



Iran Connectivity Sector (Transport, Transit, and Logistics) Guide

1st Edition

Table of Contents

| | |
|--|----|
| ● Messages from Investment Leadership | 2 |
| ● Center Missions | 5 |
| ● Overview | 7 |
| ● Trade Profile and Corridor Connectivity | 12 |
| ● Why Invest | 21 |
| ● Government Vision/Outlook | 53 |
| ● Investment Incentives | 63 |
| ● Connectivity Sector Investment Opportunities | 77 |

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Message from the President of Tehran Chamber of Commerce, Industry, Mines and Agriculture (TCCIMA)



For centuries, Iran has been a central player in the Silk Road, fostering trade, commerce, and the interchange of ideas and knowledge between the East and West. Despite being a large economy, Iran has yet to fully tap into its potential in the global market by actively engaging with the international community.

At the **Tehran Chamber of Commerce**, our objective is to ensure the utilization of Iran's vast potential, including its valuable human resources, to drive robust economic growth. We achieve this by providing enticing investment opportunities that generate job prospects and contribute to high economic expansion.

To this end, TCCIMA has established an Investment Center comprising esteemed members of the TCCIMA board, who bring firsthand experience to facilitate connections between our members and their counterparts in the global ecosystem. The primary aim of this initiative is to provide a dynamic platform for exchanging ideas, sharing experiences, and developing new professional services. This platform is crucial for fostering new relationships and partnerships, which are imperative for creating and successfully realizing joint ventures that serve the interests of Iran and the region.

As the president of TCCIMA, I extend a warm invitation to you to visit Iran and witness the abundant opportunities our country has to offer as a foundation for mutually beneficial collaborations.

H.E. Dr. Mahmoud Najafi Arab
President of Tehran Chamber of
Commerce, Industries, Mines and Agriculture



Message from the President of Organization for Investment, Economic & Technical Assistance of Iran

Iran, as the world's oldest civilization situated at the crossroads of East and West, embodies millennia of trade, knowledge, and creativity. Today, endowed with valuable natural resources, a highly skilled workforce, developing infrastructure, and a unique geopolitical position, the country has become one of the most attractive investment destinations in the region.

Iran's strategic location has made it a natural bridge connecting major global economic centers, including Central Asia, Eurasia, the Middle East, and Europe. The country also maintains effective engagement with regional and international alliances such as BRICS, the Shanghai Cooperation Organisation, and ECO, providing a secure platform for attracting investors and fostering the development of shared value chains.

With this foundation—and through a forward-looking, partnership-oriented approach—Iran is striving to create a stable and predictable environment for foreign investors. Supportive legislation, including the Foreign Investment Promotion and Protection Act (FIPPA), fully safeguards investors' capital and returns. These legal frameworks, together with strategic programs, facilitate financing and investment in major and priority projects.

Opportunities for cooperation in Iran are rapidly expanding across sectors such as energy, advanced technologies, tourism, healthcare, high-tech industries, agriculture, transportation, financial services, and the digital economy. With a large domestic market, a young workforce, and access to regional markets, Iran is well positioned to become a strategic partner for foreign investors.

We invite you to experience Iran not merely as an investment destination, but as a strategic partner for the future—a land with an inspiring history, a hardworking people, and a bright, opportunity-rich future.

H.E. Dr. Mahdi Heidari
President of Organization for
Investment, Economic & Technical Assistance of Iran





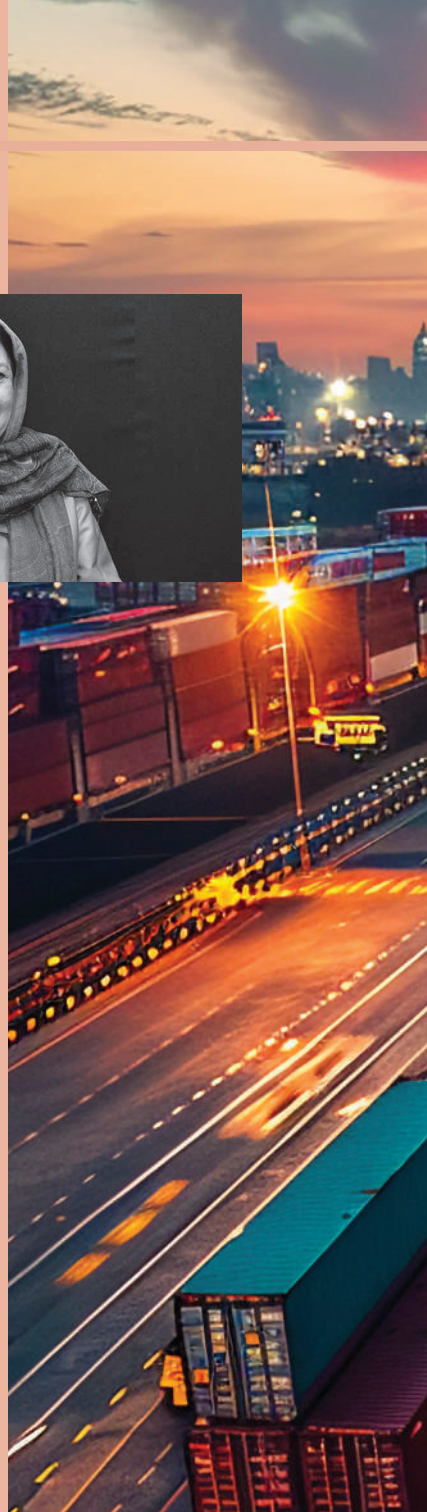
Message from the Head of Investment Center



TCCIMA has been a key player in the private sector of Iran and plays a central role in attracting foreign investment and sustaining economic development. The Chamber effectively communicates with the competent official and private authorities and helps the private sector by all facilities aiming at creating a better climate for business in the country. To boost the country's economic growth, there is need for a joint collaboration between Iran and other countries. In the **Investment Center**, it is our aim to provide foreign and also domestic investors with services and facilitate their investing process in Iran on the one hand, and on the other, offer a platform to Iranian private sector to flourish and reach its potentials.

Today, Iran is in a critical phase in terms of its economic history and it is our firm belief in the Investment Center that through sustainable investment, economic development of our country is not out of reach. Extending its cooperation with the international community can help highlight Iran as a new market of global significance and provide insight into the best practices. It is essential for Iran to move fast to identify gaps and provide solutions for investment promotion and economic growth. To achieve this, the private sector itself, and its chief arm, the Chamber of Commerce, adopt a leading role in defining the way forward. In the series of brochures that the Center has accumulated, an introduction and insight into investment opportunities of various economic sectors of Iran has been provided which we look forward to sharing with you.

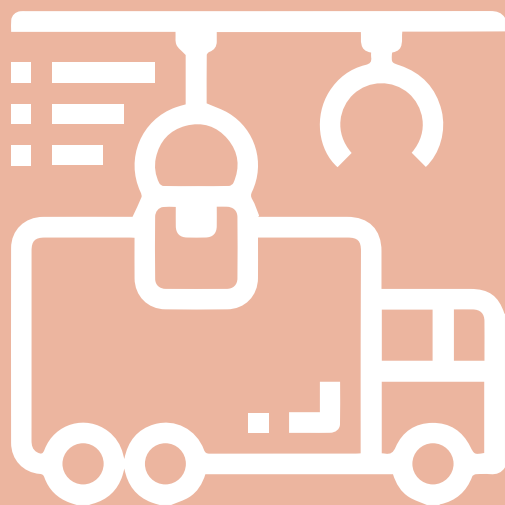
Ferial Mostofi
President of Center of Investment &
Consultancy Services



Center Missions

- To provide a platform for networking, cooperation, sharing and dissemination of ideas and information
- To provide consultation to investors on related issues (i.e. laws, regulations, tax, insurance, etc.)
- To outline different economic sectors' landscape and introduce investment opportunities and projects
- To identify investment regulation gaps, and propose mechanisms for facilitating investment processes to the related government bodies
- To facilitate more active participation of the private sector in the global value chains
- To hold training courses related to finance and investment training purposes





Overview





Overall Description of the Sector

The transport and logistics sector plays a pivotal role in Iran's economic structure, serving as a critical enabler of trade, production, and regional connectivity. As a bridge between major global corridors—linking East to West and North to South—Iran's geographic position gives the sector strategic importance, both domestically and internationally. In what follows, we provide an overview of the sector's landscape, highlight its inherent strengths, and introduce key investment opportunities.

Transport and logistics collectively form one of the most essential pillars supporting Iran's economic activity. Transport and warehousing account for 9.2% of national GDP. The sector contributes substantially through freight transport, passenger mobility, logistics and warehousing services, port and airport operations, and multimodal transit. With hundreds of millions of tonnes of freight transported annually across road, rail, air, and maritime networks, the sector remains indispensable

to the country's economic performance and regional competitiveness.

Iran's transport system benefits from extensive multimodal infrastructure: one of the largest road networks in the region, an expanding rail system, commercial seaports on both northern and southern coasts, and a network of international airports. This ecosystem strengthens the country's potential to function as a major logistics hub at the crossroads of global supply chains. Iran seeks to modernize its transport infrastructure, increase transit throughput, expand intermodal logistics platforms and enhance digitalization across the supply chain. With its skilled workforce, strategic location, diversifying industrial base, and rising demand for efficient logistics solutions, the connectivity sector offers diverse opportunities for investors in infrastructure, operations, digital systems and value-added services.

Population

86.55 million



Urban Population

75%

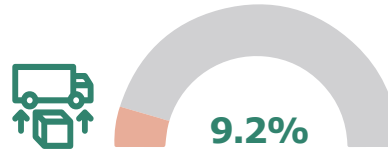


Land Area

1.64 million km²



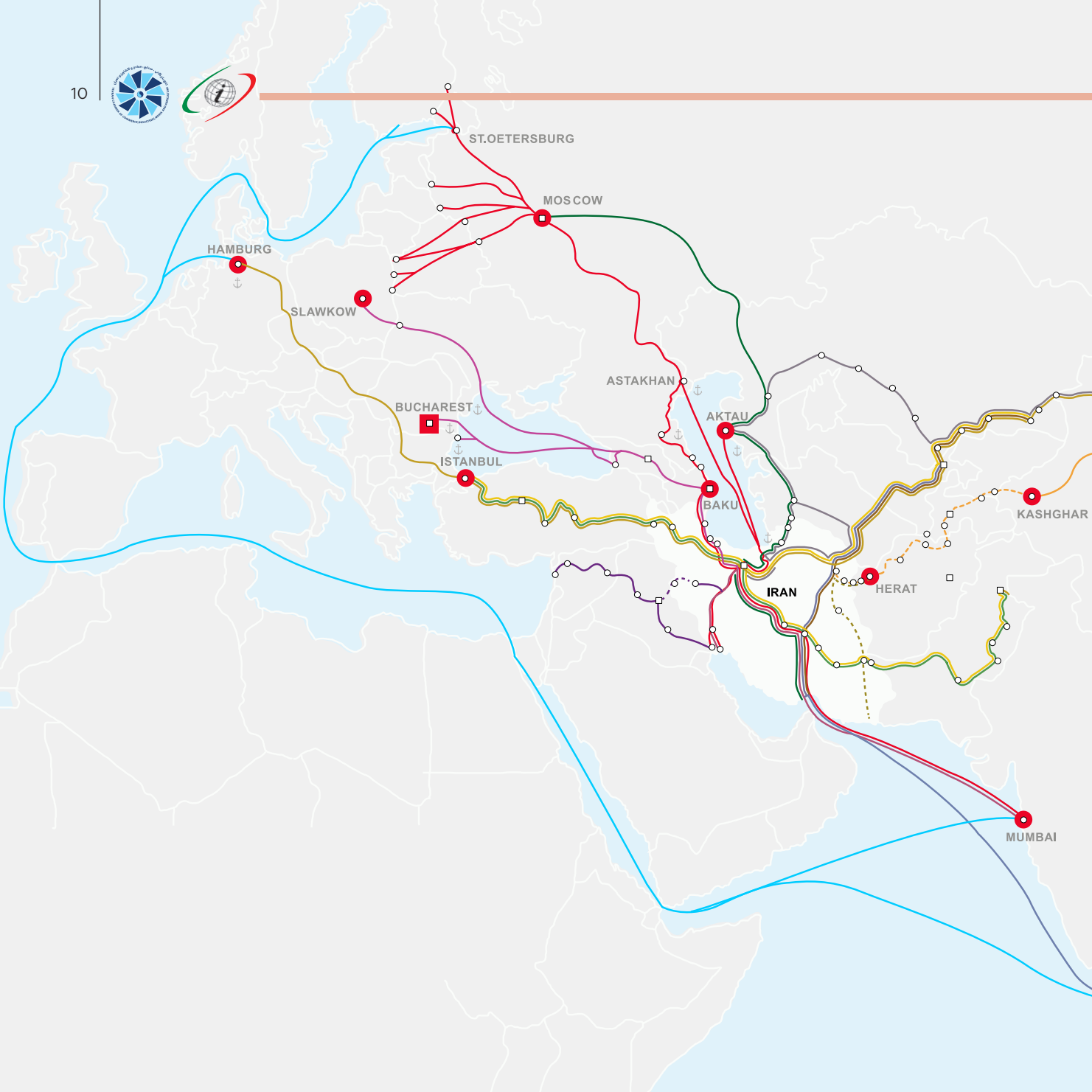
Transport and warehousing GDP Share in 2025

