

Transportation sector witnessed a satisfactory performance in 1385. Based on the preliminary data on national accounts, the value-added of this sector (at constant 1376 prices) grew by 10 percent. For the group of "transport, storage and communications", the value-added recorded 14 percent growth, well above the target of 11.2 percent set in the 4th Plan.

In the land transport sector (rail and road), 68.5 billion person-kilometers of passengers and 152.6 billion ton-kilometers of goods were transported, up by respectively 3.8 and 12.2 percent compared with the previous year. Moreover, in air and sea transport, 21.8 million passengers and 110.4 million tons of goods were transported, indicating 11.2 and 13.5 percent increase, respectively.

To enhance growth in transportation sector, the following initiatives were taken in 1385: signing of the transport cooperation agreement between Iran and Turkey; signing of a Memorandum of Understanding (MoU) among Iran, Tajikistan, and Italy on road transport; signing of an agreement between Iran and the United Arab Emirates on air transport of cargo; privatization of part of transport sector; utilization of facilities extended by the Islamic Development Bank (IDB) worth €27 million for construction of

the west railroad; issuing of a permit for the import of cement and steel for the completion of development expenditures; announcement of the Law on Iran's Accession to ECO Transit Transport Framework Agreement ⁽¹⁾; and submitting of the Bill on "Enhancement of Road Transport Safety".

Government Investment

Based on the Budget Law for 1385, a sum of Rls. 13,960.5 billion was approved for the implementation of acquisition of non-financial-national assets projects of road and transportation sector (road, air, sea, and rail) and transportation research program, representing a rise of 9.6 percent compared with the previous year.

According to the Treasury General, Rls. 12,248.4 billion was allocated to the transportation sector, showing 87.7 percent realization compared with the approved figure and 13 percent decline compared with last year's performance.

Road and rail transport sectors accounted for the highest shares of paid credits at 63.8 and 32.7 percent, respectively. Credits paid to air and rail transport sectors indicate respectively 205.9 and 101.2 percent realization of the target set in the Budget Law for 1385.

(1) This agreement, consisting of one preamble and 45 annexes, is a comprehensive document encompassing transport (road, rail, and sea), customs, trade facilities, and insurance issues related to transit.

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

1383	1384	1385	Percentage change	
			1384	1385
9,411.4	14,075.9	12,248.4	49.6	-13.0

Source: Treasury General, Ministry of Economic Affairs and Finance

Freight and Passenger Transport

Road Transport

In 1385, the shares of road transport sector in total passengers and goods carried were 90.7 and 75.3 percent, respectively, which were lower than the year before. Moreover, 437.6 million tons of goods (with or without bill of lading) were carried through roads. Road freight traffic measured in ton-kilometers (with bill of lading) recorded a rise of 13 percent to reach 132,070 million ton-kilometers. Meanwhile, 11.6 million tons of goods were transited⁽¹⁾ through land (road and rail), up by 28.5 percent compared with the previous year. Increase in the volume of transported goods was mainly attributable to the rise in the imports of goods along with the operation of new highways.

previous year. Reviewing the performance of road transport fleet reveals that 199.6 thousand trucks for transporting goods and 37.5 thousand buses, minibuses, and taxis were active in carrying passengers.

ROAD TRANSPORT FLEET
(thousands)

	1383	1384	1385 □	Percentage change	
				1384	1385
Trucks	231.9	181.9	199.6	θ	9.7
Buses	16.8	11.4	12.0	θ	5.3
Minibuses	41.9	13.1	15.3	θ	16.8
Taxis	10.3	8.6	10.2	θ	18.6

Source: Transportation and Terminals Organization (TTO)

