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Accessing Afghanistan and Central Asia: Importance of Chabahar to India



A cargo ship docking at Chabahar Port

Source:www.presstv.ir

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Introduction

India and Iran have many shared interests in Afghanistan. Both fear the adverse impact of prolonged instability and war in Afghanistan on their security interests. They also have concerns about the growth of Pakistan's influence in Afghanistan and about the Taliban becoming a dominant force there, which could have negative repercussions on their interests in Afghanistan.

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For India, Iran's strategic location makes it a viable transit point to Afghanistan and Central Asia. Iran is at the crossroads of some important international transportation corridors, such as the North-South corridor, the East-West corridor (old Silk Road), the Transport Corridor Europe-Caucasus-Asia (TRACECA) programme, the Asia Land Transportation Infrastructure Development (ALTID), and South Asia. Both countries have been working on completing these projects to realise Iran's transit potential.¹

The Chabahar Port is one such project that has assumed significant economic and strategic importance in recent times. Located on the Makran Coast off Southeast Iran, the Chabahar Port provides Iran with direct access to the Indian Ocean. It is closer to Mumbai and Karachi than Bandar Abbas, the other main port in Iran, and the development of the port at Chabahar would reduce some of the pressure on Bandar Abbas as well as potentially the cost of transportation to the eastern parts of Iran, Afghanistan and Central Asia. Moreover, the fact that Chabahar, unlike Bandar Abbas, is located beyond the Straits of Hormuz adds to its significance. In a scenario where the Straits of Hormuz are shut down, trade and commercial activities at Chabahar will remain unaffected.

Map 1: Chabahar Port



Source: Tribune India

India has been supportive of the development of the Chabahar port, pledging to commit as much as US\$ 100 million in May 2013 towards the upgradation of the port. It has also funded, or considered funding, a number of other projects that could enhance the connectivity of the port. From India's perspective, the Chabahar Port would improve New Delhi's access to Afghanistan and the Central Asian Republics (CARs). India has, in fact, already used the Chabahar Port for facilitating trade with Afghanistan. In March 2012, India used the port for the first time to transport 100,000 metric tons of wheat to Afghanistan as part of its humanitarian aid.² In September 2013, India received its first batch of commodities—20 containers of dry fruits—from Afghanistan through the Chabahar Port.³

This report seeks to examine the significance of the Chabahar Port for India, as well as some of the constraints and challenges that lie ahead for India in this regard. This brief is divided into four parts. The first part will look at the importance of Chabahar for Iran and some of the steps taken by Tehran to develop the port. The second part will examine Indian plans of developing the port and other infrastructure that enhances its connectivity with Afghanistan and Central Asia. This will be followed

by an examination of the factors that have led the Chabahar Port to assume an important position in India's strategic calculus. Finally, this brief will conclude with some of the constraints and challenges that lie ahead for India in this regard.

Chabahar: Iran's Interests & Investments

Iran has invested close to US\$ 340 million in developing and expanding the capacity of the Chabahar Port as part of its overall strategy to ensure the economic growth of its impoverished south-eastern region. The Chabahar Port currently has only a capacity to handle 2.5 million tonnes per annum, which Iran would like to increase to 12.5 million tonnes. The development of the Chabahar Port is sought to be achieved in five phases (see Table 1). The designation of about 140 square kilometres of the area adjacent to the city of Chabahar as a Free Trade Industrial Zone has increased its importance as a potential trade and transit hub in the future. About 26 percent of this Free Zone is allocated for trade and service activities, 49 percent for industry and 25 percent for tourism and residential purposes.⁴ Some of the incentives offered at the port include tax exemption for fifteen years on investments made in the area, importation of machinery and raw materials free of cost and free repatriation of capital and profits.⁵ According to Rouhollah Latifi, head of the public relations and international affairs of Chabahar Free Trade and Industrial Zone Organisation, “The zone enjoys high international status in the transit of commodities, therefore, [...] comprehensive planning can speed up transfer of goods from the zone to ECO [Economic Cooperation Organization] member states as well as other countries in the world”.⁶

Table 1: Phases of Port Development Plan

Phase	Year	Description
1	2013	Approximately 1650m of breakwater extension, Construction of two container berths (640m) and three multi-purpose berths (540m); 17 million m3 dredging to (-16m) depth; and Reclamation of 195 hectares by sediment.
2	2015	Construction of a container berth (360m)
3	2016	Construction of an oil berth
4	2016	Construction of a multi-purpose berth
5	2021	Construction of a container berth (360m)

Source: Port and Maritime Directorate of Sistan and Balochistan Province
http://pmo.ir/psso_content/media/files/2013/5/23606.pdf

From Iran's perspective, the Chabahar Port serves to facilitate Tehran's objective of emerging as the main trade and transit hub between Central Asia, South Asia and the Persian Gulf. The Chabahar Port facilitates this process as it ensures that Iran is not constrained by the Straits of Hormuz. The aim of being an important transit point is consistent with Iran's desire to be seen as a significant regional player. In order to achieve these ends, Iran has not only already taken the initiative to develop infrastructure but has also engaged with other countries to enhance its own transit potential. For instance, Iran has signed a memorandum of understanding (MoU) with Afghanistan and Tajikistan on the construction of railway lines, along with water pipeline and energy transmission lines,⁷ and is also keen to extend the Khvaf-Herat rail line to be connected with the railways of Central Asia, Turkey and

Europe.⁸ Iran has also agreed to finance the Kyrgyz portion of the Iran-Afghanistan-Tajikistan-Kyrgyzstan-China road project.⁹ It has funded the Anzob tunnel in Tajikistan, which is part of Iran's envisioned road route to Tajikistan and China via western and northern Afghanistan, and is also a part of a railroad project that will connect Uzen in Kazakhstan with Gyzylgaya, Bereket and Etrek in Turkmenistan and will terminate at Gorgan in the Iranian province of Golestan.¹⁰ Iran has also signed MoUs with Iraq and Syria to facilitate border trade and expand border terminals.¹¹ It has entered into an agreement with Oman, Qatar, Turkmenistan and Uzbekistan to establish a transport and transit corridor between these countries¹² and has agreed to transit electricity from Turkmenistan to Turkey.¹³ It is also a partner nation in the International North-South Transport Corridor (INSTC) along with Russia, India, Azerbaijan, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Ukraine, Belarus, Oman, Syria and Bulgaria. The INSTC is said to connect South and Central Asia to North Europe via Russia.

Iran's efforts to enhance the utility of the Chabahar Port by developing linkages that will connect it with Afghanistan and Central Asian Republics should also be seen in this context. In April 2013, the Iranian Ambassador to Afghanistan had said, "Afghanistan will be connected to the Central Asian states by bringing the Chabahar (Southern Iran) route to operation".¹⁴ Managing Director of Chabahar Free Zone Mostafa Malekzadeh also said that Chabahar is the most economical transit conduit linking India, Afghanistan and Central Asian states.¹⁵ Iran has already constructed the route from Chabahar to Milak on the Iran-Afghanistan border, which passes through Iranshahr and Zahedan. From Milak, this route is connected to the Zaranj-Delaram highway (see Map 2). A number of other initiatives have also been announced or are in the process of completion. These include the Chabahar-Faranj-Bam railway, the rail link between Hajjigak and Chabahar and the Chabahar-Zahedan-Mashhad rail link, which will be further extended to Herat and Mazar-e-Sharif and be finally connected with Termez in Uzbekistan.¹⁶

Map 2: Transit Route from Chabahar to Afghanistan and Central Asia



Source: Institute for Defence Studies and Analyses

India's Role

India became involved with the Chabahar Port in 2002. In January 2003, India, Iran and Afghanistan signed an MoU on the Development and Construction of Transit and Transport Infrastructure on the Chabahar-Milak-Zaranj-Delaram route. Following the visit of Iranian President Mohammed Khatami to India in January 2003, the two countries signed an MoU to invest in infrastructure, including the Chabahar Port complex and the Chabahar-Faranj-Bam railway link, in order to promote bilateral trade.¹⁷ As a follow-up to this meeting, a consortium led by Ashok Leyland Project Services (ALPS), a Hinduja Group company, inked an MoU with Ports and Shipping Organisation (PSO) of Iran to develop the Chabahar Port and the rail link in 2004.¹⁸

On the sidelines of the Non-Aligned Summit in August 2012 in Tehran, a trilateral meeting between Afghanistan, India and Iran was organised with the objective of exploring ways “to expand trade and transit cooperation, including investment among the three countries starting with the Chabahar Port”.¹⁹ The countries agreed to set up a joint working group to explore the possibilities of enhancing the potential of the Chabahar Port.