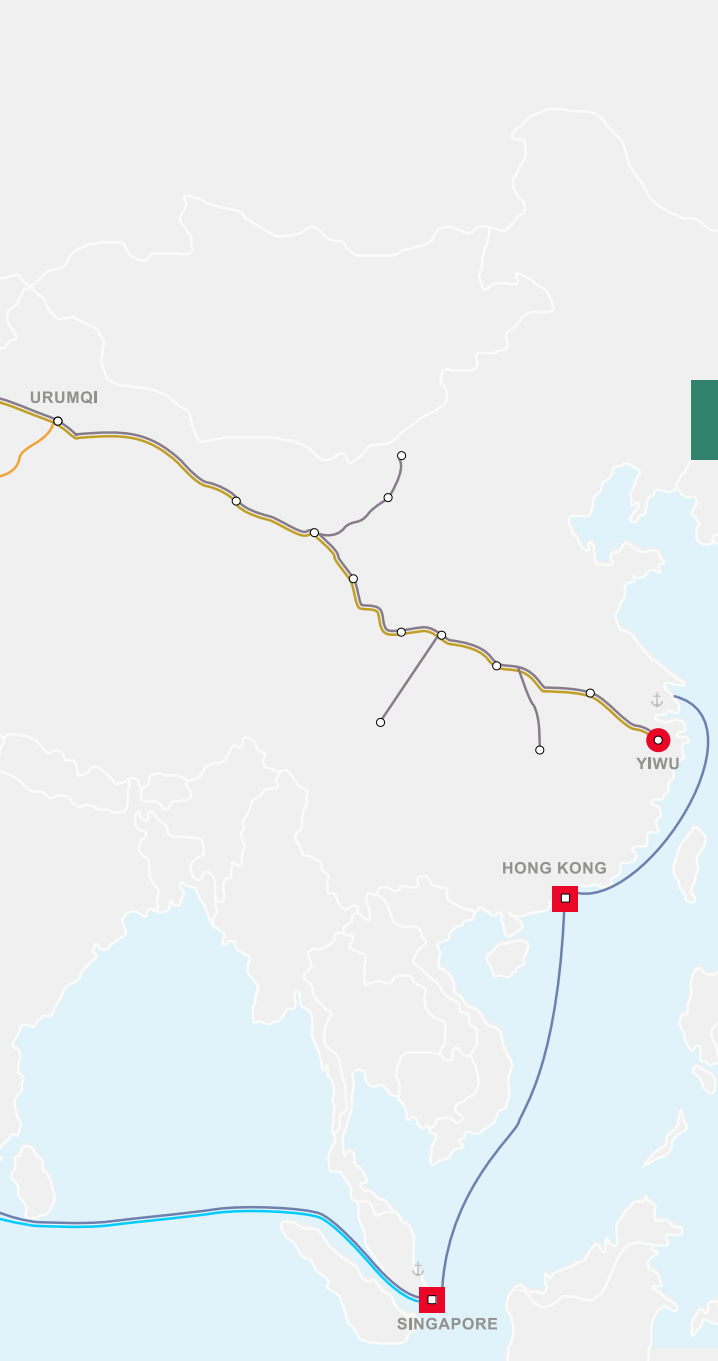


~5,800 km
Total coastline

The world's future
major emerging country

Bridge
between 3 continents





Corridor Map

LEGEND

- North-South Corridor —
 - New Silk Road Corridor —
 - Almaty- Bandar Abbas Corridor —
 - Almaty-Istanbul Corridor —
 - Chabahar-Herat Corridor —
 - East-West Corridor —
 - KTAI Corridor (Iran- Afghanistan-Tajikistan-kyrgyzstan-China) —
 - ITI Corridor (Turkey-Iran-Pakistan) —
 - Euro-Asia Corridor (China- Iran-Germany) —
 - Sout-West Corridor —
 - Oman- Iran-Turkmenistan-Uzbekistan Corridor —
 - East of Caspian Sea Corridor —
-
- International Boundary —
 - Capitals ■
 - Other Cities ●
 - Sea Ports ⚓

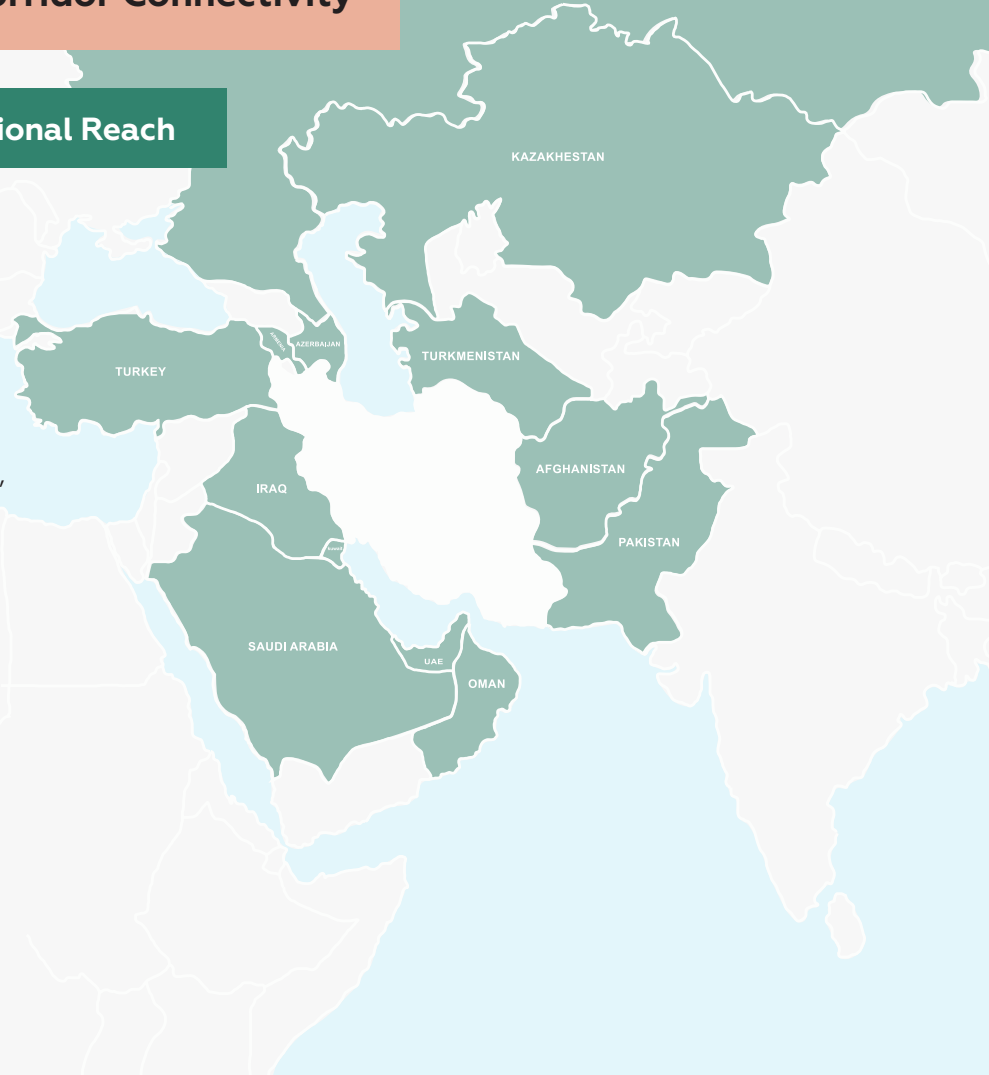
Source: Railways of the Islamic Republic of Iran



Trade Profile and Corridor Connectivity

Market Access and Regional Reach

Iran's strategic location at the crossroads of Asia, Europe, and Africa positions it as a potential logistics and transport hub in the broader region. With trade links extending across five world regions and borders shared with 15 neighbouring countries, Iran benefits from access to a regional market of more than 760 million people.



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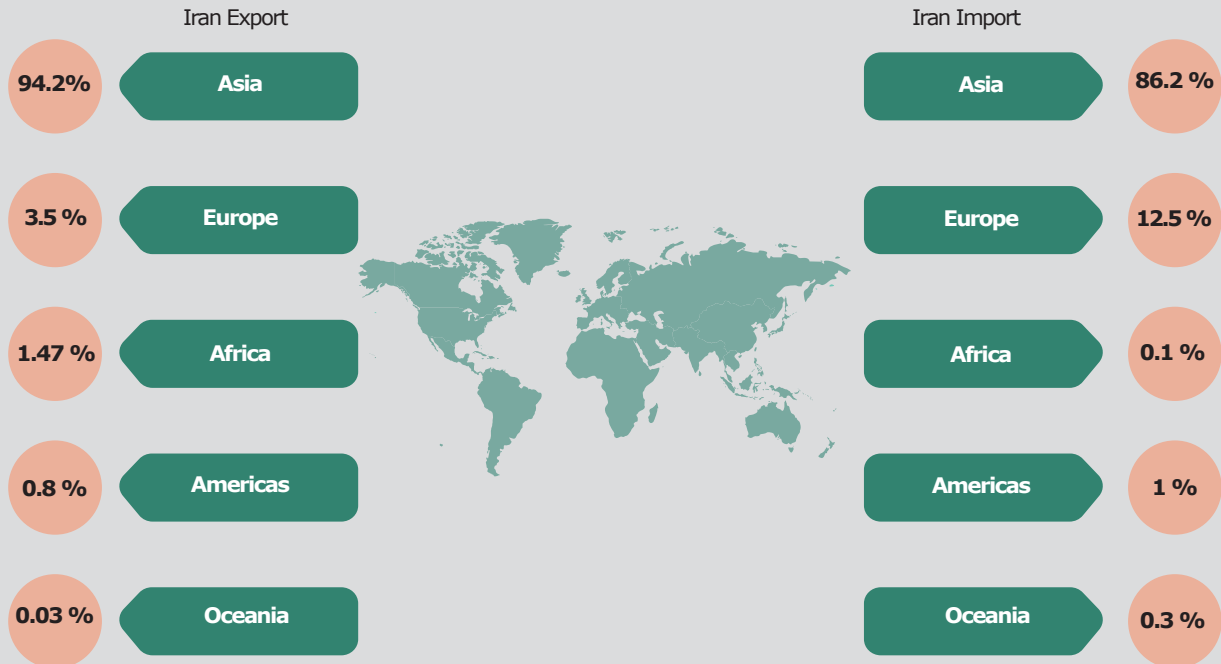
Neighboring Countries



Access to 760
million market



Iran Trade by Region (yr.ended March 2025)



Source: Author's calculations based on data from the Iran Customs Administration



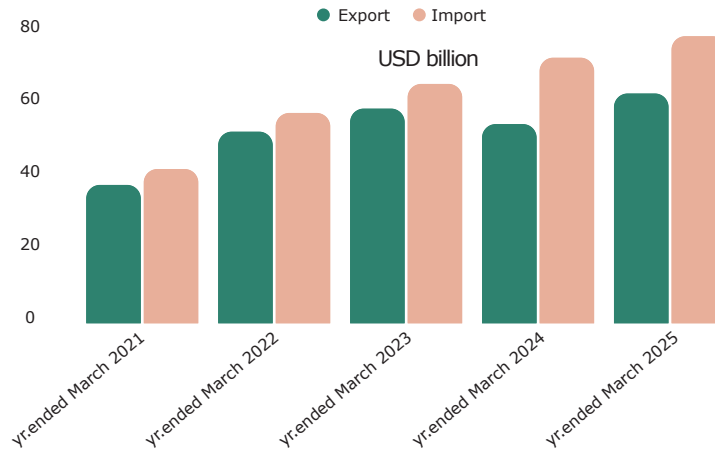


Trade Snapshot

This geographic advantage positions Iran as a natural gateway and can support multimodal connectivity through road, rail, maritime, and air routes, strengthening Iran's role in regional and global commerce and enabling the efficient movement of goods across key markets.

