
INDIA AND IRAN AGREE TO PUSH FORWARD CHABAHAR PORT PROJECT

- 08.08.2017

Times of Central Asia (8 August 2017)

In spite of the recent stalemate over a number of issues, India has reached out to Iran in a bid to remove bottlenecks in the strategically important Chabahar port project, as this port in Iran will open up for India trade access to Afghanistan, Central Asia and other countries in Eurasia, Sputnik news agency reported.

Indias Minister for Road Transport and Highways, Nitin Gadkari, who was in Tehran to represent India at inauguration ceremony to mark President Hassan Rouhani's second term, met several top officials of the Iran government and discussed the issues related to trade and delayed infrastructure projects.

The two sides have agreed to create a special group which will suggest ways to expedite the Chabahar port project.

Regarding ports and rail connectivity projects, we have identified the problems and bottlenecks. We have decided to make some groups between the two countries to solve the issues, Gadkari told the Press Trust of India.

Both sides reiterated their commitment to complete and put into operation the Chabahar port at the earliest of 2018, which will provide India an alternative trade access to landlocked Afghanistan and other Central Asian and Eurasian countries including Russia. India currently does not have access to these markets as the only trade route passes through Pakistan.

The relationship between India and Iran had turned sour, mainly after India cut oil imports from the country earlier this year. This was viewed by Tehran as a pressure tactic by India to gain unconditional access to exploration of the Farzad B gas fields, which Tehran had earlier offered. Irked by Indias tactic, Tehran decided to award the contract to Russias Gazprom. Moreover, the US administrations threat of fresh sanctions against Iran has further complicated Indias diplomatic calculations towards Iran.

According to a May 2016 bilateral agreement, India is to refurbish one of the berths at the Chabahar port and reconstruct a 600 meter long container handling facility.

Moreover, during the same time, a trilateral pact was inked among India, Iran and Afghanistan envisaging establishment of Transit and Transport Corridor between the three countries using Chabahar Port as one of the regional hubs for sea transportation in Iran besides multi-modal transport of goods and passengers across the three nations. The Parliaments of India and Afghanistan have already ratified the trilateral pact but Iran is yet to complete the internal

processes.

Nevertheless, India has already pumped in around \$550 million into the projects. India has also pledged a \$150 million soft loan to Iran for the project. However, the stalemate over the Farzad B gas field exploration contract held up further progress in the projects.

"We are hopeful of ratification of Trilateral Transit and Transport Agreement by Iran and once approvals are given, the work will start," Gadkari said.

Kaynak/Source: