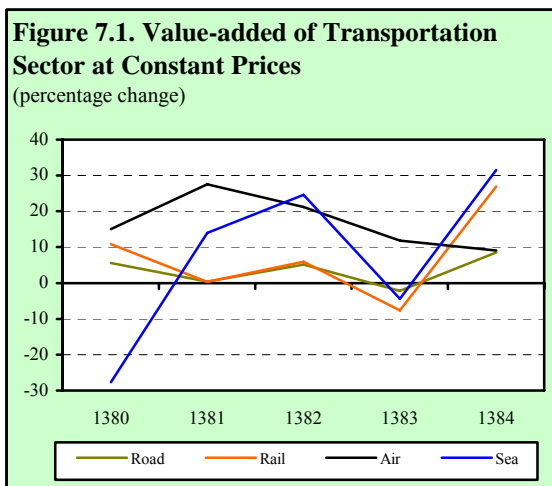


**A**ccelerating trend of activities in the transportation sector improved the investment environment in 1384. Available indicators reveal that investment in this sector went up, so that gross fixed capital formation (at constant 1376 prices) grew by 6.2 percent. The great portion of this investment was related to machinery by 84.2 percent. Approved credits for projects of government acquisition of non-financial assets rose by 40.6 percent.

In the land transport sector (rail and road), 66 billion person-kilometers of passengers and 136 billion ton-kilometers of goods were transported, up by 1.9 and 5.6 percent compared with the previous year. Moreover, in air and sea transport, 19.6 million passengers and 97.7 million tons of goods were transported, showing 8.3 and 4.4 percent rise.

**Macro-variables in the Transportation Sector**

Based on the preliminary data, the value-added of the transportation sector (at constant prices) amounted to Rls. 32,162 billion, showing 9.7 percent growth compared with the previous year, mainly owing to the growth in the value-added of rail and sea transport sectors by 26.9 and 31.5 percent, respectively. The share of land transport in the total value-added of transportation sector reached 89.3 percent (at current prices), down by 1.5 percentage points. However, the share of sea transport edged up by 1.1 percentage points to about 4.6 percent. Moreover, the share of transportation sector in GDP fell from 6.0 percent in 1383 to 5.9 percent (at current prices) in 1384.



**VALUE-ADDED OF TRANSPORTATION SECTOR**  
(at constant 1376 prices)

(billion rials)

	1382▲	1383□	1384□	Percentage change		Share (percent)	
				1383	1384	1383	1384
Air transport	1,664	1,860	2,030	11.8	9.1	6.4	6.3
Sea transport	1,177	1,125	1,479	-4.4	31.5	3.8	4.6
Land transport	26,949	26,323	28,653	-2.3	8.9	89.8	89.1
<b>Total</b>	<b>29,789</b>	<b>29,308</b>	<b>32,162</b>	<b>-1.6</b>	<b>9.7</b>	<b>100.0</b>	<b>100.0</b>

Transportation sector, with a roughly 20.8 percent share in total gross fixed capital formation (at current prices), registered a 6.2 percent growth (at constant prices), much lower than 19.7 percent growth of the previous year. Reduction in growth of investment, particularly in machinery, affected total growth in investment.

Data related to capital formation in transportation sector by construction and machinery reveal that out of total investment at current prices (Rls. 97.1 trillion), 84.2 percent was related to machinery, up by 6.4 percent (at constant prices) compared with the previous year.

#### GROSS DOMESTIC FIXED CAPITAL FORMATION IN TRANSPORTATION SECTOR

	(at constant 1376 prices)			Percentage change		Share (percent)	
	1382	1383□	1384□	1383	1384	1383	1384
	Machinery	25,711	31,104	33,097	21.0	6.4	86.5
Construction	4,341	4,871	5,102	12.2	4.7	13.5	13.4
<b>Total</b>	<b>30,052</b>	<b>35,975</b>	<b>38,199</b>	<b>19.7</b>	<b>6.2</b>	<b>100.0</b>	<b>100.0</b>

#### Government Investment

According to the Treasury General, Rls. 14,075.9 billion was allocated to the transport sector. This shows a realization of 110.5 percent compared with the approved figure and 49.6 percent rise compared with the performance of the previous year. This was mostly due to the government's attempts to step up operations of road construction projects and complete semi-finished projects, as well as undertaking some initiatives on collision-prone locations (hot spots) and improving road safety conditions.

#### GOVERNMENT ACQUISITION OF NON-FINANCIAL-NATIONAL ASSETS (DEVELOPMENT EXPENDITURES) IN ROAD AND TRANSPORTATION SECTOR AND TRANSPORTATION RESEARCH PROGRAM

			Percentage change	
1382	1383	1384	1383	1384
9,491.3	9,411.4	14,075.9	-0.8	49.6

Source: Treasury General, Ministry of Economic Affairs and Finance

#### Freight and Passenger Transport

##### Road Transport

Road transport, with respective shares of 91.4 and 76.1 percent of passengers and goods carried, constituted 5.2 percent of GDP (at current prices). The total volume of freight carried by road amounted to 406.8 million tons. Road freight traffic measured in ton-kilometers recorded a rise of 5.7 percent to reach 116,889 million ton-kilometers. Moreover, about 9.1 million tons of goods were transited through land (road and rail), showing a slight reduction compared with the performance of the previous year.