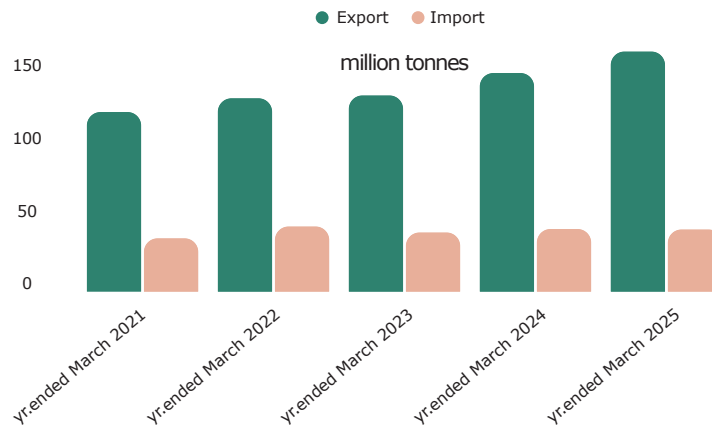


Iran non-oil Trade by Value (2021-2025)



Source: Trade Promotion Organization

Iran non-oil Trade by Volume (2021-2025)



Source: Trade Promotion Organization

Arrivals by mode of transport in 2024



75.3%



24.4%



0.3%

Source: Statistical Centre of Iran





Corridors & Transit Connectivity

Iran is located along several major international transport corridors, including the International North–South Transport Corridor (INSTC)—linking India and the Persian Gulf to Russia and Northern Europe—as well as key East–West transit routes connecting Central Asia to Turkey and Europe.

Additionally, Iran is positioned along China’s Belt and Road Initiative (BRI), further enhancing its relevance as a transit bridge across Eurasia. Together, these frameworks can help improve shipment times, expand regional integration, and strengthen Iran’s connectivity between landlocked Central Asian economies and global maritime trade.



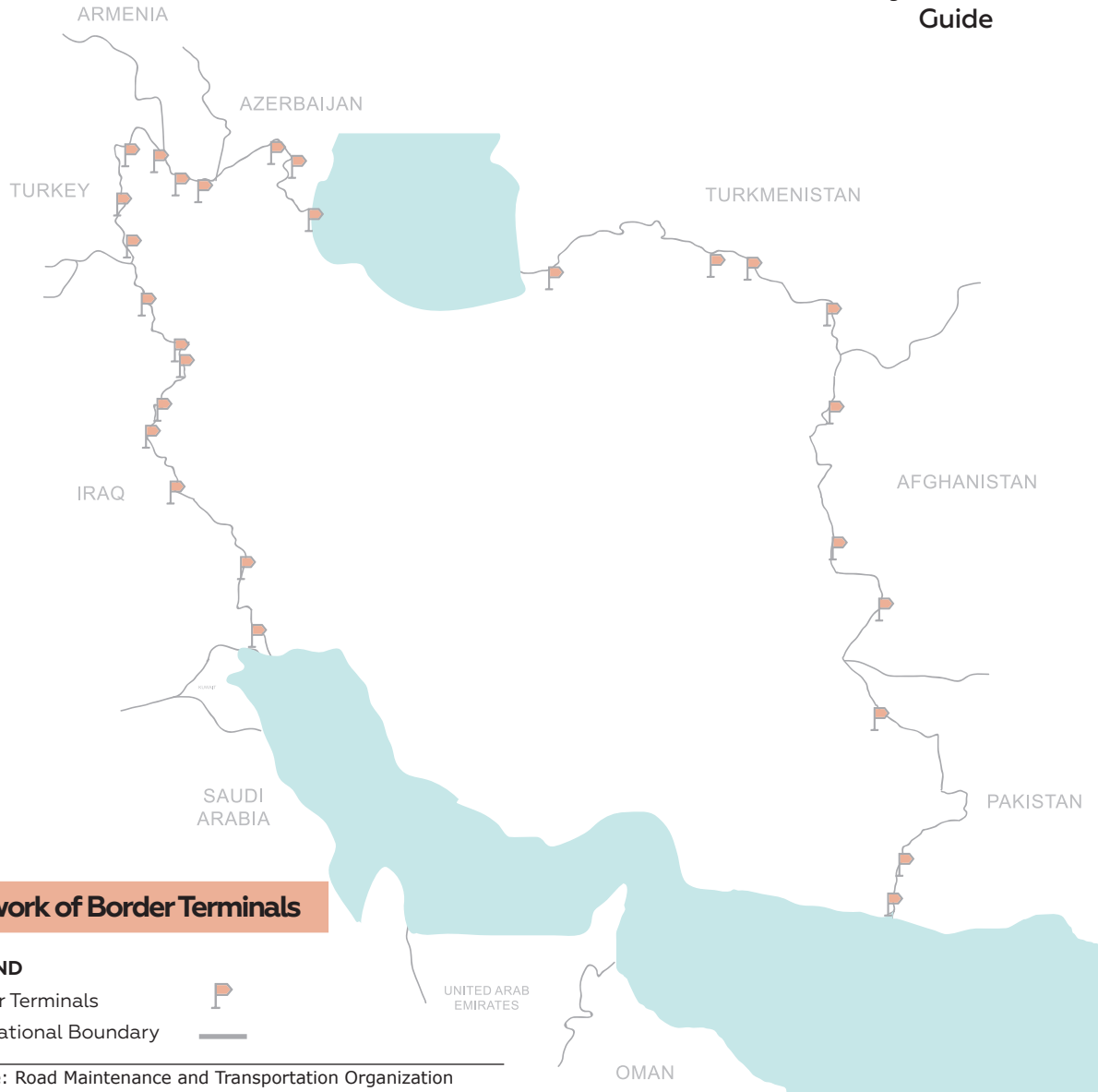




Why Invest

Iran ...

- Is one of the most strategically located logistics hubs at the crossroads of East–West and North–South trade corridors
- Is home to one of the largest multimodal transport networks in the Middle East (road, rail, air, and maritime)
- Possesses one of the region's largest road systems, connecting all major industrial and commercial centers
- Features a growing national rail network linking major ports, borders, mines, and industrial zones
- Hosts major commercial seaports on the Persian Gulf, Gulf of Oman, and the Caspian Sea
- Is among the largest transit-capable countries in the region, with direct access to +15 neighboring and regional markets
- Is equipped with multiple international airports enabling both passenger and cargo connectivity across Asia and Europe
- Is a rising regional hub for air cargo, express delivery, and e-commerce logistics
- Has strong potential for development of port-based industries, dry ports, logistics zones, and corridor-based value chains





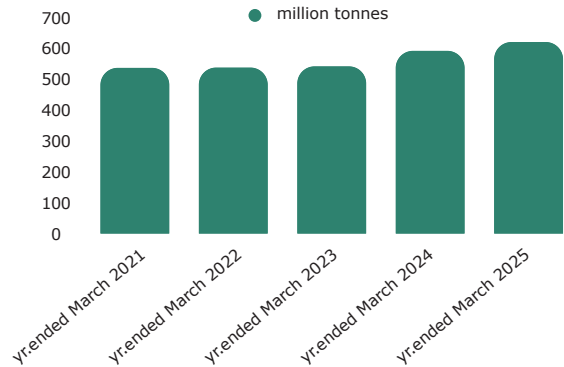
Iran's road transport sector forms the backbone of domestic logistics and a critical link in the country's regional connectivity network. With its strategic geographic location bridging Central Asia, the Caucasus, the Indian subcontinent, and the Persian Gulf, Iran serves as a natural land bridge between East and West. As of the year ended March 2025, the total length of roads under the Ministry of Roads and Urban Development (excluding rural routes) reached 50,836 kilometers.

Total freight volume moved nationwide reached 630 million tonnes, of which 600 million tonnes were recorded under official waybills. The country's trucking fleet completed 38.8 million freight trips, with an average haul distance of 484 km per trip. The leading commodity groups transported were petroleum and chemical products (99.9 million tonnes), metal goods (94.2 million tonnes), and minerals (75 million tonnes), together accounting for 44.8% of total freight moved. With 8,700 kilometers of land borders and direct or near-direct access to 15 neighboring and adjacent countries, Iran's highways provide a dense and versatile network enabling fast and flexible access to regional and international markets.



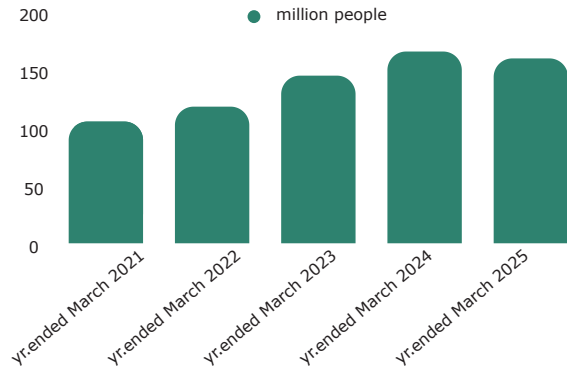
In recent years, Iran’s road corridors have been playing an increasingly important role in international transit, facilitating multimodal flows between the Caspian Sea, the Persian Gulf, and South and Central Asia. Government priorities include highway expansion, fleet modernization, and the development of intermodal (road–rail) corridors to improve logistics efficiency and sustainability. Supported by extensive infrastructure and a growing pool of logistics operators, Iran’s road transport system offers a competitive platform for developing cross-border freight services, regional distribution hubs, and multimodal logistics chains.

Total Freight Transported Nationwide (2021-2025)



Source: Road Maintenance and Transportation Organization

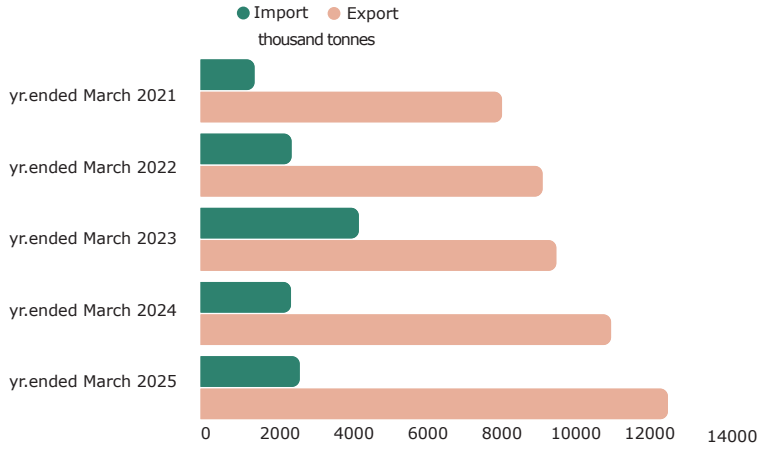
Total Passengers Transported Nationwide (2021-2025)



Source: Road Maintenance and Transportation Organization

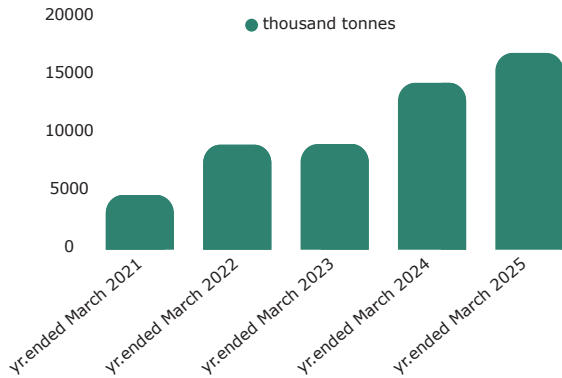


International Road Freight by Truck (2021-2025)



Source: Road Maintenance and Transportation Organization

Transit Freight Through the Country by Truck (2021-2025)

