Chabahar Port

Why in News?

India is looking to continue capacity building at Iran's Chabahar Port.

- **Located in -** Iran's *Sistan and Baluchistan Province* on the Gulf of Oman, owned by the ***Iranian government.***
- It serves as ***Iran's only oceanic port***.
- It consists of two separate ports named
    - Shahid Kalantari and
    - Shahid Beheshti.
- **Regional Connectivity -** It is a key trade route for India, Iran, Afghanistan, and Central Asian countries.
- **Geopolitical Importance** - It is seen as a strategic counter to China's Belt and Road Initiative and its development of the Gwadar port in Pakistan.
- **Significance for India -** Chabahar Port was a coveted strategic interest for India.
- It is a critical gateway for the proposed International North-South Transport Corridor (INSTC).

  INSTC is a multi-modal route between India, Central Asia and Russia, reducing transit time for trade between the three regions.

- **Chabahar agreement –** India, Iran, and Afghanistan signed a trilateral agreement to establish the International Transport and Transit Corridor, also known as the Chabahar Agreement.
- **Aim -** To improve transportation and trade connectivity between the three countries by utilizing the port of Chabahar in Iran as a key transit point.
- It is a 10-year contract signed in May 2024.
- It allows India to operate the ***Shahid Beheshti terminal*** at Chabahar port in Iran.
    - **Operated by -** State-owned India Ports Global (IPGL).
- The signed Chabahar agreement *includes a clause on cargo targets*, *but no penalties* will be imposed if such traffic is not achieved.
- **Revenue-sharing arrangement** – It has been confirmed as following,
- **For exports** – From the Shahid Behesti terminal, both IPGL and Iran will retain 50% of the revenue share.
- **For imports** – Iran's maritime organization will receive 60% of the revenue.
- **Recent Negotiation between India and Iran** – Among the negotiations for the contract
- India requested not have a ***minimum guaranteed traffic (MGT),*** under which an operator is penalized for failing to meet minimum targets.

Reference

[Business Standard | Chabahar Port]