The passenger transport by road experienced a 1.3 percent growth compared with the previous year to reach 414.7 million persons. The number of passenger-kilometers grew by 0.2 percent to scarcely 54.9 billion passenger-kilometers. Increase in the number of travels by private cars and public tendency to use other transport modes such as rail and air are among factors responsible for insignificant growth in public road transport.

**ROAD TRANSPORT**

	1382	1383	1384	Percentage change ○	
				1383	1384
Goods carried (billion ton/kms)	99.9	110.6	116.9	10.7	5.7
Goods transited (million tons) (1)	8.1	9.1	9.1	13.0	-0.6
Passengers carried (billion person/kms)	55.9	54.8	54.9	-2.0	0.2

Source: Transportation and Terminals Organization (TTO)

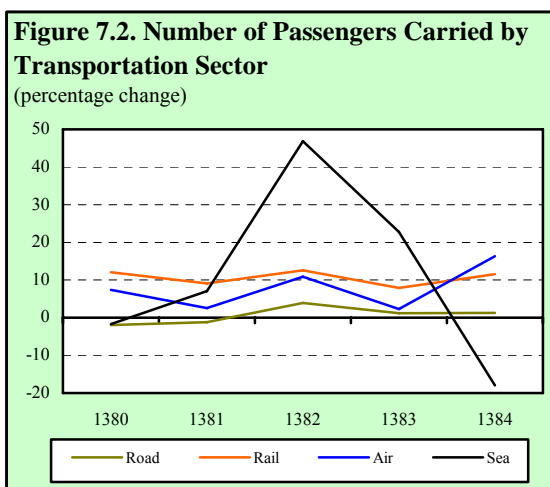
(1) Land transit (road and rail)

According to the IRIP (Islamic Republic of Iran Police), 2,063.9 thousand vehicles were numbered, showing 9.2 percent reduction, compared with the previous year. Moreover, 181.9 thousand trucks for carrying freight and 33.1 thousand buses, minibuses and taxis were active in carrying passengers in 1384.

**ROAD TRANSPORTATION FLEET**

	(thousands)			Percentage change	
	1382	1383	1384 □	1383	1384
Trucks	214.5	231.9	181.9	8.1	
Buses	16.7	16.8	11.4	0.6	
Minibuses	41.2	41.9	13.1	1.7	
Taxis	8.7	10.3	8.6	18.4	

Source: Transportation and Terminals Organization (TTO)



**Rail Transport**

According to the Islamic Republic of Iran Railways data, railroads carried 30.3 million tons of goods in 1384, showing 2.8 percent rise compared with the previous year. Railway freight traffic measured in ton-kilometers went up by 5.2 percent to 19.1 billion ton-kilometers. However, rail share over total transportation (in terms of tons) was reduced to 5.7 percent. This was basically due to higher cost price of freight carried by rail and limited coverage of railroad network.

Moreover, in the review year, 1.3 million tons of goods were transited through railroads, showing 6.8 percent reduction compared with the previous year.

According to the Raja Passenger Trains Company, <sup>(1)</sup> the number of passengers carried by rail <sup>(2)</sup> grew by 11.6 percent as compared with the previous year to reach 19.4 million. Thus, rail share in total passenger transport rose from 3.9 percent in 1383 to 4.3 percent in 1384.

**RAIL TRANSPORT**

	1382 ▲	1383 ▲	1384	Percentage change ○	
				1383	1384
Goods carried (billion ton/kms)	18.1	18.2	19.1	0.7	5.2
Goods transited (million tons)	1.2	1.4	1.3	21.0	-6.8
Passengers carried (billion person/kms)	9.3	10.0	11.1	7.5	11.4

Source: Islamic Republic of Iran Railways

(1) It started its operation in passenger transportation in 1370.

(2) These passengers were carried through Khuzestan, Hormozgan, Azerbaijan, Golestan, Khorasan, and East internal roads and international routes of Tehran-Istanbul, Tehran-Damascus, Tabriz-Van, and Zahedan-Quetta.

## Air Transport

Iranian airlines carried 15.7 million domestic and international passengers during 1384, 16.3 percent more than they did during the year before. This growth was mostly attributable to domestic flights. Of total passengers, 67.5 percent were carried by domestic and the remainder by international flights. Air share in total passenger transport equaled 3.5 percent, up by 0.5 percentage point. Growth in the performance of this sector is mostly related to new charter planes, equipped transport fleet, and growing competition between various airlines.