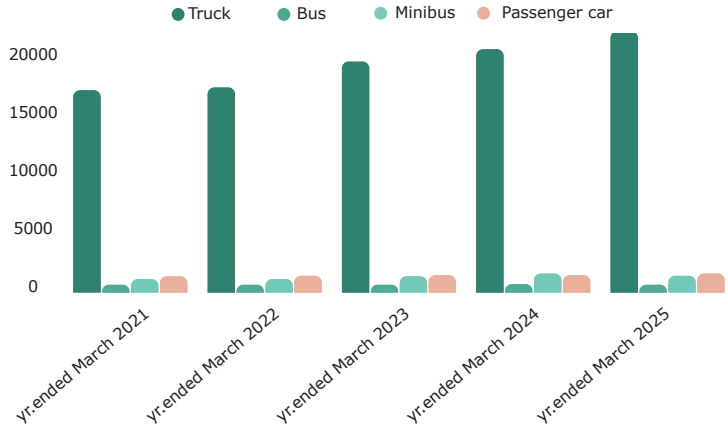


Source: Road Maintenance and Transportation Organization



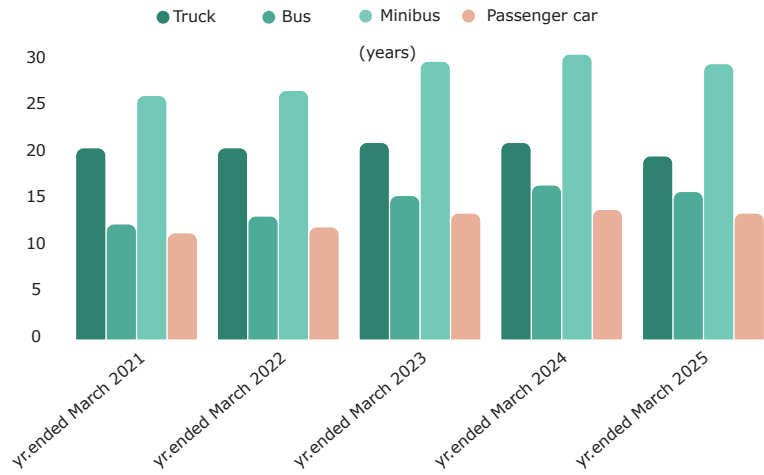


Public Road Fleet Vehicles by Vehicle Type (2021-2025)



Source: Road Maintenance and Transportation Organization

Average Age of the Public Road Fleet by Vehicle Type (2021-2025)



Source: Road Maintenance and Transportation Organization



Rail Transport and Connectivity

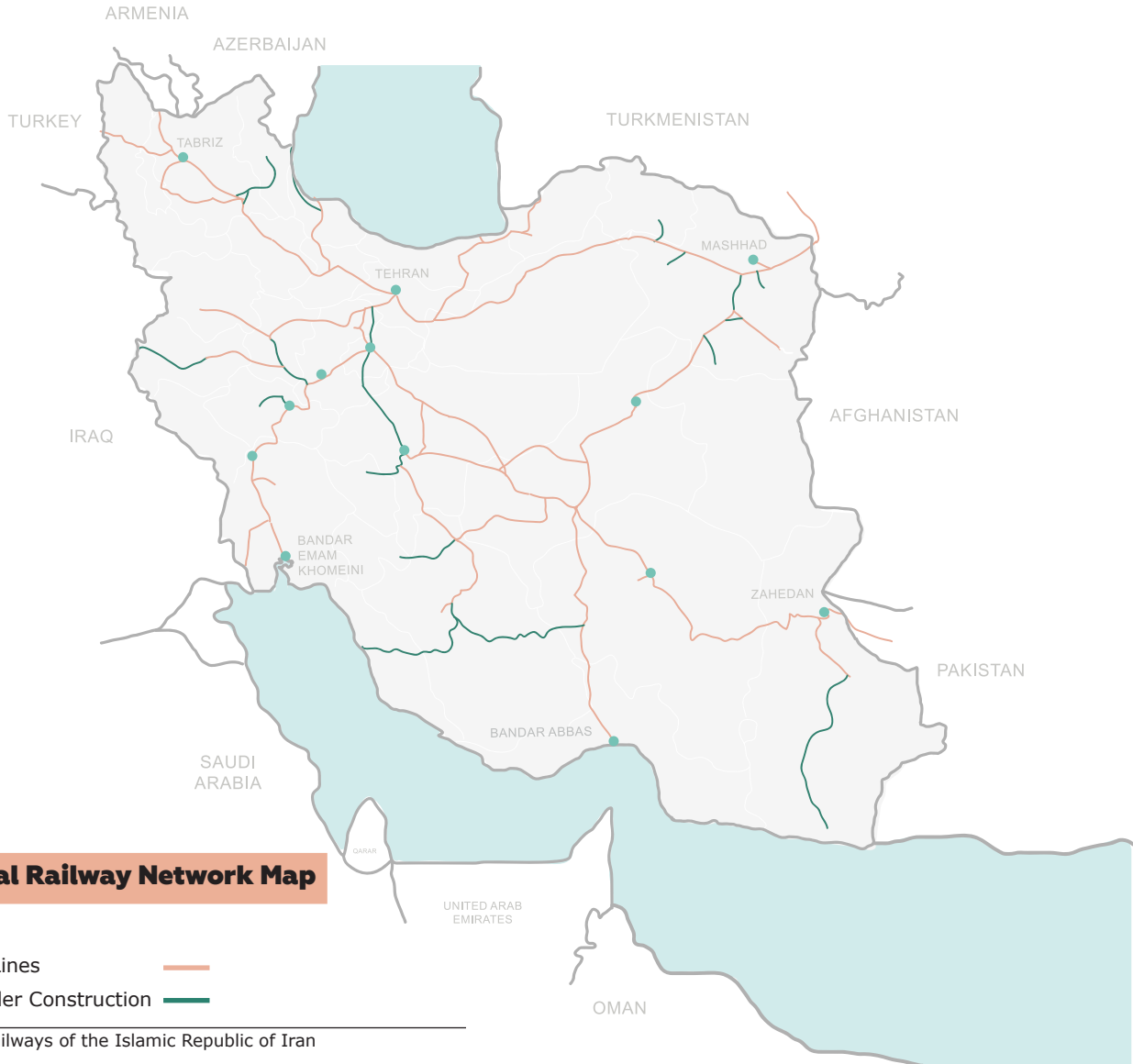
Iran's rail transport sector—like in most developed and emerging economies—is a strategic pillar of the national logistics system, delivering measurable benefits in cost efficiency, energy savings, and environmental performance. With more than a century of operational history and a prime geopolitical location between the Caspian basin, Central Asia, the Persian Gulf, and wider East–West routes, Iran has strong fundamentals to function as a regional hub for rail-based freight, passenger mobility, and international transit. Over the longer term, published “network length” figures can vary by definition (mainline routes versus total track, sidings, and ancillary lines); Iran's mainline rail network reached 12.3 thousand km by the year that ended in March 2025.

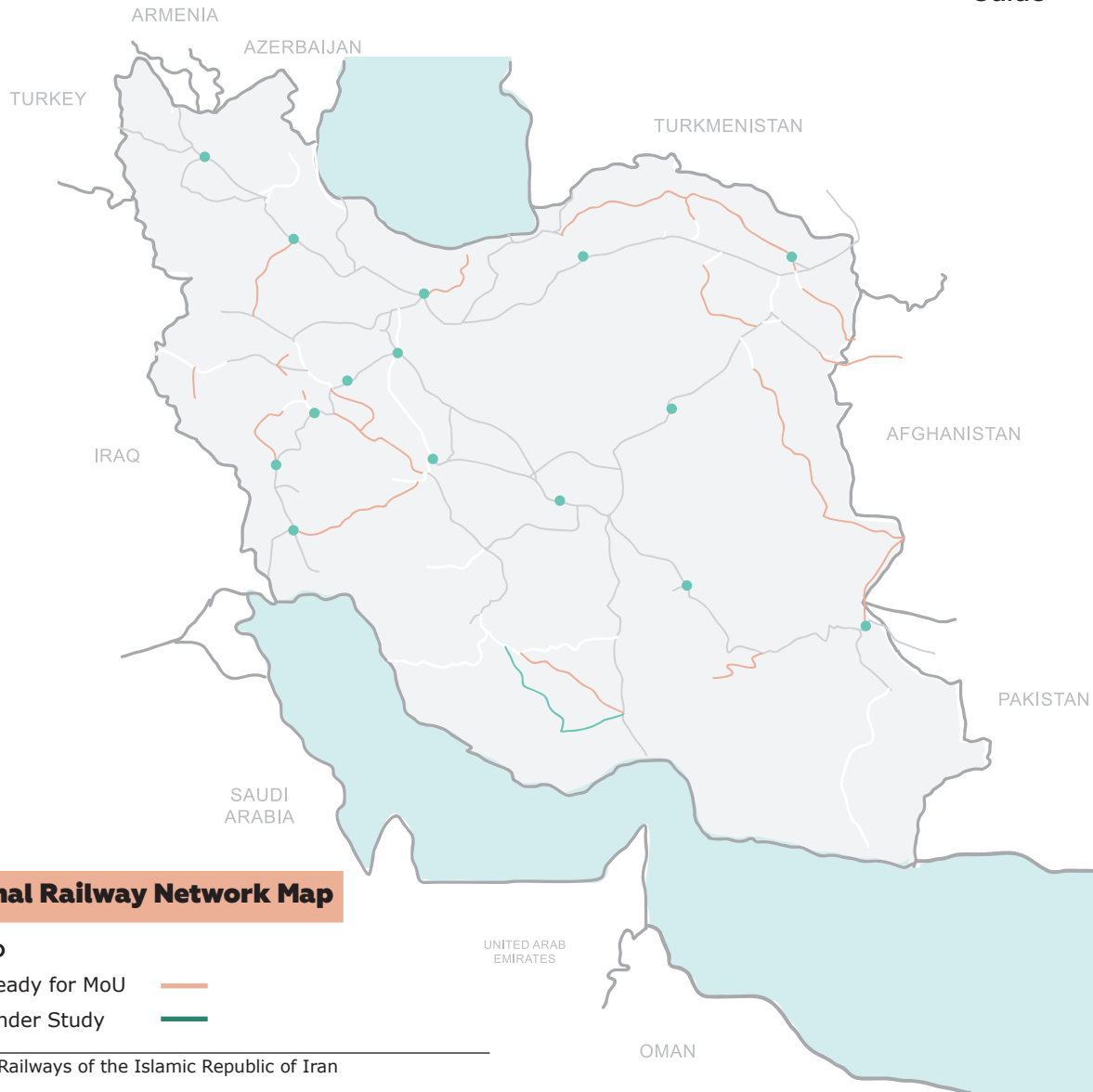
Key ongoing projects include the Rasht–Astara railway, which will complete the International North–South Transport Corridor (INSTC) linking Russia, the Caspian region, and the Persian Gulf, and the Chabahar–Zahedan line, which connects Iran's only oceanic port to the national rail grid and onward to Central Asia. These initiatives aim to integrate Iran more deeply into regional and global supply chains.

Market scale is material. In the year that ended in March 2025, the rail system carried 31,8 million passengers and delivered 16,593,651,111 passenger-kilometres. In freight, the network loaded approximately 42.98 million tonnes and generated 29.136 billion tonne-kilometres. Operational capacity is supported by a sizeable fleet, including an average of 523 locomotives available, 27,341 freight wagons available, and 30,891 total freight wagons recorded in year that ended in March 2025. Private participation is already meaningful—197 privately owned locomotives are recorded, and privately owned freight wagons total 28,950 (year ended March 2025).

Modernization and capacity-building priorities focus on network electrification, double-tracking, and rolling-stock renewal, alongside investment in dry ports, intermodal terminals, and border logistics platforms to expand transit throughput and improve road–rail coordination. These fundamentals support bankable investment structures such as rolling-stock leasing and refurbishment (MRO ecosystems), terminal and dry-port development under PPP/BOT-type frameworks, and corridor-aligned border facilities, positioning Iran's rail system as a scalable driver of sustainable logistics, energy-efficient transport, and transcontinental connectivity.







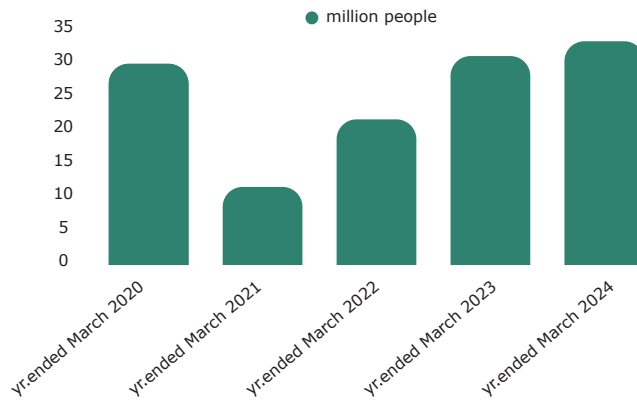


Total Length of Main Railway Lines (2020-2024)



Source: Railways of the Islamic Republic of Iran

Rail Passengers Transported (2020-2024)

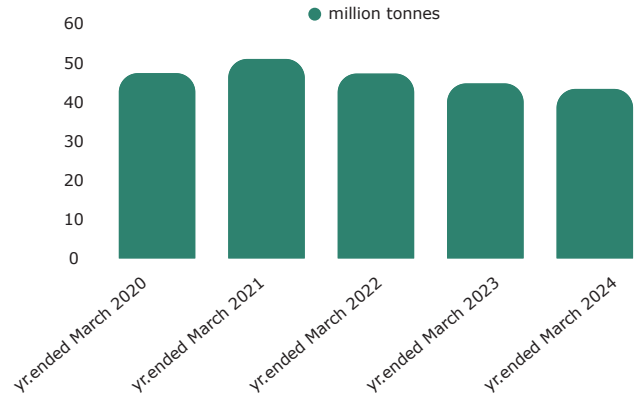


Source: Railways of the Islamic Republic of Iran



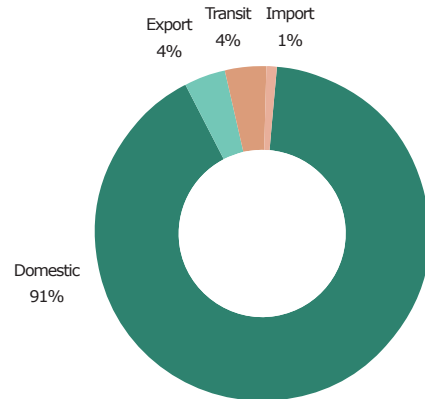


Rail Loaded Tonnage (2020-2024)



Source: Railways of the Islamic Republic of Iran

Share of Rail Freight Tonnage Loaded by Traffic Type



Source: Railways of the Islamic Republic of Iran



Air Transport and Connectivity

Iran's air transport sector—positioned on major East–West and North–South axes and adjacent to key Asian, European, and Persian Gulf markets—offers strategic upside for aviation, air cargo, and multimodal logistics (air–rail–road). In the year that ended in 2024, Iran's airports handled 44.84 million passenger movements (arrivals + departures), while airlines carried 17.22 million domestic passengers and 10.41 million international passengers. In domestic services, 68 airports supported passenger traffic, with Tehran Mehrabad, Mashhad, Kish, and Shiraz ranking as the top four airports for domestic passenger handling. At the system level, scheduled flights accounted for 71.6% of aircraft movements at airports (with local, non-scheduled, and overflight traffic comprising the remainder), indicating a predominantly structured operating pattern.







Air cargo presents a clear investment case given its high value density and time sensitivity. In the year that ended in 2024, Iranian airlines transported 24.2 thousand tonnes of domestic air cargo alongside 542 tonnes of domestic airmail, which shows a 132.5% increase compared to the previous year. In the year that ended in 2023, 10.4 thousand tonnes of domestic cargo were transported. Internationally, total air cargo reached 75.1 thousand tonnes. Iranian carriers handled 36.8 thousand tonnes of international cargo and 607 tonnes of international airmail, while foreign carriers transported 38.3 thousand tonnes of cargo and 1,3 thousand tonnes of airmail—together forming an international market that is broadly balanced between domestic and foreign operators. Moreover, 35 airports supported international passenger services for Iranian airlines, led by Imam Khomeini International Airport, followed by Mashhad, Shiraz, and Isfahan as the top passenger gateways. Traffic concentration at major hubs (e.g., Imam Khomeini International Airport leading airport movements) further supports hub-and-spoke cargo development

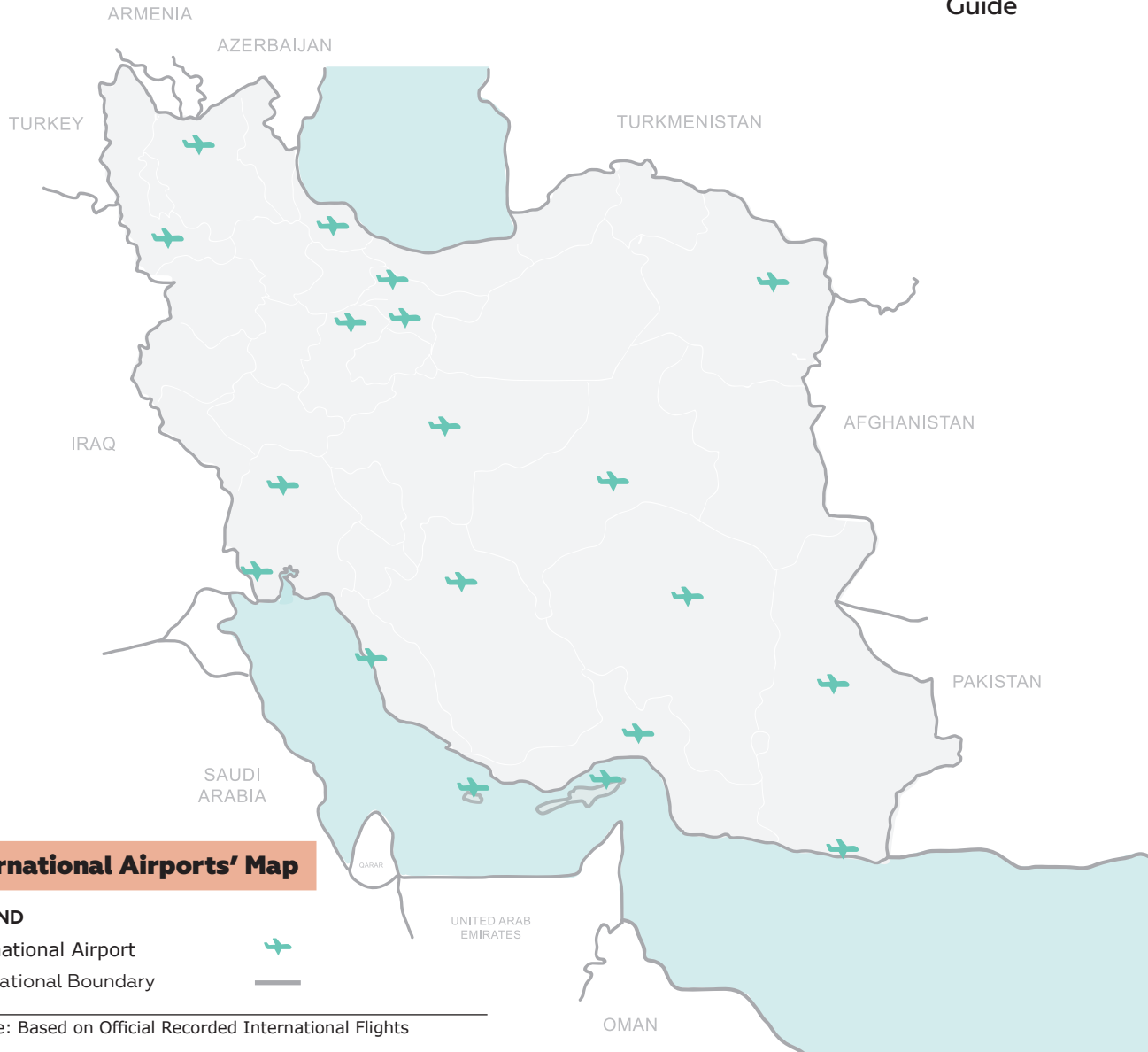




and scalable airport-side logistics investments. Looking ahead, targeted investments—particularly in cargo terminals and airfreight hubs, airport smart systems, ground handling and warehousing, cold-chain and time-critical logistics, and fleet renewal and MRO capacity—can strengthen Iran’s role in regional connectivity and improve integration into trade and logistics value chains. Driven by urbanization, domestic and regional tourism growth, and expanding international trade, Iran’s aviation sector is poised to play an increasingly important role in the national logistics system. Adoption of advanced technologies—together with fleet renewal and capacity expansion, smart airport systems, and integrated air supply chain management—alongside investment in cargo terminals, airfreight hubs, and regional logistics centers, can help modernize the fleet and infrastructure and transform the sector into a key driver of sustainable growth and regional economic integration.

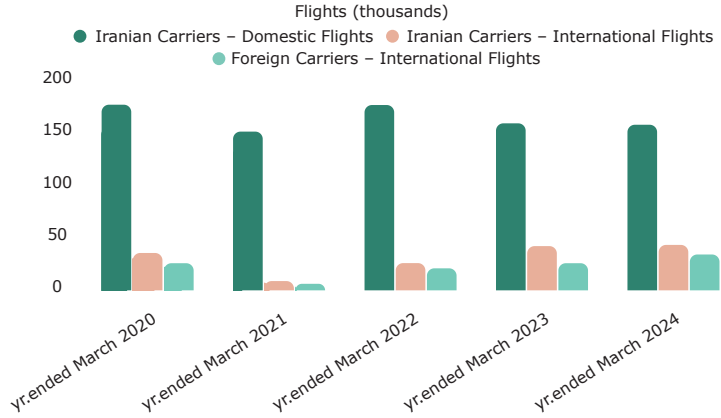
Overall, while air transport currently represents a smaller share of total freight movement, its speed, high value-added profile, and Iran’s strategic geographic position make it a pivotal component of the country’s future logistics and connectivity strategy.





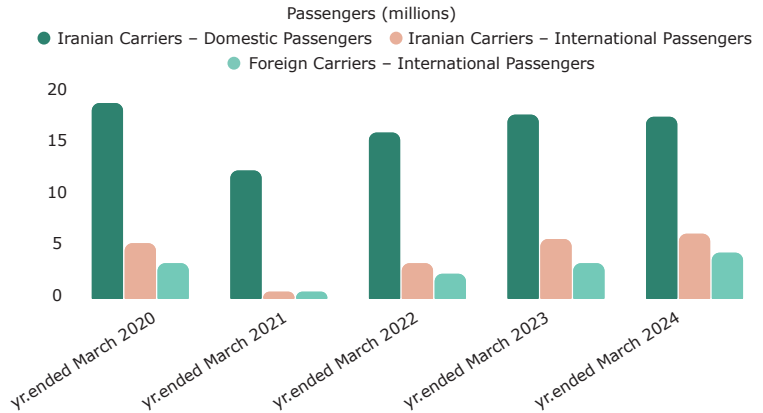


Number of Flights Operated by Carrier Type and Market (2020-2024)

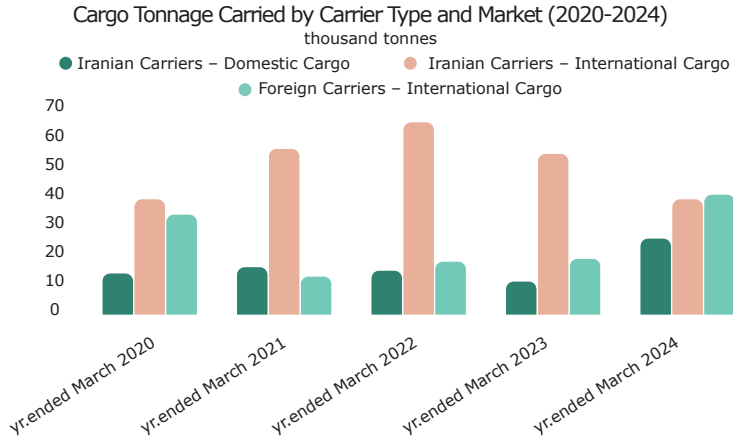


Source: Civil Aviation Authority

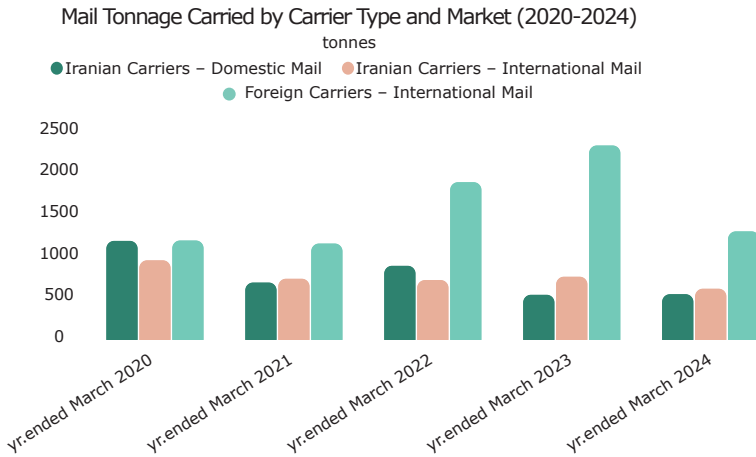
Number of Passengers Carried by Carrier Type and Market (2020-2024)



Source: Civil Aviation Authority



Source: Civil Aviation Authority



Source: Civil Aviation Authority



Maritime Transport and Port Connectivity

Iran's southern coastline, from the Arvandrud estuary to the border with Pakistan, hosts the country's main concentration of large commercial ports and underpins Iran's role in regional maritime connectivity. In the year that ended in March 2025, total port cargo loading and unloading reached 163.0 million tonnes, comprising 92.3 million tonnes loaded and 70.8 million tonnes discharged (a 2.7% increase overall). The customs/regime split highlights an export-oriented structure: exports totalled 80.0 million tonnes versus imports of 40.9 million tonnes, alongside transit flows of 14.7 million tonnes (discharge + loading), cabotage of 23.6 million tonnes, and transshipment of 2.5 million tonnes. The Bandar Abbas–Shahid Rajaei port complex is Iran's largest port node and the primary container gateway. In the year that ended in March 2025, Shahid Rajaei handled 84.97 million tonnes—about 52% of total national port throughput in the provided dataset—while Imam Khomeini Port accounted for 48.13 million tonnes (about 29.5%).



