India’s stakes in Iran’s Chabahar port

Why in News?

India and Iran recently signed a 10-year contract for the operation of a Shahid Beheshti terminal at the Chabahar port in Iran.

Where is Chabahar port located?

- **About-** It is a deep-water port in Sistan-Balochistan province of Iran, on the Gulf of Oman.

  It serves as Iran's only deep sea oceanic port.

- **Ports-** It consists of two separate ports
  - Shahid Kalantari
  - Shahid Beheshti.



- **Geographical proximity**-The port is closer to Afghanistan, Pakistan, India and International North-South Transport Corridor (INSTC) gives it the potential to develop into one of the most important commercial hubs.
- **Chabahar day**- Maritime India 2021 celebrated March 4, 2021 as "Chabahar Day”, this signifies the strategic importance of the port to India.

What are the stakes of India?

- **Strategic investment**- In 2013, India committed to investing 100 million dollars towards the development of Chabahar port. A Memorandum of Understanding to develop the port is signed in May 2015.
- **Trilateral agreement**- In 2016, a trilateral agreement to establish the International Transport and Transit Corridor (Chabahar Agreement) is signed by India, Iran, and Afghanistan.
- **Objectives of the agreement**-
    - India was granted a 10-year lease to develop and operate two terminals and five berths, access to the Chabahar free trade zone.
    - India got the opportunity to build the 628 km rail line from Chabahar to Zahedan, just across the border from Afghanistan.
- **Assistance-** India has so far supplied 6 mobile harbour cranes two with a lifting capacity of 140 tonnes each and 4 with a capacity of 100 tonnes.
- **New Delhi declaration-** India and Iran signed a long-term contract for the operation of its Shahid Beheshti Port terminal.
- **Long term contract**-The contract is signed by ***India Ports Global Ltd (IPGL) and Iran's Ports and Maritime Organisation (PMO).***
- **Replaced 2016 agreement**-The new pact that signed recently replaces a 2016 agreement, which covered India's operations at Shahid Beheshti terminal in Chabahar port and was renewed annually.
- **Strategic convergence**- The New Delhi Declaration signed by the India and Iran recognized that the countries growing strategic convergence need to be underpinned with a strong economic relationship.

This is the 1st time India will take over the management of an overseas port.

What is the significance of the Chabahar port for India?

- **Counter mechanism –** It is serving as India’s counter to the Pakistan’s Gwadar Port and China’s Belt and Road Initiative.
- **Geostrategic location-** Chabahar port has geographic proximity to countries such as Afghanistan, Pakistan, and India.
- **Access Afghanistan-** India can bypass Pakistan which does not allow India land access for trade with Afghanistan and Central Asia.
- **Infrastructure development-** The *Zaranj-Delaram road* constructed by India in 2009 can give access to Afghanistan's Garland Highway, setting up road access to four major cities in Afghanistan - Herat, Kandahar, Kabul and Mazar-e-Sharif.
- **Gateway to Central Asia-** It will boost India's access to Iran, the key gateway to the International North-South Transport Corridor (INSTC) that has sea, rail and road routes between India, Russia, Iran, Europe and Central Asia.



INSTC is a multi-modal transportation project linking the Indian Ocean and Persian Gulf to the Caspian Sea via Iran, and onward to northern Europe via St Petersburg in Russia.

- **Counter China-** It will be beneficial to India in countering Chinese presence in the Arabian Sea which China is trying to ensure by helping Pakistan develop the *Gwadar port*.

Gwadar port is located in Pakistan and is less than 400 km from Chabahar by road and 100 km by sea.

- **Defence ally-** The port being developed and operated by India, Iran also becomes a military ally to India.
- **Reduce import bill-** There will be a significant boost in the import of iron ore, sugar and rice to India.
- The import cost of oil to India will also see a considerable decline.
- **Connectivity hub-** It will ensure in the establishment of a politically sustainable connectivity between India and Afghanistan leading to better economic ties between the two countries.
- **Diplomatic engagement-** The port could be used as a point from where humanitarian operations could be coordinated.

Reference

Indian Express- What are India's stakes in Iran's port



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