

CHABAHAR PORT

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Context:

India and Iran signed a 10-year contract on Monday for the operation of a terminal at the strategically important Chabahar port in Iran.

Background:

The long-term bilateral contract was signed between Indian Ports Global Limited (IPGL) and the Port & Maritime Organisation (PMO) of Iran, enabling the operation of the Shahid Beheshti terminal at the Chabahar Port for 10 years. The pact replaces one-year contracts that were being signed to keep the port operational until now.

About CHABAHAR PORT:

1. Chabahar is a deep water port in Iran's Sistan-Baluchistan province.
2. It is the Iranian port that is the closest to India, and is located in the open sea, providing easy and secure access for large cargo ships.

History and Progress:

1. Modern Chabahar came into being in the 1970s, and Tehran realised the strategic importance of the port during the Iran-Iraq war of the 1980s.
2. In January 2003, President Khatami and then Prime Minister Atal Bihari Vajpayee signed off on an ambitious roadmap of strategic cooperation.
3. Among the key projects the two countries agreed on was Chabahar, which held the potential to link South Asia with the Persian Gulf, Afghanistan, Central Asia, and Europe.
4. The timelines for the project were undone by India's growing relationship with the United States.
5. The US, which declared Iran as one of the "axis of evil" along with Iraq and North Korea, pushed New Delhi to abandon its strategic relationship with Tehran, and the Chabahar project became a casualty.
6. While India spent about \$100 million to construct a 218-km road from Delaram in western Afghanistan to Zaranj on the Iran-Afghan border to link with Chabahar, the port project itself progressed at a glacial pace.
7. IPGL (India Ports Global Ltd) has been operating Chabahar port through its wholly owned subsidiary, India Ports Global Chabahar Free Zone (IPGCFZ), since December 24, 2018.
8. The port has handled more than 90,000 twenty-foot-equivalent units (TEUs) of container traffic and more than 8.4 million metric tonnes (MMT) of bulk and general cargo since then.

Chabahar and INSTC:

1. To better realise Chabahar ports potential, the development of the port must be integrated

with the larger connectivity project of the International North South Transport Corridor (INSTC).

2. The INSTC, which was initiated by Russia, India, and Iran, is a multi-modal transportation route envisaged to link 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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