ROAD TRANSPORT

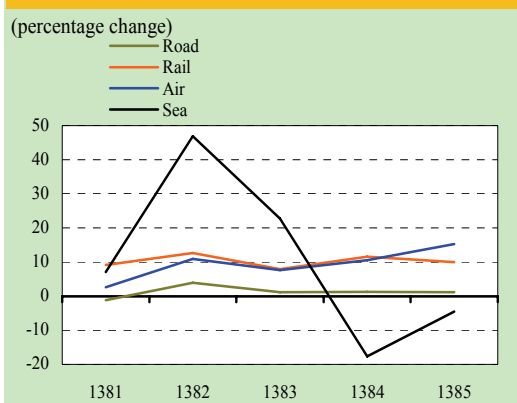
	1383	1384	1385	Percentage change ○	
				1384	1385
Goods carried (billion ton/kms)	110.6	116.9	132.1	5.7	13.0
Goods transited (million tons) ⁽¹⁾	9.1	9.1	11.6	-0.6	28.5
Passengers carried (billion person/kms)	54.8	54.9	56.0	0.2	2.0

Source: Transportation and Terminals Organization (TTO)

(1) Land transit (road and rail) and swap

Based on the statistics released by the IRIP (Islamic Republic of Iran Police), 1,967.4 thousand vehicles were numbered in 1385, down by 4.7 percent compared with the

Figure 6.1. Number of passengers carried by transportation sector



(1) Includes land transit and swap.

Rail Transport

According to the data drawn by the Islamic Republic of Iran Railways, total goods carried by rail amounted to 32.9 million tons, showing 8.7 percent growth. Railway freight traffic measured in ton-kilometers rose by 7.4 percent to 20.5 billion ton-kilometers. However, rail share over total transportation (in terms of tons) remained virtually unchanged at the previous year level of 5.7 percent. This was basically attributable to the higher cost of transport by rail and the limited coverage of railroad network. Since railways are a safe mode of transport, it is important that certain measures such as expansion of railway network, enhancement of freight rail capacity, and reduction of transportation tariffs be taken to improve the rail share in total cargo transportation. Moreover, 1.1 million tons of goods were transited by rail, showing 13.9 percent decline compared with the previous year.

According to the Raja Passenger Trains Company, 21.3 million passengers were carried by rail⁽¹⁾, up by 9.8 percent as compared with the previous year. Thus, the share of passenger transport by railway rose from 4.3 percent in 1384 to 4.6 percent in 1385.

RAIL TRANSPORT

	1383	1384	1385	Percentage change ○	
				1384	1385
Goods carried (billion ton/kms)	18.2	19.1	20.5	5.2	7.4
Goods transited (million tons)	1.4	1.3	1.1	-6.8	-13.9
Passengers carried (billion person/kms)	10.0	11.1	12.5	11.4	12.6

Source: Islamic Republic of Iran Railways

(1) 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

The total number of air passengers amounted to 18.1 million, up by 15.3 percent compared with the previous year. This growth was mostly attributable to domestic flights. Air share in total passenger transport equaled 3.9 percent, showing 0.4 percentage point growth. The unchanged fares for domestic flights as compared with other modes of transport were responsible for this increase. In this year, 1,200 seats were added to the air transport fleet. Moreover, of total passengers, 68.5 percent were carried by domestic and the remainder by international flights.

AIR TRANSPORT

	1383 ▲	1384	1385	Percentage change	
				1384	1385
Passengers carried (million persons)	14.2	15.7	18.1	10.6	15.3
Domestic flights	9.4	10.6	12.4	12.8	17.0
International flights	4.8	5.1	5.7	6.3	11.8
Goods carried (thousand tons)	130.6	150.4	166.7	15.2	10.8

Source: Ministry of Road and Transportation

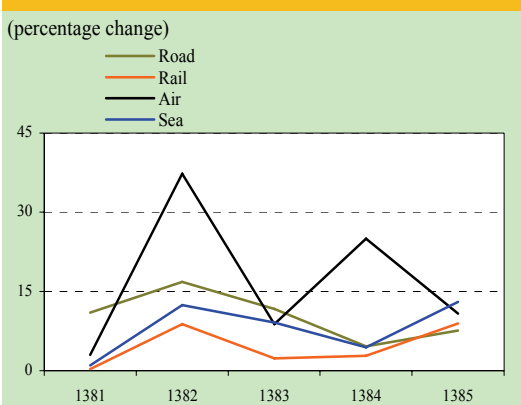
Sea Transport

The nominal capacity of commercial ports reached 122.5 million tons (oil and non-oil), showing 4.7 percent growth compared with the previous year. This rise was basically due to the development of infrastructures, anchoring equipment and use of high tech. The capacity of commercial sea transportation fleet reached 3.8 million tons, remaining virtually unchanged compared with the previous year.

Container operations in commercial ports grew by 4.5 percent to 1,660 thousand TEU⁽²⁾ in 1385 from 1,407 thousand TEU in 1384. Meanwhile, in the review year, container capacity in ports increased by 15

(2) Twenty-foot Equivalent Units

Figure 6.2. Volume of goods carried by transportation sector



percent to 2,300 thousand TEU, showing full realization of the target set in the 4th Plan Law (2,239 thousand TEU).

In the review year, 9,169 cargo ships (with over 1,000 tons capacity), holding a total capacity of 111 million tons, entered 13 ports of which, 2,513 were domestic and the remainder foreign ships. Traffic flow, therefore, grew by 11 percent in this year. According to the Ports and Shipping Organization, 110.2 million tons of oil and non-oil commodities were loaded and unloaded in ports in 1385⁽¹⁾, up by 13 percent compared with the previous year.

PORTS CONTAINER TRAFFIC
(million tons)

	1383	1384	1385	Percentage change ○	
				1384	1385
Non-oil goods	49.9	54.8	63.6	9.8	16.0
Unloading	33.7	35.3	41.9	4.6	18.8
Loading	16.2	19.5	21.7	20.6	10.9
Oil products	43.5	42.7	46.6	-1.8	9.1
Unloading	25.4	27.0	31.4	6.1	16.5
Loading	18.1	15.7	15.2	-12.9	-3.6
Total	93.4	97.5	110.2	4.4	13.0

Source: Ports and Shipping Organization

(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 transport.

Performance of ports in 1385 indicates that imports of goods by oil tankers and non-oil cargo ships recorded 9.7 and 39.3 million tons, up by 33.3 and 19.2 percent compared with the previous year. Imports of non-oil goods through ports constituted 93.1 percent of total non-oil imports, showing a slight decrease compared with the previous year. Reduction in the share of imports through ports, despite surge in imports, is indicative of increase in the share of other routes in import of goods.

PERFORMANCE OF PORTS

(million tons)

	1383	1384	1385	Percentage change ○	
				1384	1385
Oil tankers					
Import	6.4	7.3	9.7	13.8	33.3
Export	16.0	14.0	12.4	-13.0	-11.1
Transit	4.7	4.1	6.7	-13.0	63.1
Cabotage ⁽¹⁾	16.3	17.3	17.7	6.4	2.3
Non-oil cargo ships					
Import	31.4	33.0	39.3	5.0	19.2
Export	13.7	16.9	18.7	23.4	10.5
Transit	1.1	1.3	1.1	22.1	-18.4
Cabotage	3.7	3.6	4.5	-3.5	1.3

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.

Passenger traffic in ports showed 4.5 percent decline in 1385. Of total 3.7 million port passengers, 1.9 million were disembarking and the remainder embarking.

PERFORMANCE OF PORTS BY PASSENGER TRAFFIC
(thousand persons)

	1383	1384	1385	Percentage change ○	
				1384	1385
Embarking	2,236	1,869	1,754	-16.4	-6.2
Disembarking	2,453	1,992	1,935	-18.8	-2.9
Total	4,689	3,861	3,689	-17.6	-4.5

Source: Statistical Yearbook of Ports and Shipping Organization