Importance of Chabahar Port for India

1) Introduction
   - Indian firm India Ports Global Limited took over operations at the Shaheed Behesti port in Chabahar.
   - The representatives of India, Iran and Afghanistan met and finalised the routes for trade and transit corridors between the three countries.
   - An event has been planned on February 26, 2019 to promote and popularise the potential of Chabahar.

2) Significance
   - Chabahar, which is located 72 kilometres west of Pakistan’s Gwadar port, holds immense strategic and economic significance for India.
   - Chabahar is turning out to be a success story in the India-Iran relationship.
   - The port project is the first overseas venture for an Indian state-owned port.
   - The Indian takeover of the operations in Chabahar follows reimposition of sanctions on Iran by the US.
   - The US recognised the importance of Chabahar and exempted Indian firms involved in the port from sanctions.
   - India was also one of the eight countries to receive temporary relief on oil imports from Iran.
   - Tehran should acknowledge that it was India’s participation that has earned Chabahar this relief.
   - It is also a counter to the China-Pakistan Economic Corridor (CPEC).
   - Chabahar port is critical to Delhi’s Eurasia strategy & connectivity initiatives in Indo-Pacific region.

3) Advantages
   - Chabahar port opens up a permanent alternative route for trade with Afghanistan and Central Asia, given the hurdles in the direct route through Pakistan.
   - The Chabahar port will also set up India’s road access to four cities in Afghanistan.
   - It facilitates India’s role in Afghanistan’s development through infrastructure and education projects.
   - It gives India’s bilateral ties with Iran, a major oil supplier and potential trade market for India, a big fillip.
   - The Chabahar port will cut transport costs/time for Indian goods by a third.
   - Chabahar port will reduce Afghanistan’s dependence on Karachi port and, hence, will translate to less Pakistani leverage over Kabul.
   - Chabahar also provides a link to the planned International North-South Transport Corridor.
   - This way it also loops in Russia and countries in Central Asia and Europe as beneficiaries.
   - According to some estimates, the Chabahar route plus INSTC could boost trade to a total of US$ 170 billion from India to Eurasia.
   - Chabahar is a rare example of a project in the region which is a win-win for all stakeholders.

4) Concerns / Challenges
   - The Chabahar port has received a waiver from the U.S. sanctions on Iran for the moment, but these concessions could be withdrawn any time.
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.

The reconciliation process with the Afghan Taliban is likely to see the regional powers, the U.S. and Russia engaging Pakistan more.

This could give Islamabad space to play spoiler in Chabahar, which is seen as a rival port to Pakistan’s Gwadar.

Special cargo corridors have been opened with China, Kazakhstan, Turkey, Europe, Russia, the UAE, and Saudi Arabia, with more trade diverted through them by Afghanistan.

India’s fears stem from the possibility of Chinese naval presence in the near future in Gwadar.

US imposing sanctions on Iran might affect Japan, South Korea and other countries interest in developing and investing in Chabahar.

5) **Way Forward**
   - It will be important to operationalise the port quickly and smoothen the route to Afghanistan.
   - Keeping timelines and delivery of New Delhi’s commitments will be key to the port becoming a regional hub for transit trade, steel and petrochemicals.
   - It will be necessary to encourage Afghan companies to use the route more.

6) **Conclusion**
   - With Chabahar, India has done well to keep a place in the intricate connectivity network of the region.
   - Given all the competing interests over Chabahar, it will require sustained and nuanced diplomacy to stay ahead in this game.