Together, these two hubs represented roughly 82% of total throughput, underscoring strong traffic concentration and hub economics for terminal-scale investments. From a cargo-structure perspective, Iran's 1403 throughput was led by dry bulk (58.6 million tonnes; ~36%) and petroleum products (54.8 million tonnes; ~33.6%), followed by container cargo (31.3 million tonnes; ~19.2%) and general cargo (15.1 million tonnes; ~9.3%)—a mix that supports investment cases in bulk handling, tank farms, storage, and container logistics.

Cargo composition by commodity group further clarifies demand drivers. In the year that ended in March 2025, petroleum products reached 54.79 million tonnes (+0.4% YoY), construction and mineral cargo 36.87 million tonnes (+3.2%), containerised cargo 29.05 million tonnes (+12.5%), and essential goods 25.58 million tonnes (+4.8%). Growth in machinery/vehicles/spares (+27.2%, albeit from a smaller base) signals rising project and industrial cargo potential, while metals (-9.7%) and fertilisers/chemicals (-13.2%) reflect softer dynamics in those categories. Port-level patterns indicate functional specialisation: Imam Khomeini is a major hub for bulk and strategic commodities (notably essential goods and petroleum derivatives), while Shahid Rajaei combines very large-scale throughput with a diversified profile including petroleum products, container cargo, and construction/mineral flows.

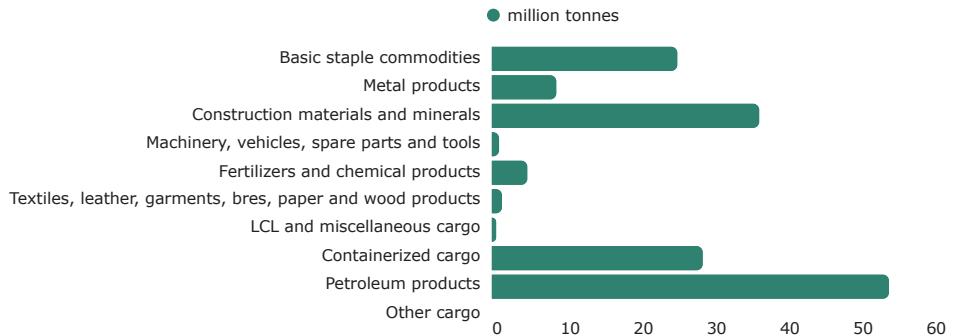




Container logistics is a particularly actionable area for investors. In the year that ended in March 2025, total container handling reached 3.00 million TEU (+13.6% YoY), with Shahid Rajaei alone processing 2.424 million TEU—about 81% of total TEU throughput shown in the tables. The full/empty split is also investment-relevant: empty containers accounted for ~24% of total TEU (721,629 TEU), indicating equipment imbalance and creating opportunities in container depots, leasing, repair, repositioning services, inland container yards (ICDs), and integrated multimodal distribution. Importantly, container flows are not limited to one node: Bandar Lengeh (190k TEU) and Chabahar (93k TEU, +41% YoY) show meaningful growth, supporting feeding and corridor-linked development propositions, including logistics and value-added services in free-zone environments.

Along the southern Caspian shoreline, ports such as Amirabad, Anzali, Noshahr, Neka, Astara (and Caspian Port within the Anzali Free Zone) provide Iran’s maritime interface with Russia, the Caucasus and Central Asia and support the maritime leg of the International North–South Transport Corridor (INSTC). Complementing geography and cargo fundamentals, the Ports and Maritime Organization (PMO) has continued development programs spanning dredging, berth expansion, equipment modernisation, and hinterland logistics facilities—frameworks that can be aligned with terminal lease structures, BOT models, and public–private partnership (PPP) formats to scale capacity, improve productivity, and deepen multimodal integration.

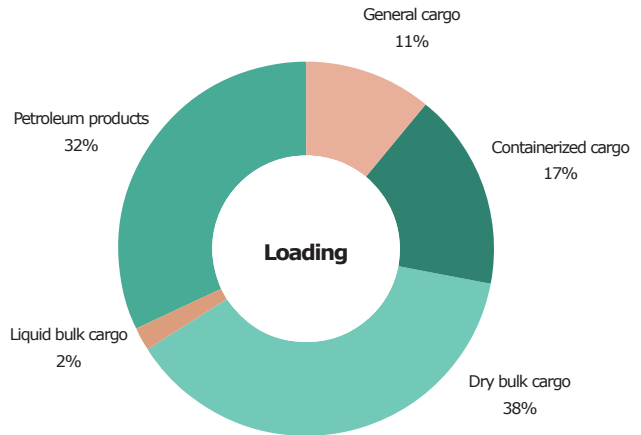
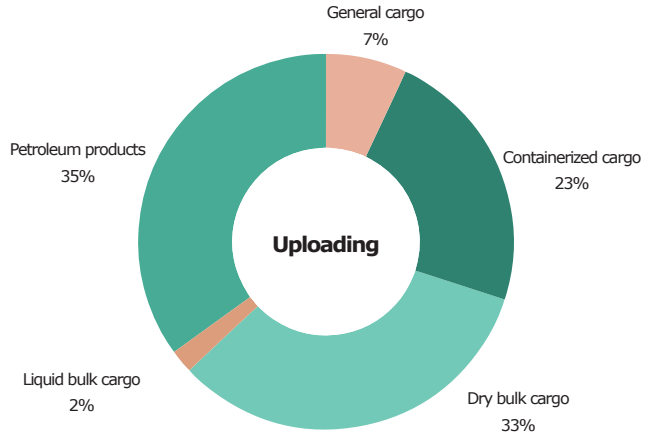
Iran Ports – Cargo Throughput by Commodity (yr.ended March 2025)



Source: Ports & Maritime Organization



Cargo Handling by Cargo Type (yr.ended March 2025)

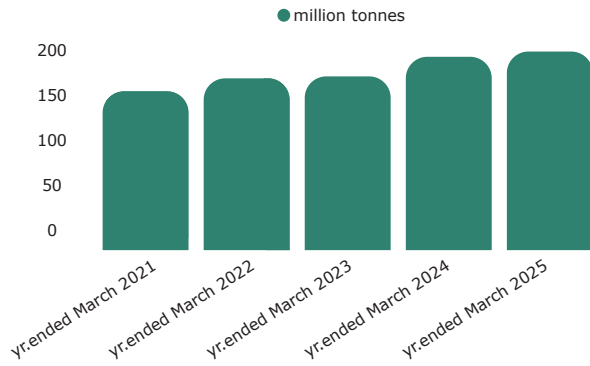


Source: Ports & Maritime Organization



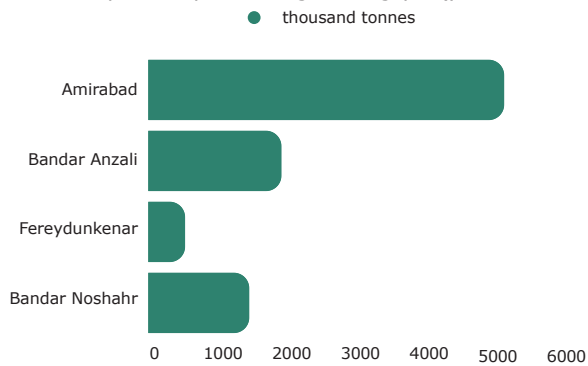


Iran Ports – Cargo Throughput by Volume (2021–2025)



Source: Ports & Maritime Organization

Iran Caspian Sea ports – Cargo Throughput (yr. ended March 2025)



Source: Ports & Maritime Organization

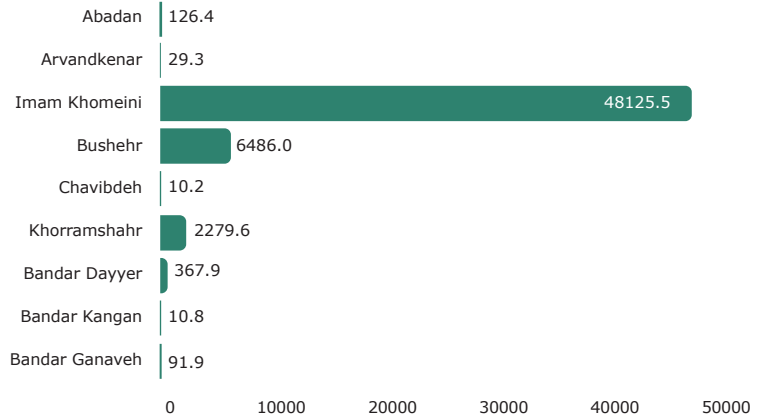






Iran Southern Ports – Cargo Throughput (yr.ended March 2025)

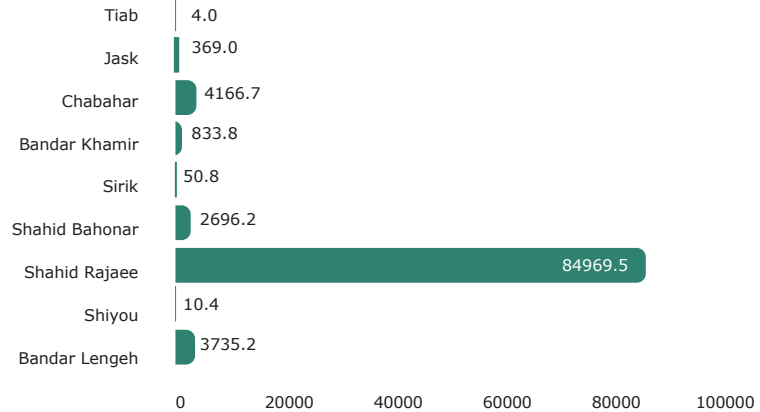
● thousand tonnes



Source: Ports & Maritime Organization

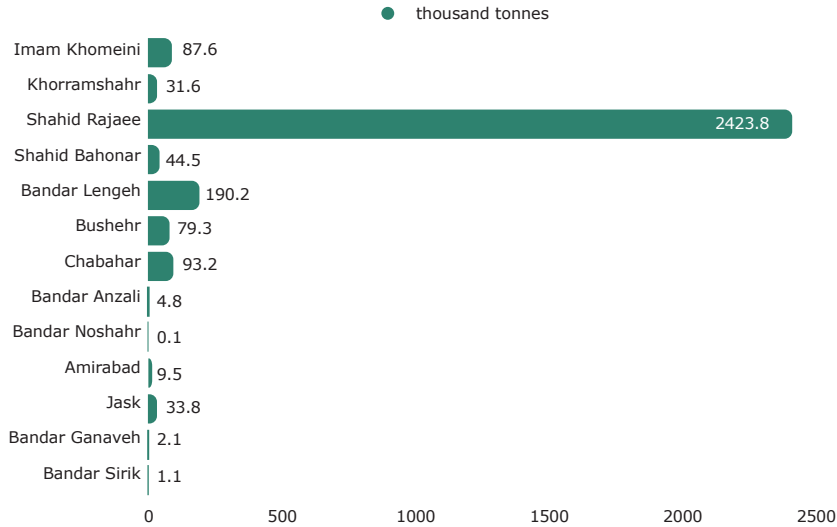
Southern Ports – Cargo Throughput (yr.ended March 2025)

● thousand tonnes



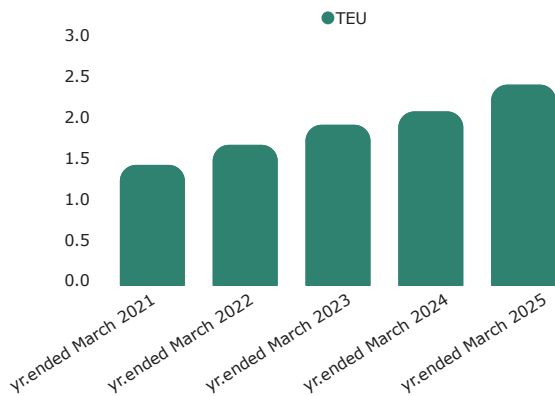
Source: Ports & Maritime Organization

Port Container Handling Performance by Ports (yr.ended March 2025)

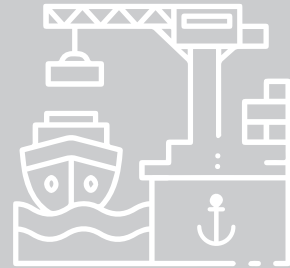


Source: Ports & Maritime Organization

Port container handling performance (2021-2025)



Source: Ports & Maritime Organization





Government Vision / Outlook





Overall Objectives and Strategic Direction

Iran's Seventh National Development Plan (2024–2028) introduces major reforms and strategic goals in the connectivity sector.

