

Strategic Significance of Chabahar for India and the Region

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As the globalising trend of the Twenty First Century gained a

new momentum with trade and commerce and economic engagement among nations, the issue of connectivity projects also moved to the centre stage of international politics. What gave a further stimulus to connectivity projects was the opening of the vast Eurasian landmass after the break-up of the Soviet Union in 1991. The Eurasian space is extremely rich in natural resources and vital minerals, but the Eurasian landmass is landlocked. Eurasian region's landlocked status spurred the construction of overland transport corridors in order to secure and if possible, to control the natural resources. The opening of this region also resulted in the reinvention of the British geographer Halford Mackinder's theory of "Heartland of Eurasia" and the "Pivot of History". In the process the world witnessed an evolving interplay of economics and geopolitics in Eurasia both by the developed and developing countries. In this context the connectivity issue acquired immense significance. It was one of the key issues on the agenda of those powers involved in Eurasia.

Against this backdrop a look at the map easily brings out the centrality of Iran both for the sea and land options. After the lifting of sanctions in view of the nuclear agreement by P5+1, Iran accorded prime importance to infrastructure development. In this regard further development of its second port – the Chabahar received priority in Iran's economic agenda. Chabahar, located on the Makran coast on the Persian Gulf occupied a unique location as ships, tankers etc. avoided the "chicken neck" on the Gulf of Hormuz. Chabahar offered an alternate option to landlocked Afghanistan, the Central Asian Republics (CARs) and others to an opening in the southern direction on the Indian Ocean. It may be noted that the Indian Ocean Region, in recent times, has emerged as the hub of trade and economic engagement among the

countries. Afghanistan and the CARs can interact with countries in the Middle East, South Asia, Southeast Asia, East Asia and Africa, and *vice versa*. This will enable the region to become part of the world economy. Hence, Chabahar is poised to emerge as a major centre for trans-shipment to the shipping industry, as well as link to the hinterlands.

For India, Chabahar option came at an opportune time. It coincided with India's "Look West" policy, as it was keen to not only enhance its engagement with Afghanistan and the CARs, but also with Iran, which it perceived to be an important regional player. The broadening of India's policy and interest led to Indian involvement in the development of the Chabahar Port. The Indian decision to increase its involvement in the development of the Chabahar led to a flurry of diplomatic parleys and subsequently became a precursor to expansion of India-Iran ties. Moreover India's association with the Eurasian Economic Union (EEU) and the likelihood of being given a Free Trade Area will make the Chabahar link even more crucial for India.

Significance of Chabahar for India

On the road map to connect with Chabahar, the visit of Prime Minister Narendra Modi to Teheran in May 2016 was a path breaking one. The high point was the signing of the Trilateral Transport and Trade Agreement between India, Iran and Afghanistan. The Agreement opened up prospect of land connectivity for India with Afghanistan and the CARs and is considered as a milestone in Indian foreign policy initiatives. As observed by Prime Minister Modi "It could alter the history in the region".

It must be noted that Chabahar opens directly into the Indian Ocean, and is a deep water port. Moreover, it is a mere 1000 km from Kandla on the Gujarat coast. Another major advantage that would accrue to India is its ships can bypass Dubai and reach Chabahar directly. From Chabahar a road link of about 600 km connects the port with Zahidan on the Iran-Afghan border. India's Border Road Organisation has built a 217 km road link that connects Zaranj (on the Afghan-Iran border) with Zahidan on one side, and Delaram on Afghanistan's Garland Highway on the other

side. From Delaram the cargo is transported by road to Herat, Mazar-e-Sharif and thence to Uzbekistan. As part of the Trilateral Transport and Trade Agreement, India has signed a MoU on the construction of a railway line from Chabahar to Zahidan. India will provide the requisite services for the railway which is 500 km long. Presently, Chabahar has a capacity to handle 2.5 million tonnes of cargo per year and Iran would like to raise the capacity to 12.5 million tonnes. Probably in the second phase of development, which began in November 2017 the tonnage is likely to increase.

An equally landmark development was the operationalisation of the Indian berth at Chabahar. India shipped the first consignment of 1.1 million tonnes of wheat to Afghanistan. The Ministry of External Affairs added "The shipment of wheat is a landmark development as it will pave the way for the operationalisation of the Chabahar Port as an alternative reliable and robust connectivity to Afghanistan".¹ The first phase of work on Chabahar was completed by November 2017. The completion phase was marked by a ceremonial inauguration. On this occasion President Rouhani said "... the port will enhance trade in the region with a final aim to connect not just Afghanistan via rail but also to the 7200 km International North-South Transport Corridor to Russia".² India was represented by the Union Minister for Shipping and Transport Shri Nitin Gadkari. India's commitment to further involve itself in the development of Chabahar was evident, when President Donald Trump of the United States of America unilaterally revoked the nuclear agreement, and stated American intentions to re-impose sanctions on Iran. Initially in India there were apprehensions both, in official and non-official circles about the impact the US withdrawal would have on India's involvement in Iran. All these concerns were put to rest, when Indian Foreign Minister Smt Sushma Swaraj met her Iranian counterpart Mr Javid Zarif. In her statement Smt Swaraj said "India will not accept sanctions imposed or to be imposed by the United States on Iran". Further she said "our foreign policy is not made under pressure from other countries We recognise UN sanctions and not specific sanctions"³

