Chabahar Port Project

What is the issue?

- India should not lose the Chabahar port project in Iran, as it has a geostrategic importance.
- India's loss in failing to develop the project might be China's gain.

What is the concern?

- After many appeals to India, Iran decided to go on its own now.
- It began to lay tracks for the line connecting Chabahar to Afghanistan and Turkmenistan.
- Iran claims it will fund the railway using its own resources.
- But, it seems to have embarked on the Chabahar-Zahedan project with a confidence borne from an imminent deal with China.
- This deal with China is a 25-year, $400 billion strategic partnership on infrastructure, connectivity and energy projects.

What is the project about?

- The Chabahar port project was signed in 2003.
- It has been a symbol of traditionally important India-Iran ties.
- Connected by sea-lanes to ports on India's west coast, Chabahar would form the fulcrum of India's outreach to Russia and Central Asia.
- This enhances the connectivity, energy supplies and trade.

Why did India sign the 2016 agreement?

- Pakistan had blocked Indian aid to Afghanistan and all trade over land.
- But, Chabahar provided India an alternative to bypass Pakistan.
- As a result, the government had fast-tracked plans for the project.
- In 2016, India signed a trilateral trade and transit agreement with Iran and Afghanistan.
- According to the agreement,
    1. India was granted a 10-year lease to develop and operate two terminals and five berths, access to the Chabahar free trade zone.
    2. India got the opportunity to build the 628 km rail line from Chabahar to Zahedan, just across the border from Afghanistan.

How did India implement this 2016 agreement?

- The government acted quickly to develop Chabahar port facilities.
- Through this port, India sent exports to Afghanistan in 2018.
- It has also moved over half-a-million tonnes of cargo for Afghanistan.
- However, the rail line has never taken off despite a commitment from state-owned IRCON, to undertake its construction at $1.6 billion.

What were the hurdles?

- There were contract changes by the Iranian side.
- There were delayed responses from the Indian side.
- The main hurdle has been the fear of American penalties.
- However, India was able to negotiate a sanctions waiver for the Chabahar port and rail line from the U.S.

How Iran’s recent decision should be viewed?

- Regardless of the reasons for India’s inability to join the railway project, the decision can only be seen as an opportunity lost.
- The impression that India wavered due to U.S. pressure also questions New Delhi’s commitment to strategic autonomy.

What could be done?

- In a world where connectivity is seen as the new currency, India’s loss could well become China’s gain.
- New Delhi must watch this space, created by its exit, closely.

Source: The Hindu

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