- The plan sets a target of 10% growth in the value added of the “transport and warehousing” sector over the plan period. This means transport is officially positioned as a key enabler of production and trade growth.
- In the field of transit and the maritime-based (blue) economy, several key quantitative targets are defined: increasing land transit, fast growth of the maritime economy, raising the rail share, upgrading ports, and developing population and economic activity along the southern coasts.

Key Quantitative Targets in Transport and the Maritime Economy by End of the Plan

| Area | Indicator | Unit | Target at End of Plan | Relevance |
|--|--|--------------|-----------------------|---|
| Transport & warehousing (overall) | Growth of sector value added | % | 10% | Strengthens transport as a driver of economic growth |
| Land transit | Annual volume of transit cargo via Iran | million tons | 40 | 16 million tons in year 1; from year 2, +6 million tons per year |
| Maritime (blue) economy | Average annual growth of value added | % | 16% | High-growth target for sea-based economic activities |
| Rail transport | Rail share of total domestic land freight (ton-km) | % | 30% | Shifts freight from road to rail, reducing costs and environmental damage |
| Rail–port interface | Rail share of port-related freight | % | 25% | Better rail–port integration for more efficient logistics |
| Transit rail infrastructure | Total transit rail corridors | km | 3,200 | Including double-track, electrified, and branch lines |
| Double-track / electrified lines | Length of double-track or electrified lines | km | ≥ 1,000 | Increases capacity and commercial speed of trains |
| Rail branch lines | Total length of branch lines to freight centers | km | ≥ 400 | Connects mines, industries, and commercial centers to rail |

| Key Quantitative Targets in Transport and the Maritime Economy by End of the Plan | | | | |
|---|---|---------------------|-----------------------|--|
| Area | Indicator | Unit | Target at End of Plan | Relevance |
| Rail fleet | New locomotives to be supplied | units | 550 | Renewal and reinforcement of freight and passenger fleet |
| Road fleet | Road fleet renewal | vehicles | 110,000 | Reduces fuel use, emissions, and accidents |
| Road fleet | Share of empty truck mileage | % of annual mileage | max. 30% | Cuts empty runs and improves productivity |
| Ports | Third-generation and above ports | number of ports | 3 | Upgrades ports to modern, international standards |
| Special economic zones | Non-oil, non-energy-intensive exports | billion euro | 6.5 | Supports diversified exports built on transport infrastructure |
| Coastal development | Share of southern coastal population in total | % | 8% | Concentrates development and population on the southern coasts |
| Bunkering | Volume of marine fuel supply | million tons | 5 | Positions Iran as an important regional bunkering hub |

Transit Governance, Logistics, and Value Chains

Overall impact: These provisions aim to move Iran from being a “simple transit corridor” to becoming a logistics hub and a link in regional and global value chains. If implemented effectively, they can significantly increase investment opportunities, employment, and foreign exchange earnings in logistics, warehousing, value-added processing, and related services.



Rail and Road Transport

Rail Infrastructure and Rolling Stock Development

- Completion of 3,200 km of transit rail lines (main, double-track, electrified, and branch lines), including at least 1,000 km of double-track/electrified lines and 400 km of branch lines connecting mines, industrial zones, and commercial centers. This creates strong opportunities for infrastructure investment, PPPs, and industrial–logistics integration.
- Renewal and supply of 550 new locomotives, plus reactivation of idle locomotives through public–private cooperation by the end of the second year of the plan.
- Permission to import rail traction vehicles (locomotives and similar) with an age of less than 15 years, with incentives such as reduced customs duties.

Rail Operations and Service Quality

- There is a target to increase the commercial speed of freight trains by at least 70% compared to the beginning of the plan. This supports more competitive transit times and improves the business case for rail-based logistics and intermodal services.

Road Fleet Renewal and Reduced Road Damage

- Renewal of 110,000 road vehicles (especially trucks and tractor units) and a reduction of empty truck mileage to a maximum of 30% of total annual mileage. This improves fleet efficiency, reduces fuel consumption, and enhances safety, creating scope for investment in fleet renewal, leasing, and modern road logistics platforms.

Impact: Together with the rail targets, this package is designed to shift freight from road to rail, rejuvenate the road fleet, and reduce the costs of accidents and infrastructure damage. For investors, it signals a strong policy push towards modern, efficient, and more sustainable freight systems, with room for private participation in infrastructure, rolling stock, fleet services, and logistics.





Air Transport and Airports

Airport Management and Investment Opportunities

- The Ministry of Roads and Urban Development is allowed to delegate airport operations management (except military airports) to private and public operators or joint ventures (domestic and foreign), while state ownership of the assets is maintained. The aim is higher efficiency, more agile management, and lower fiscal burden on the government.
- There is explicit scope for domestic and foreign private investment in airport infrastructure and services in return for appropriate operating rights. This opens space for PPP models, concessions, and long-term investment in terminals, cargo facilities, and ancillary services..

Financing and Passenger Charges

- At international airports, a charge of 10 euros per international passenger (excluding pilgrimage flights) is set to help finance airport development and service upgrades.
- The government is authorized to use domestic and foreign financing to implement schemes for purchasing or leasing aircraft and helicopters (lease–purchase) for Iranian airlines, along with technical and credit support in the annual budgets. For investors and financiers, this indicates continued demand for fleet renewal, leasing, and aircraft financing solutions.

Service Quality and Sector Regulation

Impact: Overall, these measures support fleet modernization and higher service quality in the aviation sector, while at the same time seeking to strengthen Iran's position as a regional hub for passenger and cargo air transport. For investors, the combination of airport PPP options, airline fleet financing, and a hub-oriented strategy offers multiple entry points into the market.





Ports, Maritime Economy, and Sea-based Transit

Port Upgrading and Private Participation

- The plan calls for the development of three “third-generation and above” ports, in line with international benchmarks. These ports are expected to evolve into integrated hubs combining transport, logistics, value-added processing, and services.
- The Ports and Maritime Organization is allowed to establish, with reputable domestic and foreign companies, a corporate vehicle for investment in and operation of major ports with international functions. At least 51% of shares are reserved for the Ports and Maritime Organization and domestic private partners. This explicitly signals structured co-investment opportunities for foreign operators alongside strong local partners.

Incentives and Transit Competitiveness

- Incentives under the existing law on development and support of the marine industries are to be restored and maintained until the end of the plan. This enhances the attractiveness of shipbuilding, repair, maritime services, and offshore activities for investors.

Southern Coasts and Port Hinterlands

The plan emphasizes shifting population and water-intensive, export-oriented activities to suitable coastal areas (especially in the south). It highlights:

- Preferential treatment for active populations in these areas in employment incentives.
- Provision of water for industries via coastal desalination plants.
- Stable supply of electricity and gas for industrial parks, refineries, petro-refineries, steel complexes, and aquaculture parks.

For investors, this means emerging industrial and logistics clusters along the southern coasts and port hinterlands, with infrastructure and utility support intended to lower operational risk and cost.

Bunkering (Marine Fuel Supply)

The plan sets a target of at least 5 million tonnes of annual bunkering (marine fuel supply) in the Persian Gulf and the Gulf of Oman, focusing on the ports of Shahid Rajaei and Qeshm. This indicates a clear policy to turn Iran into a regional bunkering hub, and opens opportunities in storage, blending, terminal operation, and related services.

Facilitating Maritime Trade

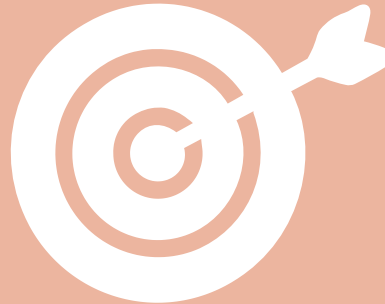
A key element is the reform of port service tariffs and making them competitive relative to regional ports, which is essential for attracting transit flows, liner services, and private operators. This tariff direction is important for investors assessing port competitiveness and revenue potential.

Fisheries, Maritime Transport, and Food Security

The provisions related to fisheries, alongside port and bunkering development, aim to strengthen the value chain of fisheries and aquaculture and, in parallel with the development of southern coasts, improve employment and food security. This creates additional investment opportunities in aquaculture, cold-chain logistics, processing, and export-oriented seafood value chains around coastal regions.



Investment Incentives



| *Fixed Corporate Income Tax at a Flat Rate of 25% | |
|--|------------------------------|
| Income Tax with Rate of 0.0% | Duration of Exemption |
| Industry, Mining & Services (Hospital & Hotels) | 5 Years |
| Industry, Mining & Services (Hospital & Hotels) in Industrial Parks and Special Economic Zones | 7 Years |
| Industry, Mining & Services (Hospital & Hotels) in Less Developed Areas | 10 Years |
| Industry, Mining & Services (Hospital & Hotels) in Less Developed Areas located at Industrial Parks and Special Economic Zones | 13 Years |
| Investment in Information Technology(IT),Artificial Intelligence (AI) & Renewable Energy Projects in Technology Parks | 15 Years |
| 100% of Income Derived Agricultural Activities | Perpetual |
| 100 % of Income Derived From Export of Services, Non-oil goods, Agricultural Products and 20% of Income Derived from Export of Non – Processed goods | Perpetual |



Foreign Investment Protections & Facilitation (FIPPA – Non-Tax)

The Foreign Investment Promotion & Protection Act (FIPPA) (passed in 2002) provides a framework to protect and encourage foreign investors and enables investment across economic sectors in Iran. Only investors who obtain a FIPPA license can benefit from the related protections and facilities, which are granted by the Organization for Investment, Economic and Technical Assistance of Iran (OIETAI).

- These protections and facilitations apply only to investors who hold a FIPPA license.
- Recognition and protection of foreign investors' rights and interests, including coverage and support against non-commercial risks.
- Compensation in cases of unlawful disruption or delay of activities, where the state is required to fulfill its obligations when a project is stopped or delayed due to state action.
- The right to transfer capital, dividends, and profits in foreign currency or goods, subject to applicable foreign-exchange and banking regulations and the procedures and approvals of the relevant authorities, including facilitation of repatriation to the investor's home country or another destination designated by the investor.
- No cap on participation share, the ability to register an Iranian company with 100% foreign ownership, equal treatment of domestic and foreign investors, permission to invest in all fields open to the private sector, and a fast, streamlined approval process.
- A five-year residence permit for investors, foreign managers and experts, and their first-degree relatives under the FIPPA framework.

Corporate Income Tax Regimes, Zero-Rate Periods and Export-Linked Incentives

Domestic production under a reputable brand and export threshold (Zero-rate):

- A foreign company produces in Iran under a reputable or recognized brand, uses the capacity of an Iranian manufacturing unit, and exports at least 20% of its output.
- Income derived from the activity may qualify for a zero corporate income tax rate for a specified period.
- After the zero-rate period, the Iranian manufacturing unit may receive a 50% corporate income tax discount, subject to the stated conditions.

Export income tax exemptions (non-oil & other cases):

- Export income derived from non-oil goods and services and agricultural products is eligible for a 100% exemption, with specific treatment applicable to raw materials.
- Export income derived from products imported into Iran in transit is eligible for a 100% exemption.

Export-linked rate reduction for foreign-investment inputs:

- A 50% reduction in the corporate income tax rate applies.
- At least 20% of the goods produced using foreign investment inputs must be exported.

Less-developed areas (profit-to-capital test and foreign-investment uplift):

- Where taxable income does not exceed twice the registered capital, that income is fully exempt (100%).
- For each 5% increase in foreign investment, an additional 10% is added to the two incentives referenced in the text, up to a maximum of 50%.



Innovation & Knowledge-Based Economy (Tax Credits and Exemptions)

R&D tax credit (carry-forward):

- Eligible qualifying R&D expenditures.
- A tax credit equal to qualifying R&D costs may be deducted from the final tax liability in the same year and or carried forward to future years.

Knowledge-based entities (long-term exemptions and employment add-on):

- A 20-year tax exemption applies to qualifying income streams, including contracts, R&D, commercialization, and knowledge-based services.
- A 20-year tax exemption applies to qualifying income streams, including contracts, R&D, commercialization, and knowledge-based services.

Capital market and corporate investment into technology and knowledge-based firms.