India's firm position on its ties with Iran reflected that it was truly promoting its regional interests. Over the years India has

developed deep and abiding interests in the Central Asian region. These interests have grown phenomenally. India's prime objective is stability and security of Afghanistan; an objective shared by Iran as well. In the opinion of both the countries, stability can be ensured through economic development in a sustained manner and Afghanistan's capacity to engage with countries in the Indian Ocean Region. With the management of Shahid Behesti Port in Chabahar, India will be able to circumvent Pakistan's refusal to allow transit rights through its territory.

Another dimension is that Indian strategic interests in Iran have also grown substantially. It is the third largest supplier of oil, and Indian interests in the energy sector could also expand in areas such as exploration and development of new oil fields. Besides, at this juncture Iran is also focussing on its development and would like to shape its relations with India on a partnership basis. Even at the regional level India recognises Iran as a player of consequence in the region, as there is a degree of compatibility of security interests between the two countries.

From the geopolitical perspective for India, the China-Pakistan Economic Corridor (CPEC) whose important component is the Gwadar Port, probably a dual use one is of immense concern. Gwadar provides China a key post to monitor Indian naval activity. From the security perspective, presence in the Chabahar is useful. Moreover, an element of competition between India and China at the commercial level is latent at present that could assume active dimension at the strategic level in future. A commentary in Chinese media wrote "... Both Chabahar and Gwadar Ports are strategic footholds in northern Indian Ocean. India does have the intention to hedge against the CPEC using the Chabahar project Neither the government nor the media in each country should view the cooperation of the other side with a third party in a zero sum context".⁴

In view of increasing interests in developing Chabahar in order to access the Central Asian region and beyond, it is essential that implementation of India's agreements, particularly the Trilateral Transport and Trade Agreement, should not be tardy. In this regard India's track record is not good. A timely

fulfilment of its commitments will strengthen trust as well as ties in other areas and gradually pave the way for a strong partnership on regional and global issues of common interests. It will enable India to build leverages in the region. A successful implementation of the Chabahar project will also pave the way for joint cooperation, which could be a harbinger for game changer in the region. It is necessary that regular interaction with Iran at the official as well as non-official levels will help in dispelling earlier mutual distrust. A joint mechanism can be set up to review the progress of projects, especially the Chabahar, resolve problematic issues before they spiral into controversy. A successful implementation of the Chabahar project will pave the way for benefits that accrue from joint cooperation. The Trilateral Agreement is the road map for the future.

Perspectives from the Region

Iran

Iran has been trying to promote the development of Chabahar as an alternative destination for commercial purposes. It was designated by the Iranian Government as a Free Trade and Industrial Zone in the early 1990s to attract foreign and domestic investment.⁵ Its stated aim was to prepare Chabahar as the third major hub for petrochemical industries in Iran (the first two are in Bandar Imam and Assaluyeh). A large area around the port spread over about 1100 hectares was earmarked as a huge petrochemical complex.⁶ Iran is also keen to connect with the business growth centres of South Asia, Southeast Asia, the Middle East and East Asia. Iran's priority is to overcome the stagnation that had crept into the economy. In its roadmap to rejuvenate the economy, Iran has highlighted specific areas such as infrastructure development – rail, and transport networks, airports and ports – increasing energy production. These are some of the core areas of its developmental strategy. India offers the best hope for Iran to achieve these goals. These shared vital interests were amply reflected in the Trilateral Agreement and the slew of agreements that followed. President Rouhani aptly observed “The path to progress for regional countries goes through joint cooperation and utilising regional opportunities. At

this juncture India should seize this opportunity and accord priority to economic cooperation with Iran in its developmental strategy. In the sphere of energy the relationship should go beyond 'buyer-seller' one to a partnership level.

Afghanistan

Afghanistan's quest for a steady corridor opening on the Indian Ocean has been one of its top most priorities. These aspirations were shared by both India and Iran, who were of the view that enhanced Afghan economic interaction with other countries would lead to peace, stability and prosperity. Afghanistan's landlocked status had stymied its economic development. On the regional connectivity issue and joint cooperation, President Ashraf Ghani opined "ours will start from Chabahar, but its end will be an all-out comprehensive development and economic-cultural cooperation".