### AIR TRANSPORT

	1382	1383	1384	Percentage change	
				1383	1384
<b>Passengers carried (million persons)</b>	<b>13.2</b>	<b>13.5</b>	<b>15.7</b>	<b>2.3</b>	<b>16.3</b>
Domestic flights	8.9	8.9	10.6	0	19.1
International flights	4.3	4.6	5.1	7.0	10.9
<b>Goods carried (thousand tons)</b>	<b>117.4</b>	<b>120.3</b>	<b>150.4</b>	<b>2.5</b>	<b>25.0</b>

Source: Ministry of Road and Transportation

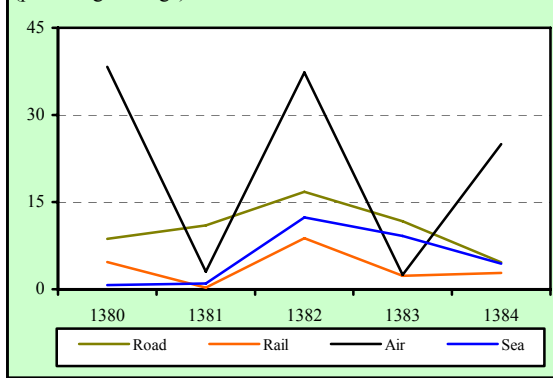
## Sea Transport

The nominal capacity of commercial ports reached 117 million tons (oil and non-oil), showing 6.4 percent growth compared with the previous year. This rise was basically due to the development of infrastructures, anchoring equipment and use of high-tech. Increase in the nominal capacity of commercial ports (non-oil) by 8.3 percent boosted the total capacity of seaports. The capacity of commercial sea transportation fleet grew by 18.8 percent to 3.8 million tons, while that of crude oil shipping fleet remained unchanged at 6.1 million tons.

In the review year, 8,285 cargo ships (with over 1,000 tons capacity), holding a total capacity of 99.7 million tons, entered 13 ports of which, 2,302 were domestic and the remainder foreign ships. Traffic flow, therefore, grew by 6.4 percent in this year. According to the Ports and Shipping Organization,<sup>(1)</sup> 97.5 million tons of oil and non-oil commodities were loaded and unloaded in ports in 1384, up by a mere 4.4 percent compared with the previous year. This moderate growth as compared with the growth in capacity of commercial (non-oil) seaports by 8.3 percent indicates that the capacity of ports has not been fully utilized. Increase in private sector investment in seaports operations was among factors enhancing seaports operations.

**Figure 7.3. Volume of Goods Carried by Transportation Sector**

(percentage change)



(1) Transportation of oil products is largely performed by the National Iranian Tanker Company, hence the statistics provided by the Ports and Shipping Organization cover only about 60 percent of sea transportation.

## Chapter 7 TRANSPORTATION

PORTS CONTAINER TRAFFIC				(million tons)	
	1382	1383	1384	Percentage change ○	
				1383	1384
<b>Non-oil goods</b>	<b>44.3</b>	<b>49.9</b>	<b>54.8</b>	<b>12.7</b>	<b>9.8</b>
Unloading	31.8	33.7	35.3	6.2	4.6
Loading	12.5	16.2	19.5	29.2	20.6
<b>Oil products</b>	<b>41.3</b>	<b>43.5</b>	<b>42.7</b>	<b>5.3</b>	<b>-1.8</b>
Unloading	22.9	25.4	27.0	10.8	6.1
Loading	18.3	18.1	15.7	-1.6	-12.9
<b>Total</b>	<b>85.6</b>	<b>93.4</b>	<b>97.5</b>	<b>9.1</b>	<b>4.4</b>

Source: Ports and Shipping Organization

PERFORMANCE OF PORTS				(million tons)	
	1382	1383	1384	Percentage change ○	
				1383	1384
<b>Oil tankers</b>					
Import	4.2	6.4	7.3	52.3	13.8
Export	16.5	16.0	14.0	-2.9	-13.0
Transit	4.2	4.7	4.1	13.6	-13.0
Cabotage (1)	16.4	16.3	17.3	-0.7	6.4
<b>Non-oil cargo ships</b>					
Import	30.5	31.4	33.0	3.0	5.0
Export	10.7	13.7	16.9	28.3	23.4
Transit	1.1	1.1	1.3	1.8	22.1
Cabotage	1.9	3.7	3.6	81.8	-3.5

Source: Ports and Shipping Organization

(1) Cross ports operations in goods transportation from one point to another via sea or border river in the same country.

Review of the number of passengers embarking and disembarking at 7 ports during 1384 indicates a decline of 17.6 percent, bringing the total number to 3.9 million persons. Of this figure, 2.0 million were disembarking passengers and the remaining embarking.

PERFORMANCE OF PORTS BY PASSENGER TRAFFIC				(thousand persons)	
	1382	1383 ▲	1384	Percentage change ○	
				1383	1384
Embarking	1,775	2,236	1,869	26.0	-16.4
Disembarking	1,938	2,453	1,992	26.6	-18.8
<b>Total</b>	<b>3,713</b>	<b>4,689</b>	<b>3,861</b>	<b>26.3</b>	<b>-17.6</b>

Source: Statistical Yearbook of Ports and Shipping Organization