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India's stakes in Iran's Chabahar port

Why in News?

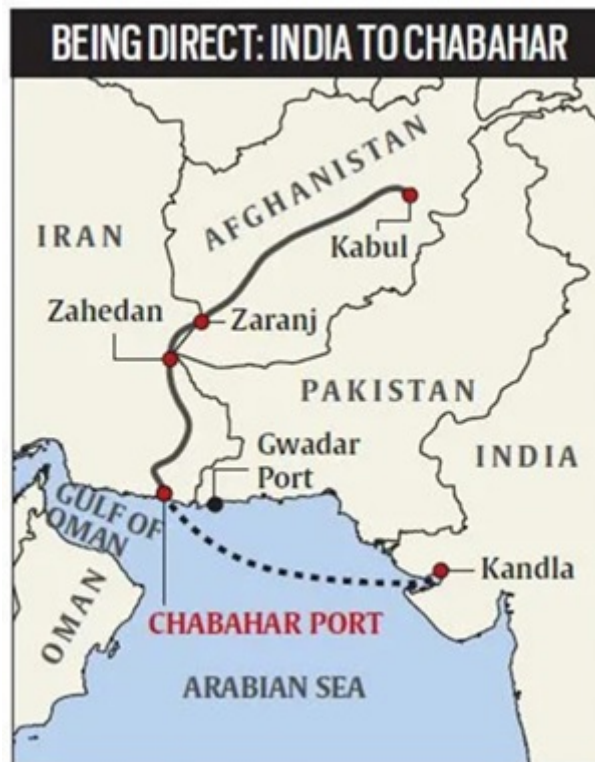
India and Iran recently signed a 10-year contract for the operation of a Shahid Beheshti terminal at the Chabahar port in Iran.

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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