

**OPINION**

## India reaches out to Asia's heartlands

Iranian port project could herald start of a challenge to China's expanding geostrategic links



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Indian Prime Minister Narendra Modi and Iranian President Hassan Rouhani at a joint media appearance in Tehran in May 2016 (Photo by India's Press Information Bureau)

The inauguration of the Shahid Beheshti port in Chabahar, southeastern Iran, by President Hassan Rouhani this week is a landmark event for the country which has sought to develop it since the time of the last Shah in the 1970s.

To Iran, which aims to broaden its international options in the face of threats of renewed sanctions from the United States, Chabahar opens up a maritime trade route outside the conflict-prone Persian Gulf and, unlike the available land corridors, is not subject to the whims of its suspicious Arab neighbors.

But Chabahar is also a big economic and political advance for Tehran's long-standing partner in the scheme -- India. For New Delhi, the port offers possibilities to expand its reach via sea-cum-land routes to the energy-rich and strategically important regions of West Asia and Central Asia.

India has pressed ahead with the project despite on-off American pressure to back off because it offers a chance to get around a hostile Pakistan and circumvent Islamabad's blockade on Indian trade with landlocked Afghanistan. India is wary of volatile American policies toward Iran, which have taken a downward turn under President Donald Trump, but is determined to press ahead on Chabahar because it views itself as an independent power that should not succumb to the US where core Indian interests are concerned.

Chabahar is also an instrument for New Delhi to challenge China's ambitious Belt and Road Initiative, which involves communications spokes reaching out from Beijing across Asia. Chabahar could be a key link in an alternative network, especially if Japan and India successfully implement their prospective Asia Africa Growth Corridor (AAGC), involving oceanic ties stretching from Tokyo to Johannesburg.

New Delhi is committing up to \$20 billion in developing the Iranian port and a series of ancillary industrial, roadway and railway networks, one of the largest overseas infrastructure projects ever undertaken in India's history. So far, New Delhi has invested \$235 million for the port itself and is expected to incrementally scale up its funding.



India plans to build a 500km rail line costing \$1.6 billion from Chabahar to the Iranian city of Zahedan, that lies on the border with Afghanistan and would subsequently link up to another India-financed venture, the Zaranj-Delaram highway inside Afghanistan which was completed in 2009.

Once operational, this multimodal route could blunt Pakistan's strenuous efforts to exclude India from exerting influence on its western flank. The first wheat shipments connecting Kandla port in the western Indian state of Gujarat with Chabahar, and then entering Afghanistan by land, have already commenced and were welcomed in Afghanistan. Separately, India has also activated an air freight corridor with Afghanistan. But the relatively lower cost of sea and land trade means that Chabahar would be *the game-changer*.

The trilateral transit and trade corridor agreement among India, Iran and Afghanistan which underpins this entire enterprise could help fulfill a long-advocated Afghan dream of the country as a crossroads for economic exchanges between Central Asia and South Asia.

### **Ending Pakistan's "monopoly"**

Although Chabahar is not a silver bullet to stabilize war-torn Afghanistan, it would be a new route through which the desperately cash-strapped and aid-dependent Afghans can begin earning revenues and finding outlets for their premium products like carpets and saffron.

Afghan President Ashraf Ghani says Chabahar will "end Pakistan's monopoly." Instead of isolating Afghanistan and keeping it weak under Pakistani hegemony, this port would be part of a broader South Asian reconfiguration where Pakistan might feel isolated from an India-centered regional integration. Ghani's remark that "those who block us will be blocked" is a fitting description of this process.

Besides the Pakistan factor, India has other motivations in investing in Chabahar. New Delhi and Tehran are discussing a \$5 billion underwater gas pipeline from Chabahar, that might tap into reserves of Oman and Qatar as well, and end at the Indian port of Porbandar in Gujarat.

Further into the future lie ambitious hopes for a proposed International North South Transport Corridor (INSTC), conceived by New Delhi, Tehran and Moscow, which would involve moving commodities and energy in both directions from India through Iran and Azerbaijan all the way up to Russia and Europe. Chabahar would play a key role in it too. If Japan and India's AAGC fructifies, Chabahar might also play a role as a way station between the west coast of India and the Horn of Africa.

Chabahar is a mere 72km away from a rival Pakistani port of Gwadar, which China has constructed and controls as a node in the huge Belt and Road Initiative (BRI). Comparisons of the two ports are rife and analysts in Pakistan and China have argued that Gwadar is superior because it has Chinese construction pedigree and bigger financial backing from Beijing compared with New Delhi's support in Chabahar. The central role of Gwadar in the BRI also gives it a strong position in global trade arteries as a transshipment center for China.

The difference in the capacities of the principals in Gwadar and Chabahar, i.e. China and India, is glaring. India is no match for China in the connectivity competition stakes which are poised to be the new currency of power in densely networked Asia.

Yet, it is precisely China's huge progress in connectivity diplomacy that has finally prompted India to act -- to pull up its socks and make haste with endeavors like Chabahar. The scheme was originally mooted with Iran in 2002 but became a reality only under Prime Minister Narendra Modi in 2016. The BRI's rapid advance into India's sphere of influence is a spur for New Delhi to speed up its own smaller multilateral connectivity arrangements. India's old reputation as a bureaucratically hampered slowcoach has been mitigated by Modi's urgent push to avoid geostrategic marginalization. Japan's keenness to team up with India on Chabahar shows that other Asian countries are also intent on catch-up with China's advances by floating rival projects.

Competition with China is not unhealthy if it drives India and others to raise their game, to invest more in communications in Asia and project their own influence and their own ideas. Indians have good reasons to hope that Chabahar could be one launch pad for making India what Modi terms as a "leading power" in the world.



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