respectively, compared with the year before. In the sea and air transport sectors, a total of 28.1 million passengers and 131.0 million tons of goods were transported, showing 10.2 and 14.9 percent increase, respectively, compared with the previous year.

Government Investment

According to the Budget Law for 1388, a sum of Rls. 33,300.8 billion was approved as credits for acquisition of non-financial-national assets projects of transportation sector (road, air, sea, and rail), showing 7.0 percent rise compared with the approved

figure of the previous year. According to the Treasury General, the government spent Rls. 27,068.0 billion for the implementation of transportation sector projects, showing 81.3 percent realization compared with the approved figure and 62.7 percent increase compared with last year's performance.

Performance of Transportation Fleet in 1388

	Passengers		Goods	
	Number (million persons)	Share in total	Amount (million tons)	Share in total
Road	897.8	94.1	515.7	75.9
Rail	27.7	2.9	32.8	4.8
Sea	6.3	0.7	130.9	19.3
Air	21.8	2.3	0.12	*
Total	953.6	100.0	679.5	100.0

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

Credits for Acquisition of Non-financial-National Assets in Transportation Sector

(billion rials)

	1386	1387	1388	Percentage change	
				1387	1388
Transportation sector	13,590.7	16,634.1	27,068.0	22.4	62.7

Source: Treasury General, Ministry of Economic Affairs and Finance

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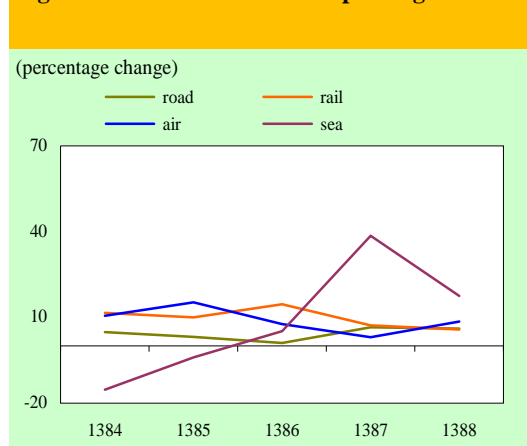
In this year, road and rail transport sectors accounted for highest shares of paid credits by 70.7 and 25.0 percent, respectively. Meanwhile, targets set in the budget for the mentioned sectors were realized by 80.4 and 85.2 percent, respectively.

Freight and Passenger Transport

Road Transport

In 1388, the share of road transport sector in total carried passengers was 94.1 percent and in total carried goods, 75.9 percent. Moreover, 515.7 million tons of goods (with and without bill of lading) were carried through roads, up by 0.8 percent compared with the previous year. Moreover, about 5.8 million tons of goods were transited through roads, showing 23.4 percent increase compared with the year before.

Figure 6.1. Number of carried passengers

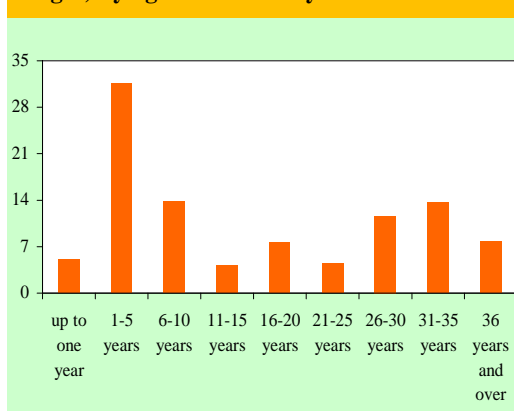


In the review year, 267 million passengers were carried through roads (based on transport manifest document), up by 1.3 percent compared with the previous year. The number of carried passengers measured in person-kilometers registered 1.7 percent growth and reached 64.8 billion person-kilometers. In this year, average carried passengers were 13 persons and average

distance traveled by public transport was 189 kilometers. Total number of passengers carried through roads was estimated at 897.8 million persons, of whom 493.2 million were carried by public transport system.

The length of the roads under the supervision of the Ministry of Road and Transportation (excluding rural roads) reached 75.0 thousand kilometers, of which 2.4 percent were freeways, 12.1 percent highways, 27.7 percent main roads, and 57.1 percent side roads. Intra-city roads accounted for 0.7 percent of total roads, which are under the supervision of the Ministry of Road and Transportation.

Figure 6.2. Shares of vehicles (passenger and freight) by age of vehicles by end-1388



Road Transport

	1386	1387	1388	Percentage change	
				1387	1388
Carried goods (million tons)	485.0	511.5	515.7	5.5	0.8
Transited goods (million tons)	4.5	4.7	5.8	4.7	23.4
Carried passengers					
Total carried passengers (million persons)	794.5	845.8	897.8	6.5	6.1
Public transport (million persons)	455.6	489.9	493.2	7.5	0.7
Share of public transport in carried passengers (percent)	57.3	57.9	54.9		

Source: Islamic Republic of Iran Road Maintenance and Transportation Organization

In 1388, 2.1 million vehicles were numbered, representing a rise of 7.6 percent compared with the previous year.

Rail Transport

In the review year, 27.7 million passengers were carried by rail, showing 5.7 percent growth compared with the previous year. Accordingly, rail share in total carried passengers was 2.9 percent.

Total goods carried by rail decreased by 0.7 percent to 32.8 million tons. Rail share in total freight transport was 4.8 percent. Moreover, 1.5 million tons of goods (oil and non-oil) were transited by rail, up by 9.6 percent compared with the previous year.

In this year, the number of locomotives reached 659 at year-end, showing 2.2 percent growth compared with the previous year and 79.3 percent realization compared with the target set in 4th Plan. The ratio of locomotives in service to total locomotives (operation coefficient) was 60.6 percent, up by 3.3 percentage points compared with the year before.

In the review year, 147.0 kilometers of railroads were renovated and 170.0 kilometers of new railroads were established, showing 77.0 and 34.6 percent realization compared with the targets set in 4th Plan, respectively.

Rail Transport

	1386	1387	1388	Percentage change	
				1387	1388
Carried passengers (million persons)	24.5	26.2	27.7	7.2	5.7
Carried goods (million tons)	31.0	33.0	32.8	6.6	-0.7
Transited goods (thousand tons)	1,541	1,357	1,487	-12.0	9.6

Source: Ministry of Road and Transportation

Air Transport

In 1388, the total number of air passengers grew by 8.5 percent to 21.8 million. Therefore, air share in total passenger transport equaled 2.3 percent, up by 0.1 percentage point. In this year, aircraft fleet productivity reached 7.0 hours a day, remaining relatively unchanged compared with the previous year. The share of non-public sector in domestic flights was 53.1 percent and in international flights 57.2 percent. Meanwhile, the number of national air fleet (passenger) increased by 9.1 percent to 144, pointing to 104.3 percent realization compared with the target set in the 4th FYDP for this year.

In the review year, the amount of cargo carried by air (domestically and internationally) amounted to 121.0 thousand tons, indicating 1.9 percent fall compared with the previous year.

Air Transport

	1386	1387	1388	Percentage change	
				1387	1388
Carried passengers (million persons)	19.5	20.1	21.8	3.1	8.5
Domestic flights	12.4	12.8	14.4	3.2	12.5
International flights	7.1	7.3	7.4	2.8	1.4
Carried goods (thousand tons)	160.6	123.3	121.0	-23.2	-1.9
Transit flights (thousand)	157.0	165.0	153.0	5.1	-7.3

Source: Ministry of Road and Transportation

Sea Transport

The nominal capacity of commercial ports reached 150.0 million tons (oil and non-oil), up by 5.6 percent compared with the previous year. Moreover, the capacity of the commercial sea transportation fleet was 5.4 million tons, showing 10.2 percent growth compared with the year before.

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Container traffic in commercial ports grew by 23.2 percent, from 2,198 thousand TEU¹ in 1387 to 2,707 thousand TEU in 1388. This is indicative of 55.9 percent realization compared with the target set in the 4th FYDP.

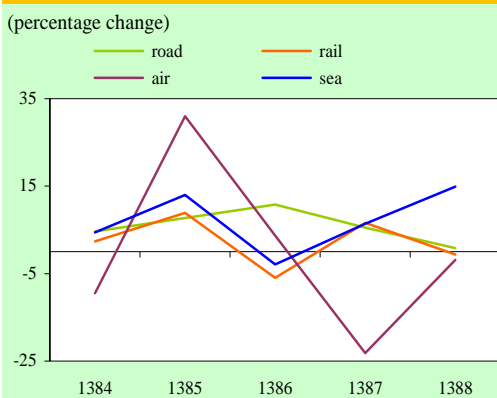
Performance of ports in 1388 indicates that the amount of loading and unloading of non-oil goods amounted to 86.1 million tons, up by 17.6 percent. Meanwhile, loading and unloading of oil products rose by 10.0 percent to 44.8 million tons.

Loading and Unloading of Goods at Ports (million tons)

	1386	1387	1388	Percentage change	
				1387	1388
Non-oil goods	66.7	73.2	86.1	9.7	17.6
Oil products	40.3	40.7	44.8	1.0	10.0
Total	107.0	113.9	130.9	6.4	14.9

Source: Ports and Maritime Organization

Figure 6.3. Volume of carried goods



4th Five-Year Development Plan

The growth of value-added of transport, storage, and communication sector, which had an accelerating pace during the first four years of the Plan, slowed at the final year. The mentioned growth fell from 11.3 percent in 1384 to 4.7 percent in the final year. Meanwhile, annual average growth of this sector was 12.6 percent during the 4th Plan period. Comparing targets and actual performance in this sector over the years of the Plan is indicative of full realization of Plan objectives.

GDP Growth

		Base year 1383	1384	1385	1386	1387	1388	Average growth (percent)
Total economy	Target	—	7.1	7.4	7.8	8.4	9.3	8.0
	Performance	6.4	6.9	6.6	5.0	0.8	3.0	4.4
Transport, storage, and communication	Target	—	10.9	11.2	11.6	12.1	14.1	12.0
	Performance	11.6	11.3	17.0	14.6	15.9	4.7	12.6

Source: 4th FYDP Law

¹ Twenty-foot Equivalent Unit

Credits for the acquisition of non-financial-national assets in transportation sector grew on average annual basis by 23.6 percent and reached from Rls. 14.1 trillion in 1384 to Rls. 27.1 trillion in the final year of the Plan (base year: 1383). However, performance figures are lower than the figures approved in the budget. During the mentioned period, of total credits allocation, 25 percent was related to rail transport, 70.7 percent to road transport, 2.8 percent to air transport and 0.9 percent to sea transport.

During the years of the 4th FYDP, total number of passengers carried through roads grew by 4.3 percent on average annual basis, from 726.5 million persons in 1383 to 898 million persons in 1388, pointing to full realization of the targets set in the Plan.

Total amount of cargo carried by roads was 2,357 million tons, indicating 5.8 percent growth on average annual basis. This is due to the rise in goods imports and transit, as well as renovation of road transport fleet.

The number of passengers carried by rail increased from 17.3 million persons in 1383 to 27.7 million persons in 1388, indicating an annual average growth of 9.9 percent. This

indicates 82.4 percent realization compared with the target set for the final year of the Plan.

During the mentioned period, total amount of cargo carried by rail rose from 28.0 million tons in 1383 to 31.3 million tons in 1388. This points to a large difference between the target set in the Plan for 1388 (49.8 million tons) and actual performance figure, mainly attributable to lack of funding and difficulties that the private sector faces in terms of investment in this sector. Moreover, 230.0 kilometers of railroads were put under improvement programs in 1383, which decreased to 147.0 kilometers in the final year.

Total number of air passengers carried during the course of the 4th Plan amounted to 95.2 million, of whom 65.8 percent were transported through domestic and the remaining through international flights. The share of non-public sector in domestic flights increased from 35.2 percent in 1383 to 53.1 percent in 1388, representing a large difference from the target set in the Plan for this year (90 percent).

The amount of cargo carried through air declined annually by 1.5 percent (on average) from 130.6 thousand tons in 1383

Road Transport

	Target					Base year 1383	Performance					Average growth (percent)
	1384	1385	1386	1387	1388		1384	1385	1386	1387	1388	
Goods carried (million tons)	390.0	395.2	418.3	441.5	470.0	388.9	406.8	437.6	485.0	511.5	515.7	5.8
Passengers carried (million persons)	731.6	741.8	760.6	780.2	800.6	726.5	761.6	786.2	794.5	845.8	897.8	4.3
Goods transited by truck (million tons)	3.0	3.4	3.6	3.7	3.8	3.3	3.8	4.5	4.5	4.7	5.8	11.9
Average age of vehicles (freight) (years)	20.8	17.5	14.8	12.3	10.0	21.0	19.0	19.4	19.0	17.9	16.1	-5.2
Average age of buses (passenger) (years)	11.5	11.2	10.9	10.5	10.3	12.0	11.0	11.5	13.0	13.2	12.8	1.3
Average age of vehicles (passenger cars) (years)	11.7	10.3	10.4	10.0	9.9	13.7	6.7	6.0	5.8	6.0	5.4	-17.0