Progress on the port, however, has not matched expectations. India feels that Iran has been reluctant to expedite the work; consequently, it first brought up the need to accelerate work at the port during the 16th Indo-Iran Joint Commission meeting held in New Delhi in June 2010.²⁰ This was again reiterated by India's Foreign Secretary in the same year, who stressed the importance of accelerating the, “joint efforts to fully realise the potential of the Port as well as the associated railway project”.²¹

Iran claims that one of the reasons why work on the port had been stalled was because the port, until recently, had not been a part of the Chabahar Free Trade and Industrial Zone. The delay could also be attributed to the failure to resolve the issue of contractors since certain sections in Iran would prefer to give the task to Iranian rather than Indian contractors.²² Iran also feels that an additional reason for the delay has been the lack of initiative on the part of the Indian government, which has shown willingness to participate in the development of the port and has made enquiries accordingly but is yet to take any genuine practical step towards achieving this end. The US\$ 100 million committed by India is also seen as a very small figure in comparison to the investments already made by Iran.

In 2012, two teams of experts, constituted by Indian Ports Association, visited Chabahar to identify the scope for investment. The team claimed that 70 percent of the work in the first phase had been completed by Iran and identified three potential areas for investment in the second phase. These included the construction and operation of a multi-purpose cargo berth, construction of a container terminal and developing another bigger container terminal, which would require the most investment.²³

It was during the 17th Indo-Iran Joint Commission held in Tehran in May 2013 that India agreed to invest US\$ 100 million for the development of Chabahar. It is not presently known how this amount will be spent. India is also contemplating requesting Iran for long-term rights of 60 to 90 years for two Indian ports, JN Port and the Kandla Port, with the view to develop them in a phased manner on the basis of long-term operation, maintenance and transfer. An Iranian delegation has already met with JN Port and Kandla Port officials. The issues to be finalised include the manpower level, salary, taxation regime, electricity and fuel charges, taxes, port tariffs and support from the Iranian Government.²⁴

There is a belief in Iran that India's role should not be limited to simply developing the port since this is something that Iran is already doing and is capable of doing on its own. Instead, it wants India to facilitate the transit of goods via Chabahar by encouraging Indian companies to use the trade route via Chabahar in place of longer and more costly transit routes. Even with the small-scale investment of US\$ 100 million, Iran feels that the participation of the government in the development of the Chabahar port complex gives reassurance to private companies in India to invest in the port as well.

India has also played a major role in the development of infrastructure that improves the connectivity of the Chabahar Port (see Table 2). The 220 kilometre-long Zaranj-Delaram highway in Afghanistan is one such example, which connects with the main Kandahar-Herat highway. Iran, as mentioned above, has already constructed the road from Chabahar to the Afghan border where it meets the Zaranj-Delaram highway and from where goods can be transported to other parts of Afghanistan. India has also announced its intentions to build a 900 kilometre rail link from the Hajigak mines in Bamiyan to the Chabahar Port and is also working with Iran to build a 600 kilometre road from Chabahar to the Iranian city of Zahedan. India is also considering investing in the Chabahar-Faraj-Bam railway (see Map 2).

