Operationalisation of Chabahar port

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Why in news?

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The first meeting of the follow-up committee for implementation of the trilateral Chabahar agreement between India, Afghanistan and Iran was held recently.

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What is the background?

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- In May 2016, India, Iran and Afghanistan inked a pact which entailed establishment of Transit and Transport Corridor among the three countries.
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- The corridor aims at using Chabahar Port as one of the regional hubs for sea transportation in Iran, besides multi-modal transport of goods and passengers across the three nations.
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- Chabahar port is easily accessible from India's western coast and is increasingly seen as a counter to Pakistan's Gwadar Port.
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- The Port is also considered as a gateway to golden opportunities for trade by India, Iran and Afghanistan with central Asian countries.
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What are the outcomes of the meet?

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- India Ports Global Limited company opened its office and took over operations at the Shaheed Behesti port at Chabahar.
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- This is seen as a concrete step towards India's role in Chabahar Port expansion.
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- Positive and constructive discussions were held between the three sides on full operationalization of the Trilateral Transit Agreement for international transit & transport through the Chabahar Port.
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- They agreed on the routes for the trade and transit corridors between the three countries.
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- The three sides agreed to finalise at the earliest the Protocol to harmonize transit, roads, customs, and consular matters.
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- It was agreed to allow cargo movement at Chabahar using TIR Convention provisions.
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- The TIR Carnets is a multilateral treaty to simplify and harmonise the administrative formalities of international road transport.
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- Also, a study would be initiated for determining measures to make the route attractive, decrease logistic costs and pave the way for smooth operationalization of the Chabahar Agreement.
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What are the advantages?

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- The operationalisation of Chabahar port is a milestone in India’s regional connectivity and trade game plan.
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- Chabahar port opens up a permanent alternative route for trade with Afghanistan and Central Asia, given the hurdles in the direct route through Pakistan.
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- It facilitates India’s role in Afghanistan’s development through infrastructure and education projects.
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- It gives a big boost to India’s bilateral ties with Iran, which is a major oil supplier and potential trade market for India.
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What are the concerns?

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- **Sanction waiver** - The Chabahar port has received a temporary waiver from the U.S. sanctions on Iran.
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- But these concessions could be withdrawn any time, given the constant upheaval in the U.S. administration.
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- **Security** - The possibility of the withdrawal of U.S. troops from Afghanistan will add to security concerns for Afghanistan and impact on the Chabahar route as well.
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- **Pakistan Factor** - The reconciliation process with the Afghan Taliban is likely to see the regional powers and the countries like U.S. and Russia engaging Pakistan more.
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- This could give Pakistan a space to play spoiler in Chabahar, which sees it a rival water port to the Gwadar port in Pakistan.
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- **Trade diversion** - The Afghanistan government is also hedging its bets on trade via Chabahar.
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- In recent months, Afghanistan has opened special cargo corridors with China, Kazakhstan, Turkey, Europe, Russia, the UAE, and Saudi Arabia.
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- This shows that more trade was diverted through these countries than with its traditional partners such as Pakistan and India.
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- With Chabahar, India has done well to keep a place in the intricate connectivity network of the region.
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- However, it will require a sustained and nuanced diplomacy to stay ahead in this game.
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Source: The Hindu

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