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# External Affairs Minister S Jaishankar held discussions with the Iranian Minister

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**Why is in news?** The history of Iran's Chabahar port, and its imperative for India

During this visit to Iran, External Affairs Minister S Jaishankar held discussions with the Iranian Minister of Roads and Urban Development Mehrdad Bazrpash on establishing a long-term cooperation framework for the Chabahar port in the south of the country.

## About the port:

Chabahar, which sits at the **mouth of the Gulf of Oman**, is **Iran's first deepwater port** that puts the country on the global oceanic trade route map.

The port lies to the **west of Iran's border with Pakistan**, about as far as Gwadar, a competing port developed by China in Pakistan, lies to the east of the border.

Chabahar is of **strategic importance** to both Iran and India.

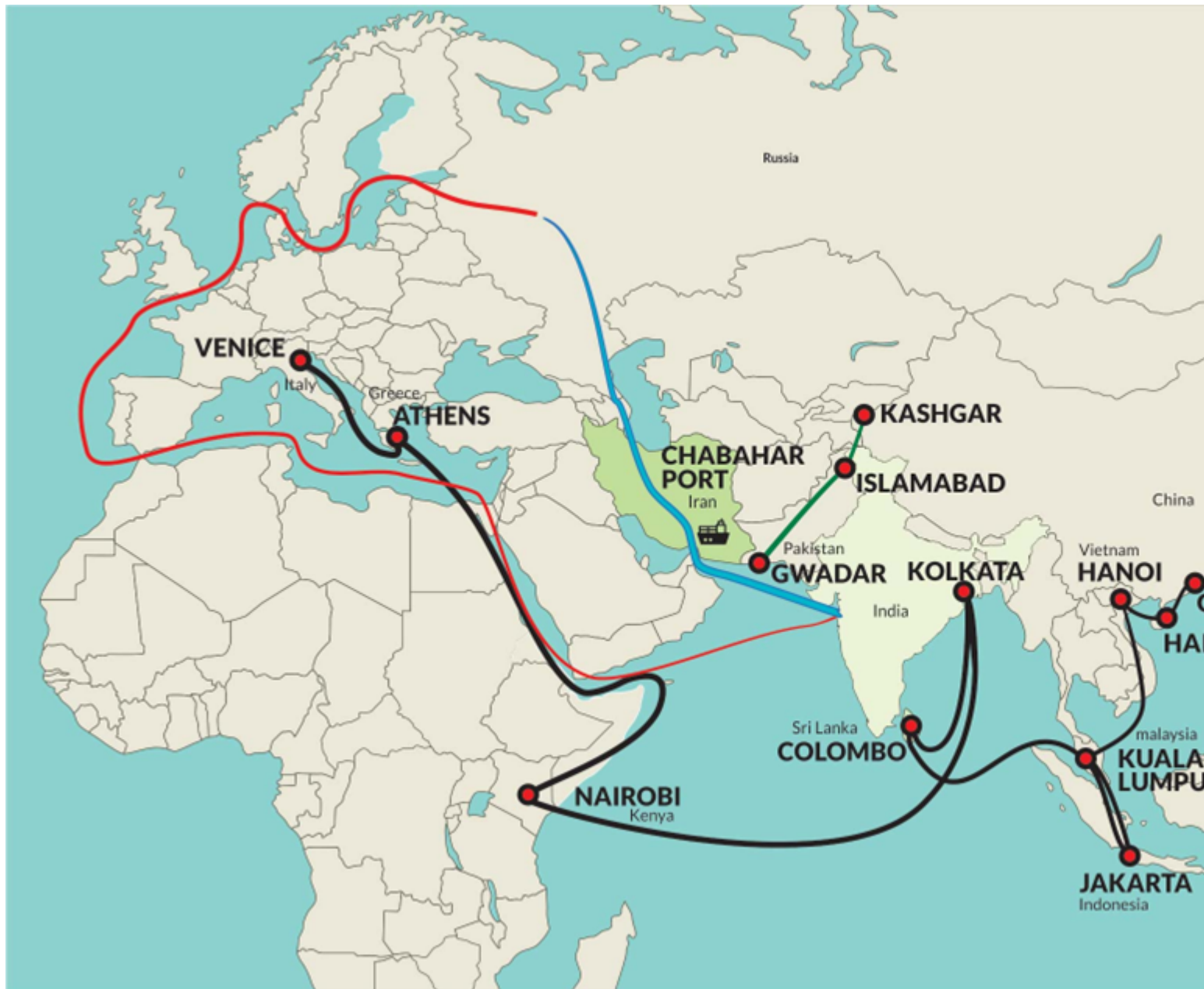
It can potentially help Tehran ward off the effect of Western sanctions, and offers **New Delhi an alternative route that bypasses Pakistan**, which does not allow India land access for trade with Afghanistan and Central Asia.

The port is also **part of the proposed International North-South Transport Corridor (INSTC)**, 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.

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### India's involvement in the Chabahar port:

India's involvement in the development of the port **began in 2002**.

In 2003, the President of Iran and Prime Minister Atal Bihari Vajpayee **signed a roadmap of strategic cooperation**, one of the key projects in which was Chabahar.

The emergence of a hostile Pakistan after Partition severed India's land connections with Iran and Central Asia. This, however, did not greatly impact India's closed economy in the four decades that followed Independence.

