


Major lines under construction include the vital 790 km Bafgh-Bandar Abbas link. Daewoo from South Korea has won contracts for two stretches of the line (total of 67 kms) worth approximately US \$250 million. Another project in progress is the double tracking of the line from Bandar Imam Khomeini to Ahwaz and of certain sections of the line between Ahwaz and Tehran. A third major project is the construction of the 180 km Mashad-Sarakhs line to link Iran to the border with the Republic of Turkmenistan. Other major long-term development plans include the construction of the 560 km route between Kerman and Zahedan, an 800 km link from Mashad to Bafgh and the extension of the Bandar Turkman-Gorgan line as far as Gonbad-e Kavus.

AVIATION



The Civil Aviation Authority under the Ministry of Roads and Transport is responsible for all policy-making issues, the operation of the airports and supervising the purchasing decisions of the airlines. There are currently 52 operational airports in Iran, of which six are international and six are exclusively used by the National Iranian Oil Company (NIOC).

Replacing the aging fleet of aircraft is the first priority, followed by the expansion of the fleet, building new airports, and re-equipping the older airports with state of the art technologies. The average age of the Iran Air fleet in International flights is 15 years which is four years more than the average international norm. During the past two years, Iran has purchased two Air-Bus and six Fokker planes to replace its aging fleet in both International and national networks. Iran is also negotiating to purchase 5 ATR planes for Asseman Air Lines, and has also recently announced the purchase of 12 training planes (joint production by France and Italy) worth approximately DM 5 million. Twelve Topolov planes have also been rented by the recently formed Iran Air Tours Company to increase the local network capacity. Iran is also building eight new airports and updating its radar and landing systems which would require a minimum investment of US \$350 million in hard currency. This is not including the Imam Khomeini Airport located south of Tehran which is the most important airport project in Iran.

ROAD TRANSPORT AND VEHICLE MANUFACTURING INDUSTRIES

Road transport accounts for about 80% of total passenger and freight movement throughout the country. According to the Ministry of Roads and Transportation, between 1979 and 1988, 388 kms of express-ways, 5411 kms of main roads and 2989 kms of subsidiary roads were built throughout the country.

Urgent requirements to replace the obsolete cars and trucks, and meeting the demands of a population growing at a rate of 3.5% per annum provides promising opportunities in this sector. The Five Year Economic Development Plan (1990-94) aims at introducing some 43000 trucks, 18000 buses and 33000 mini-buses, but the actual result has been far short of these targets. Major international vehicle manufacturers have been approached to provide technology or enter into joint-venture agreements for local assembly of passenger vehicles and trucks. Mercedes Benz trucks and buses have been locally assembled for more than 20 years. General Motors Market Development of Canada has been actively monitoring the local industry.