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## India Dropped from Chabahar Rail Project

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### Why in News

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Recently, Iran has decided to proceed with the **Chabahar** rail line construction on its own, citing **delays from the Indian side** in beginning and funding the project.

### Chabahar Port

- Chabahar port is located on the **Gulf of Oman** and is only 72 km away from the **Gwadar port in Pakistan** which has been **developed by China**.
- The port serves as the **only oceanic port of Iran** and consists of two separate ports named Shahid Beheshti and Shahid Kalantari.

## BEING DIRECT: INDIA TO CHABAHAR



### Key Points

- Iran has inaugurated the track-laying process for the **628 km Chabahar-Zahedan rail line**, which will be **extended to Zaranj across the border in Afghanistan**.
- The entire project would be **completed by March 2022** and Iranian Railways will use approximately **USD 400 million** from the **Iranian National Development Fund**.

- **Background:**

- In May 2016, India, Iran and Afghanistan signed the **trilateral agreement** which entailed the establishment of **Transit and Transport Corridor** among the three countries using Chabahar port in Iran as one of the regional hubs for sea transportation.
- Construction of a rail line from Chabahar port to Zahedan, along the border with Afghanistan as an alternate trade route to Afghanistan and Central Asia, was also a part of it.

The state-owned **Indian Railways Construction Ltd. (IRCON)** had signed a **Memorandum of Understanding (MoU)** with the **Iranian Rail Ministry** and promised to provide all services, superstructure work and financing (around USD 1.6 billion).

- The Chabahar port is being considered a gateway to golden opportunities for trade by the three countries with other Central Asian countries in the wake of **Pakistan denying transit access to India.**

- **Reasons:**

- Despite several site visits by IRCON engineers and preparations by Iranian railways, **India never began the work**, worrying that it could attract **sanctions by the USA.**
  - India has already **zeroed out its oil imports from Iran** due to USA sanctions.
  - The USA had provided a sanctions waiver for the Chabahar port and the rail line but it was **difficult to find equipment suppliers and partners** due to worries of being targeted by the USA.
- Another reason could be the '**Comprehensive Plan for Cooperation between Iran and China**' which is a **25-year and USD 400 billion strategic partnership deal.**
  - Both nations are **close to finalising** the deal, which will **include Chinese involvement** in Chabahar's duty-free zone, an oil refinery nearby and possibly a larger role in Chabahar port as well.
  - The cooperation will extend from **investments in infrastructure, manufacturing and upgrading energy and transport** facilities, to **refurbishing ports, refineries and other installations** and will commit Iranian oil and gas supplies to China during that period.
  - Iran proposed a tie-up between the Chinese-run Pakistani port at Gwadar and Chabahar in 2019 and offered interests to China in the **Bandar-e-Jask port** 350 km away from Chabahar, as well as in the Chabahar duty-free zone.

## Way Forward

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- The Iran-China deal **impinges on India's strategic ties with Iran** and the use of Chabahar port. Bandar-e-Jask lies to the west of Chabahar and right before the Strait **of Hormuz** which would **allow China to extend its control along the Pakistan-Iran coast**.
- Each of these possibilities **should be watched closely** by India and it should **strengthen its relations** with the concerned countries.
- As an emerging power, India cannot remain confined to South Asia and a peaceful extended neighbourhood (Iran-Afghanistan) is not only good for trade and energy security but also plays a **vital role in India's aspirations of becoming a superpower**.

**Source: TH**