It's only after the 1990s, as the Indian economy opened up and India's engagement with the world began to grow, that it began to look at trade routes as a central element of its larger geopolitical strategy.

India and Iran began to cooperate **more closely once the Taliban took over Afghanistan** in 1996. Both countries were **against the Pakistan-created Sunni Islamist militia**, and backed the Northern Alliance led by Ahmed Shah Massoud.

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As India sought to get past the Pakistani block on land transit access to Afghanistan, the search for an alternative route became more urgent.

The **easiest routes** for India to Central Asia and Russia are through Pakistan and Afghanistan.

The **next best** is through Iran, which borders Central Asia and the Caspian Sea.

Even as India sought access to Afghanistan, it was also looking at what was called the INSTC, which would take it to Russia and the European territories.

The Chabahar project became even more important for India after China began to develop the Gwadar port in Pakistan as part of the Belt and Road Initiative (BRI).

### **Development of Chabahar port so far:**

There are two distinct ports in the Chabahar project, **Shahid Beheshti and Shahid Kalantari**.

India's investment is restricted to the **Shahid Beheshti port**, according to the paper, 'Geopolitics of Chabahar port for Iran, India and Afghanistan', by Ali Omid and Gauri Noolkar-Oak of the University of Isfahan (Iran).

**India, Iran, and Afghanistan** signed a **trilateral agreement** in April 2016, after which the Indian Shipping Ministry worked at a rapid pace towards developing the port.

In **December 2017**, the **first phase of Shahid Beheshti port was inaugurated**, and India sent its first consignment of wheat to Afghanistan through Chabahar that same year.

Two years later, Afghan exports to India passed through the port for the first time. India received four such consignments that year.

Meanwhile, in January 2015, **India Ports Global Limited (IPGL)** was incorporated under the Companies Act, 2013, for the development of ports overseas. In December 2018, IPGL took over a part of the operations at Shahid Beheshti.

According to **IPGL's website**, the Shahid Beheshti port is being developed in **four phases**. "On completion of all 4 phases, port capacity will (be) 82 million tons per year with 32 jetties: 16 multipurpose, 10 containers, 3 each oil and dry bulk".

In December 2019, the Iranian Minister for Roads and Urban Planning announced that the construction of a modern cruise terminal in the first phase had increased the capacity of the Shahid Beheshti port to 5.8 million tonnes.

### **Causes for the delay in development of the port:**

India has **traditionally had trouble implementing ambitious infrastructure projects** in its neighbourhood — From Nepal to Myanmar, Sri Lanka and Iran, Delhi has made commitments on building power projects, highways, railways, and other infrastructure. Each proceeds slowly or not at all.

More specifically, however, **geopolitical roadblocks**, the biggest of which is **Iran's relationship with the US**, have been the major reason for the delay.

After the **2003 Vajpayee-Khatami agreement**, follow-up action was slow as India drew closer to the administration of President George W Bush. The **US** had put Iran in the so-called "**axis of evil**" along with Saddam Hussein's Iraq and Kim Jong-Il's North Korea which **put pressure on New Delhi to go slow in its relationship with Tehran**.

The US-Iran relationship started to improve temporarily after the **Joint Comprehensive Plan of Action (JCPOA)** was signed between Iran and the P5+1 and the European Union in 2015 when Barack Obama and Rouhani were Presidents.

The **Donald Trump administration**, however, **walked the US out of the Iran nuclear deal in 2018**, and imposed sanctions on dealing with Tehran.

A “carve-out” was provided to India for Chabahar, but it was **difficult under the sanctions regime** to find international suppliers for the material required to develop the port.

The **US exit from Afghanistan** and the **return to power of the Taliban** in August 2021 came as a further blow as India snapped ties with Kabul. The situation has improved since — in 2022, India reopened its embassy in Kabul and announced Rs 200 crore of development assistance to Afghanistan.

New Delhi also allocated Rs 100 crore for the Chabahar port project, and said in 2023 that it would send 20,000 metric tonnes of wheat to Afghanistan through the port.

### **Way forward for the project:**

The pace of development of Chabahar port will be impacted by US-Iran ties, which have been deteriorating steadily and could worsen dramatically in the event of Trump returning to the White House early next year.

The **ongoing crisis in the Red Sea**, a spillover of the Israel-Hamas conflict in Gaza, has made the situation in the entire region **extremely volatile and unpredictable**.

Since November last year, **Yemen’s Houthi militia**, which Iran backs, has harassed commercial vessels passing through this major global shipping lane, drawing retaliatory strikes by the US and the UK.

The **tit-for-tat missile strikes by Iran and Pakistan** targeting militant bases in each other’s territory marked an escalation in an unexpected direction, the full implications of which remain to be seen.

India has said it has **zero tolerance for terror and the Houthi attacks on commercial vessels** harm its interests. But after the Iranian cross-border strikes in Pakistan, it also acknowledged that countries need to take actions “in their self defence”.

The Chabahar project comes with its challenges, **mainly susceptibility to American sanctions and pressures**, the volatility and continuing uncertainties in Afghanistan, and the seeming incompatibility with the BRI.

However, through **active and visionary diplomacy** and efficient implementation and operations of the project, Iran and India can overcome these challenges and should be able to maintain the Chabahar project as a viable transit hub and link.