Undoubtedly the Trilateral Agreement offers immense hope of an uninterrupted route to the Indian Ocean. Reportedly Afghanistan's access through Karachi is erratic, causing delays and hardships. According to Pakistan's media sources Afghanistan's exports *via* Chabahar would rise phenomenally. According to Pakistani newspaper *Dawn*, the Chabahar Port could emerge as a competitor to Gwadar, a mere 70 km away. The newspaper noted that Afghan transit trade dropped by 54 per cent in 2012-2013 partly due to Chabahar Port. Afghanistan's engagement with other countries will lead to development and stability. Economic integration will also strengthen Afghanistan's cultural links with Iran which in turn would add to stability in the region.

China

The flurry of diplomatic initiatives between India and Iran which culminated in Prime Minister Modi's visit to Teheran in May 2016 with a focus on the development of Chabahar Port was viewed in China as an Indian attempt to outflank the CPEC and to limit the significance of Gwadar. In a commentary in *Global Times*, it was noted "India harbours suspicion and anxieties – that Gwadar provides China a key post to monitor Indian naval activity in the

Persian Gulf and a dual use base for Chinese ships and submarines".⁷

Chabahar is likely to limit Gwadar's commercial prospects for the former is not only advantageously located, but it can also connect with countries in the northern eastern and western directions. It has the potential to emerge as a transport and trade hub; whereas Gwadar connects only with Kashgar in China. The Indian involvement in Chabahar is irksome to China. She would like to bring Iran, especially its infrastructure, within the ambit of its Silk Road Economic Belt and the Maritime Silk Road. India's enhanced presence is viewed as a limiting factor to expand China's presence in the region; more so, when it is aware that the CARs look to India for support in the sphere of economic development.

Pakistan

Broadly, Pakistan has viewed Indian involvement in Chabahar in an inimical manner. The military establishment has taken an alarmist position. It perceives Chabahar as a security threat, an emergence of a bloc. A cautious perception views Chabahar as a counter to Gwadar, and hence Pakistan should intensify its interaction with Iran. A sanguine view, though a minority feels that by raising the bogey of a security threat, the military establishment would like to ensure a huge budgetary allocation to the forces at the cost of social needs.

In fact, Pakistan had hoped that the CPEC would act as a counter to the activities of the Indian Navy in the Arabian Sea. Indian presence is viewed as an attempt to restrict Pakistan's political and economic influence in the region. Lieutenant General Nadeemi Lodhi (Retd) opined that in order to break out of this encirclement, use China's influence in the region. At the economic level Pakistan fears a big drop in the volume of trade through Karachi. As mentioned, media reports suggest a drop in the volume of trade from Afghanistan dashing Pakistan's hopes of emerging as a transport hub.

Conclusion

The Trilateral Transport and Trade Agreement of May 2016 and its subsequent operationalisation is undoubtedly a milestone in the recent history of the Persian Gulf region. Chabahar's location on the Makran coast is highly advantageous because of its accessibility by sea and further by transport corridor to the landlocked region of Afghanistan and Central Asia. For India Chabahar provides an uninterrupted access to the Central Asian region and enables it to overcome the road block imposed by Pakistan. India's growing involvement in Chabahar's development has proved to be a strategic asset. It will enable India to play a more active role in its strategic neighbourhood. Apart from its enhanced engagement with the region, India will also be able to cement its partnership with Iran.

Meanwhile, a prevailing opinion among certain observers and analysts of the regional scene is that the Chabahar Port has the potential to emerge as a competitor to the neighbouring Gwadar Port, a mere 70 km away, which is an integral part of the CPEC. The significance of Chabahar lies in its central location connecting regions and nations even as far away as the Russian Federation through the International North South Transport Corridor; whereas Gwadar connects only with China. However, a sticky issue could arise, if President Trump imposes sanctions on Iran and warns European business companies not to do business activities. It remains to be seen the kind of impact it would have, if the sanctions are imposed. India's determined stand (at present) to ignore US warnings and continue its relationship with Iran, is a welcome augury. Hopefully Indian stance should not come under too much pressure.

Endnotes

¹ Times of India (New Delhi), 30 October 2017.

² The Hindu (New Delhi), 29 November 2017.

³ Ibid., 29 May 2018.

⁴ Global Times, 25 May 2016. http://www.globaltimes.ch/content/984990_shtm, accessed 17 July 2016.

⁵ Mahtab Alam Rizvi and Ashok Behuria, *"Importance of PM Modi's Visit to Iran: Opportunities and Challenges for India"*, Strategic Analysis (New Delhi), vol. 40: 5, 2016.

⁶ Ibid.

⁷ Global Times, June 5, 2016. <http://www.globaltimes.cn/content/986945.shtml>. Acc. 17 July 2016.

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