- Listed companies on the Tehran Stock Exchange (TSE) or Iran Fara Bourse (IFB) and or companies that meet the specified registered capital threshold invest directly in knowledge-based or technology entities.
- A tax credit of up to 30% of the investment amount may apply.



Indirect investment through eligible funds, including research and technology funds and other qualifying financial institutions:

- Indirect investment is made through eligible funds or entities, subject to qualifying expenditures and the required approvals.
- A tax credit equal to the indirect investment amount may be granted, subject to the conditions set out in the text.

Startups operating inside versus outside Science and Technology Parks (STPs).

- Startups located inside an STP are eligible for a 20-year corporate income tax exemption on qualifying income, together with the employee wage and income tax exemption treatment described in the applicable framework.
- Startups located outside an STP are eligible for a 15-year corporate income tax exemption, subject to the specified eligibility framework and qualifying income criteria.



Investment Incentives in Free Trade-Industrial Zones

Iran's Free Trade-Industrial Zones (FTZs) are strategic economic hubs designed to offer investors a seamless and profitable business environment. Operating under a special legal and administrative framework, these zones provide unparalleled advantages for export-oriented production, international trade, and transit, thanks to simplified regulations and significant financial incentives.

With a focus on attracting foreign capital and technology, these zones serve as ideal gateway to access vast markets in the region and beyond, leveraging Iran's unique geographical position at the crossroads of Asia and Europe.

Key Investment Advantages:

- **100% Foreign Ownership:** Full company registration and ownership rights for foreign entities with no need for a local partner.
- **20-Year Tax Holiday:** Complete exemption from income and property taxes for a period of two decades from the date of establishment.
- **Full Repatriation of Capital & Profits:** Unrestricted transfer of investment capital and earned profits out of the country.
- **Streamlined Customs Procedures:** Duty-free import of raw materials and production machinery with minimal bureaucracy.
- **Strategic Logistic Access:** Prime connectivity to major transnational transit corridors like the International North-South Transport Corridor (INSTC).
- **Reduced Levies & Duties:** Enjoy significantly reduced levies—up to 50% lower than standard rates—on the import of raw materials, production machinery, construction permits, operating licenses, and other key inputs for priority projects
- **Flexible Payment Terms:** Low advance payment (max 20%) and extended grace period on land payments until operation.

Iran's Free Trade-Industrial Zones (FTZs) comprise eight designated hubs, including **Kish, Qeshm, Chabahar, Aras, Anzali, Maku, Arvand, and the Imam Khomeini International Airport** Free Zone.

In addition, a number of other free zones have been established in the past decade and are currently in various stages of development and operation.





Investment Incentives in Special Economic Zones

Iran's Special Economic Zones are designated geographical areas at key entry and exit points of the country. They are established to create an optimal platform for industrial, production, and commercial activities, and enhance the export of goods and services for an active presence in regional and international markets.

The core focus of these zones is the simplification of commercial processes. Consequently, they operate under more liberal trade regulations, various tariff and customs duty exemptions, and streamlined currency formalities compared to the mainland.

Key Features & Advantages:

- **Duty-Free Imports:** Exemption from customs duties on the import of production line machinery, tools, and office equipment.
- **Value-Added Customs Model:** Duty is only paid on the foreign-added value of components used in production, not on the final product.
- **15-Year Tax Discount:** Significant tax reduction for a period of fifteen years.
- **Simplified Permits:** Free issuance of construction and operation permits.
- **Flexible Labor Regulations:** Adoption of the special labor law, governing Iran's Free Trade-Industrial Zones.
- **No Time Limit on Goods:** Abolition of the time limit for classifying cargo as «abandoned goods» within the zone.
- **Strategic Locations:** 34 active SEZs across Iran, offering diverse strategic advantages for investment.





| Privileges and Legal Exemptions in Mainland, Free Zones and Special Economic Zones | | | |
|--|---|--|---|
| Topic | Mainland | Free Zones | Special Economic Zones |
| Foreign nationals visa | Visa Requirement | No Visa Requirement | No Visa Requirement |
| Foreigners' employment | Subject to the issuance of an employment permit and in accordance with the rules of employment of foreign nationals | Specific incentives in accordance with the regulations of the Employment of Manpower | Specific incentives in accordance with the regulations of the Employment of Manpower |
| Possibility of importing goods and raw materials without paying customs duties and customs benefit taxes | In limited particular cases Exempted | Exempted | Exempted |
| Customs duties on import of manufactured goods to mainland | Subject to customs procedures | In-part exemptions on the basis of added value and domestic raw materials (Value Added Commission) | In- part exemptions on the basis of added value and domestic raw materials (Value Added Commission) |
| Export of goods and equipment abroad | Subject to mainland export regulation | Without the changes subject to export regulations | Without the changes subject to export regulations |
| Import of commercial goods into mainland | Subject to customs procedures | Applying specific incentives to reduce customs benefit taxes | Subject to customs procedures |
| Tax exemption on economic activities | Only in industrial parks and deprived regions from 5 to 13 years | year exemption-20 | Between 7 to 13 years |
| Monetary and banking operations | In accordance with national monetary and banking regulations | Establishment of bank and credit institutions with domestic and foreign capital are permitted | In accordance with national monetary and banking regulations |
| Cross border banking | Not allowed | Possibility to establish branch and foreign bank | Not allowed |
| External car traffic | Allowed temporary passage in limited time | Allowed in the authorized radius | Not allowed |
| Import of machinery and equipment | Tariff payment according to the year of manufacture required | Exempt from paying tariffs regardless of year of manufacture | Exempt from paying tariffs regardless of year of manufacture |





Further Incentives in Transport, Transit and Logistics

In order to strengthen Iran's role as a regional transit and logistics hub, increase the share of rail, port and intermodal transport in domestic and international trade, and improve energy efficiency in freight movements, the government shall take the following measures:

Expand rail-based logistics zones and dry ports, and facilitate the allocation of land to private investors for terminals, warehouses, and value-added services within officially designated and approved rail logistics areas, as well as in areas that may be designated in the future.

- Provide fuel-saving subsidies to private investors in rail freight and passenger transport under Article 12 of the Law on Removing Obstacles to Competitive Production, paying them a share of the economic value of fuel saved when traffic is shifted from road to rail, calculated on the basis of ton-kilometres and passenger-kilometres.
- Implement the Cabinet bylaw on rail infrastructure investment to attract non-government capital through partnership contracts that may include revenue guarantees linked to freight flows, allocate of transit revenues to investors, and recognize eligible projects as "energy-saving" investments benefiting from tax and duty incentives.



- Authorize the facilitated import of new locomotives and specialized rail machinery needed for investor projects, subject to permits from the Ministry of Industry, Mine and Trade and the Railway Company, in order to accelerate capacity expansion in freight and intermodal services.
- Support private participation in logistics by monetizing underused public transport assets (such as idle locomotives and railway land), offering them to investors under long-term lease or PPP agreements, and using proceeds to expand the freight and passenger fleet.
- participate in issuing guarantees for non-government investments and for external financing of strategic corridors.
- Introduce guaranteed purchase schemes for specific transport services, such as traction (locomotive) services and certain infrastructure services, in order to reduce demand risk for private investors in rail and intermodal projects.
- Apply the general tax incentive regime of Article 132 of the Direct Taxes Act to transportation activities of non-government legal entities, so that income from qualifying transport and logistics operations can benefit from zero-rate corporate tax for a defined exemption period, with extended benefits for investments.







Connectivity Investment Opportunities



Multimodal Logistics & Transit

- Development and operation of logistics parks and logistics zones at key border gateways and port-adjacent areas
- Modern warehouses and distribution centers (fulfillment centers, cross-docking facilities)
- Multimodal terminals (road–rail, rail–sea, road–sea)
- Rail-connected dry ports; domestic rail–customs terminals
- Inspection, consolidation, transshipment services and direct rail linkage to southern and northern ports
- Digital supply chain platforms: cargo tracking, capacity booking, fleet management, route optimization
- Value-added logistics services: export-packaging, labeling, light assembly, and light processing for re-export
- Last-mile distribution networks and automated warehousing for e-commerce
- Cold-chain logistics hubs near airports and seaports (for pharmaceuticals, vaccines, perishables)
- Cross-border logistics hubs: border warehouses, joint free-trade zones, transshipment centers
- Investment in regional transport operators linking East–West and North–South corridors



Rail Transport

- Participation in construction/financing of 3,200 km of transit rail corridors and $\geq 1,000$ km of double-track/electrified lines (EPC, BOT, PPP)
- Investment in branch lines connecting mines, industrial zones, and commercial centers (with guaranteed-freight models)
- Procurement and leasing of rolling stock: 550 new locomotives; freight wagons and tank wagons (mineral, petrochemical, grain, container)
- Origin–destination rail freight operations run by private Rail Freight Operators
- Signaling systems, traffic control, energy management, and maintenance & overhaul (MRO) systems
- Workshops and facilities for locomotive and wagon repair implemented through domestic–foreign partnerships
- Investment in geopolitically strategic transit corridors (eastern corridor, China/Eurasia connectivity)
- International PPP and consortium structures for rail construction, operation, and maintenance





Road Transport

- Fleet renewal programs: production/assembly of trucks and tractors (110,000 units)
- Fleet-finance models: leasing, hire-purchase, commercial fleet financing
- Digital road transport platforms: TMS, telematics, empty-run reduction systems, intelligent cargo allocation
- Expansion of integrated 3PL/4PL logistics operators bridging road–rail–sea networks
- Modern maintenance centers, parts supply networks, and after-sales service infrastructure
- Organized cross-border road transport operations (corridors with Iraq, Afghanistan, Central Asia, and Pakistan alternatives)

Air Transport and Airports

- PPP, concession, and long-term operation contracts for airports; development of Airport City projects
- Development of air-cargo terminals, cold-storage hubs, and e-commerce freight facilities
- Establishment and expansion of MRO complexes (Engine / Component / Airframe) for regional markets
- Aircraft parking facilities, airport hotels, and commercial/retail clusters in airport perimeters
- Aircraft and helicopter financing and leasing models for Iranian airlines
- Commercial collaboration frameworks among airlines: codeshare, regional alliances, and joint network operations





Ports and Blue Economy

- Development and operation of three next-generation ports: container, dry bulk, liquid bulk, Ro-Ro terminals
- Hinterland logistics centers (dry ports), specialized warehousing, and port-linked logistics zones
- Port investment and terminal-operation companies based on joint-equity structures (Ports Authority + private sector + foreign partner)
- Bunkering: fuel storage tanks, dedicated fueling berths, bunkering operations, and auxiliary maritime services (ship chandling, waste management)
- Port-based industries: petrochemicals, steel, assembly plants, export-packaging, industrial clusters connected to seaports
- Shipbuilding and marine repair (shipyards & repair facilities)
- Port digitalization (Smart Port): Port Community Systems, terminal automation, maritime traffic management, container tracking platforms
- Development of low-carbon shipping and alternative marine fuels (Green Bunkering: low-sulphur fuels, LNG, methanol)

Southern Coasts and Hinterlands

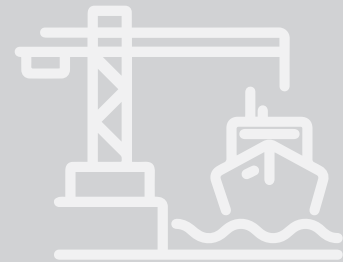
- Development of coastal industrial zones and port-based Special Economic Zones
- Water-intensive and export-oriented industries located in port hinterlands (steel, petrochemical, petro-refinery complexes)
- Water and energy infrastructure projects: desalination plants, industrial water distribution, industrial power generation, gas-supply infrastructure
- Development of Port Cities: integrated residential, service and industrial-maritime clusters around ports

Fisheries, Aquaculture and Cold Chain

- Cage-farming, shrimp-farming, and industrial-scale aquaculture along southern coasts
- Establishment of hatcheries, aquafeed plants, and broodstock/seed production centers
- Construction of a national cold-chain system: cold-stores, refrigerated road/marine transport, export-grade packaging
- Development of value-added seafood processing industries (including nutraceuticals and marine-based pharmaceutical products)
- Investment in marine biotechnology and R&D for high-value marine products

Financial, Insurance and Technology-Enabled Enablers

- Design of specialized infrastructure funds, infrastructure Sukuk, and structured investment platforms for rail, port, and airport projects
- Fleet financing and sector-specific leasing for rail, road, air, and marine fleets
- Specialized insurance products for transit, marine and aviation risks
- Development of LogTech solutions: digital platforms for capacity booking, cargo tracking, risk management, data analytics and network optimization
- Data-driven systems for optimizing multimodal networks (rail–road–sea) and forecasting transport demand









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