Source: Ministry of Road and Transportation

Rail Transport

	Target					Base year	Performance					Average growth (percent)
	1384	1385	1386	1387	1388	1383	1384	1385	1386	1387	1388	
Goods carried domestically (million tons)	31.3	34.5	38.4	43.7	49.8	28.0	28.9	31.4	29.4	31.7	31.3	2.3
Passengers carried (million persons)	19.2	21.5	24.8	28.3	33.6	17.3	19.3	21.3	24.5	26.3	27.7	9.9
Transited goods (million tons)	1.9	2.1	2.4	2.8	3.2	1.5	1.3	1.5	1.5	1.4	1.5	0.0
Total locomotives	599	648	697	760	831	571	589	619	636	645	659	2.9
Renovation of railroads (kilometers)	186	186	186	186	187	211	183	132	287	246	89	-15.9
Improvement of railroads (kilometers)	190	190	190	190	191	230	115	126	127	235	147	-8.5
Establishment of new railroads (kilometers)	229	544	652	384	491	211	230	350	350	198	170	-4.2

Source: Ministry of Road and Transportation

Air Transport

	Target					Base year	Performance					Average growth (percent)
	1384	1385	1386	1387	1388	1383	1384	1385	1386	1387	1388	
Carried passengers (million persons)	15.0	15.8	16.7	17.3	18.7	14.2	15.7	18.1	19.5	20.1	21.8	9.0
Domestic flights	9.8	10.3	10.8	11.3	12.0	9.4	10.6	12.4	12.4	12.8	14.4	8.9
International flights	5.2	5.5	5.9	6.0	6.7	4.8	5.1	5.7	7.1	7.3	7.4	9.0
Carried goods (thousand tons)	137.2	144.0	151.3	158.8	166.7	130.6	118.2	154.8	160.6	123.3	121.0	-1.5
Share of non-public sector in domestic flights (percent)	42.4	51.2	61.8	74.6	90.0	35.2	36.0	39.7	44.9	52.2	53.1	
Share of non-public sector in international flights (percent)	67.6	72.6	78.0	83.8	90.0	62.9	47.3	49.8	53.4	49.6	57.2	
Replacement and development of national air fleet	105.0	121.0	138.0	138.0	138.0	92.0	78.0	76.0	84.0	132.0	144.0	9.4

Source: Ministry of Road and Transportation

to 121.0 thousand tons in 1388, showing under-realization of Plan targets.

The nominal capacity of commercial ports grew annually by 5.5 percent on average, from 114.9 million tons in 1383 to 150 million tons in 1388 during the 4th Plan years. Furthermore, container traffic in commercial ports rose from 1,346 thousand TEU in 1383 to 2,707 thousand TEU in 1388.

Annual average growth of private sector investment in sea transport sector was 47.6 percent, which shows full realization when compared with the Plan objectives.

Average age of sea transport fleet decreased from 16.4 years in 1383 to 13.1 years in the final year, showing a full realization of Plan targets in this year.

Sea Transport

	Target					Base year	Performance					Average growth (percent)
	1384	1385	1386	1387	1388	1383	1384	1385	1386	1387	1388	
Nominal capacity of commercial ports (million tons)	115	120	127	136	149	114.9	117	122.5	137	142	150	5.5
Loading and unloading of goods (million tons)	99	105	112	119	126	93	97.5	110	107.1	110.2	131	7.1
Ports container capacity (thousand TEU)	1,942	2,239	2,697	3,930	6,300	1,749	2,000	2,300	3,800	4,000	4,400	20.3
Ports container traffic (thousand TEU)	1,739	2,247	2,902	3,751	4,846	1,346	1,407	1,660	1,960	2,198	2,707	15.0
Ports passenger transport capacity (thousand persons)	4,760	5,020	5,280	5,540	5,800	4,500	4,800	5,200	5,300	5,900	9,500	16.1
Private sector investment (billion rials)	2,260	2,580	2,960	3,450	4,000	2,000	2,966	4,044	9,027	10,400	14,000	47.6
Average age of sea transport fleet (years)	16.1	16.6	14.5	13.7	14.5	16.4	15.9	15.7	14.9	13.0	13.1	

Source: Ministry of Road and Transportation