

## 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](#)

