



US Sanctions on Chabahar Port

For Prelims: [Chabahar Port](#), [International North-South Transport Corridor](#), [Indian Ports Global Limited](#), [Strait of Hormuz](#), [Belt and Road Initiative](#), [Gulf of Oman](#).

For Mains: Significance of Chabahar Port for India, Implications of the Revocation of Chabahar Port's Sanctions Waiver for India.

[Source: IE](#)

Why in News?

The Trump administration has **revoked the sanctions waiver** for [Chabahar Port](#), affecting India's access to **Afghanistan and Central Asia** and undermining its strategic position in the region.

- The **exemption**, granted in **2018** under the **Iran Freedom and Counter-Proliferation Act (IFCA)**, allowed **India** to advance its long-term plan to develop **Chabahar Port** as a **gateway to Afghanistan and Central Asia**.

What are the Implications of Revoking Chabahar Port's Sanctions Waiver for India?

- **Strategic Implications:** The **revocation** of Chabahar's waiver can undermine India's **regional leverage**, limiting its ability to counterbalance [Gwadar Port](#), integrate into the [International North-South Transport Corridor \(INSTC\)](#) connecting **Russia and Europe**, and maintain influence in **Afghanistan and Central Asia**.
- **Economic and Trade Implications:** India's **exports to Iran and Afghanistan**—including **textiles, engineering goods, pharmaceuticals, and food products**—face disruption, while **investments of USD 120 million** and commitments of **USD 250 million** are at risk.
 - The revocation coincides with **India-US trade talks** and **50% duties** on labor-intensive goods, pressuring India's **export strategy**.
- **Operational and Legal Risks:** Companies like [Indian Ports Global Limited \(IPGL\)](#) face exposure to **US sanctions** under the **IFCA** potentially causing **delays or suspension** of Chabahar trade and expansion projects.
- **Geopolitical Implications:** The revocation puts pressure on **India-US relations** and marks a major setback for India's plan to use **Chabahar Port** as a vital gateway for **trade and humanitarian aid**, especially to **Afghanistan**.

Chabahar Port

- **About:** It is a **deep-water port** in **Sistan-Baluchistan, Iran**, on the **Makran coast** near the [Gulf of Oman](#), outside the [Strait of Hormuz](#).
 - It is Iran's only **deep-sea port** with **direct open-ocean access**, providing **India** secure

and direct access for **large cargo ships**.

- It has two main terminals—**Shahid Beheshti** and **Shahid Kalantari**—with India actively involved in developing the **Shahid Beheshti Terminal**.
- **Development & Management:** The **Chabahar Agreement (2016)** was signed between **India, Iran, and Afghanistan** to establish the **International Transport and Transit Corridor**.
 - **IPGL**, through its subsidiary **India Ports Global Chabahar Free Zone (IPGCFZ)**, took over **Chabahar Port operations** in **December 2018**.
- **Operational Performance:** To date, **Chabahar Port** has trans-shipped **2.5 million tonnes of wheat** and **2,000 tonnes of pulses** from India to Afghanistan, facilitated **40,000 litres of Malathion** (environment-friendly pesticide) to Iran in 2021 for locust control, and supported **humanitarian aid**, including during the [Covid-19 pandemic](#).



What is the Significance of Chabahar Port for India?

- **Alternative Trade Route:** It provides **India an alternative route to Afghanistan and Central Asia**, bypassing Pakistan, and improves access to **Iran and the INSTC** via shorter routes from **Kandla Port**.
- **Ensuring Connectivity:** The ongoing conflicts and tensions in the West Asian region, such as the Yemen crisis and the recent escalation between Iran and Pakistan, have disrupted vital maritime trade routes.
 - Chabahar provides India with an alternative route for its commercial interests, reducing dependence on traditional chokepoints like the Strait of Hormuz.
- **Economic Benefits:** It strengthens India's trade with Central Asia and Afghanistan, diversifies routes, and enhances access to Russia, Europe, Iran, and Afghanistan.
 - Chabahar Port, a key **INSTC node**, links the **Indian Ocean to Northern Europe**, cutting trade costs by **30%** and transit time by **40%**, while giving landlocked nations access to the **Indian Ocean and Indian markets**.
- **Humanitarian Assistance:** Serves as a crucial entry point for humanitarian aid and reconstruction in Afghanistan.
- **Strategic Influence:** It strengthens India's strategic presence in the Indian Ocean,

counters China's Gwadar Port and [Belt and Road Initiative \(BRI\)](#), and enhances anti-piracy capabilities.

Conclusion

Chabahar Port remains central to **India's regional influence, trade prospects, and connectivity ambitions**. Its role as a **strategic counterweight** offers enduring opportunities, despite challenges from **US sanctions, regional instability, and competing projects**.

Drishti Mains Question:

Q. Discuss the strategic importance of Chabahar Port for India and analyze the implications of US sanctions on its development.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. What is the importance of developing Chabahar Port by India? (2017)

- (a) India's trade with African countries will enormously increase.
- (b) India's relations with oil-producing Arab countries will be strengthened.
- (c) India will not depend on Pakistan for access to Afghanistan and Central Asia.
- (d) Pakistan will facilitate and protect the installation of a gas pipeline between Iraq and India.

Ans: (c)

Mains

Q. In what ways would the ongoing U.S-Iran Nuclear Pact Controversy affect the national interest of India? How should India respond to this situation? (2018)

Q. The question of India's Energy Security constitutes the most important part of India's economic progress. Analyse India's energy policy cooperation with West Asian countries. (2017)