Table 2: Major infrastructure projects involving Chabahar Port

NAME OF PROJECT	LOCATION	CONSTRUCTION UNDERTAKEN BY	STATUS
Zaranj-Delaram Highway	Nimruz Province, Western Afghanistan. It connects Iran via the highway to the main Kandahar-Herat highway.	India	Completed. Inaugurated in 2009.
Chabahar-Irانشahr-Zahedan-Milak route	Connects Chabahar to the Afghanistan border.	Iran	Completed.
Chabahar-Zaranj-Delaram-Hajigak railways	Rail link between Hajigak mines in Central Afghanistan and Chabahar	India	Announced.
Chabahar-Faraj-Bam railway	Rail link between Chabahar and Bam.	Iran & India	Announced.
Chabahar-Zahedan-Mashhad railway	Rail link between Chabahar and Mashhad in Northeastern Iran	Iran	Incomplete. The construction started in 2010.

India's Calculus

The Afghanistan Factor

One of the factors behind India's push to develop the Chabahar Port has been access to Afghanistan. For the protection of its interests in Afghanistan, India requires a viable access to the country, and, at present, Iran provides India the most viable transit. The Indian Ambassador to Afghanistan, Amar Sinha, stated in July 2013 that India is fully committed to the development of the Chabahar Port as it represents the best option for the transit of Indian goods to Afghanistan.²⁵

Pakistan, in theory, provides a shorter and more direct route to Afghanistan. In fact, it has previously allowed the use of the Karachi Port a few times for the docking and unloading and onward journey of Indian wheat meant for Afghanistan, under UN auspices.²⁶ However, Pakistan has largely refused to provide land transit to Indian goods bound for Afghanistan through its territory. Under the Afghanistan-Pakistan Trade and Transit Agreement, Afghan trucks can carry transit cargo to Pakistani ports and to Wagah, but the same facility is not extended to Indian goods. Rawalpindi has been wary of the growing ties between Kabul and New Delhi, and is keen to restrict India's growing influence in Afghanistan. Denying transit access to India is part of this strategy. As Pakistan has refused to provide land transit to India, development of a port in Iran can serve as an alternative route to land-locked Afghanistan and Central Asia.

India is among the largest bilateral donor nations to Afghanistan and has contributed about US\$ 2.5 billion towards the reconstruction of the country since 2001. It is keen to further increase its presence in Afghanistan in the future and to enhance bilateral trade, which at present stands at roughly US\$ 700 million. Chabahar is well-suited to facilitate this process: goods brought at the port can be easily transported to the Afghan border through a series of roads constructed by the Iran government from where they are distributed to different parts of Afghanistan via the Zaranj-Delaram highway.²⁷ India is also currently negotiating a transit agreement with Iran according to which Indian goods meant for Central Asia and Afghanistan could get preferential treatment and tariff reductions at Chabahar.

Similarly, India needs to export the iron ore extracted from the Hajigak mines in Central Afghanistan, for which it needs a convenient and accessible port. As mentioned above, India already plans to facilitate this by developing a rail link from Hajigak to Chabahar. Moreover, India is keen to use its presence in Afghanistan as a base to expand its presence further north, and consequently Chabahar is seen as a potential gateway to the CARs. India's plans to extend the Zaranj-Delaram highway to connect with Uzbekistan should be seen in this context. Similarly, Iranian and Uzbek plans to develop a rail link connecting Chabahar with Termze via Zahedan, Mashhad, Herat and Mazar-e-Sharif will also serve India's purpose of gaining access to Central Asia.

The Chabahar Port serves two additional Indian objectives vis-à-vis Afghanistan. First, it serves the broader objective of integrating Afghanistan in a regional trade and transit network. New Delhi believes that increased regional cooperation will encourage all stakeholders to view Afghanistan as an avenue of cooperation rather than competition, which in turn could promote stability in Afghanistan. India has played a leading role in promoting regional integration. This is evident from its push for Afghanistan's membership into South Asian Association for Regional Cooperation, support for the New Silk Road Initiative and funding of the requisite physical infrastructure. Former Indian Foreign Secretary Nirupama Rao had said in 2010 that the Chabahar project is “at the heart of the common vision that India and Iran have for Afghanistan and the region as a whole, of increased and easier flow of goods, and creation of a network of transport routes and energy pipelines that will bind our people together in an arc of stability, prosperity and peace”.²⁸

Second, India's efforts at promoting Afghanistan's integration with the rest of the region are also motivated by its desire to reduce Pakistan's influence in the country. Afghanistan has historically been dependent on Pakistani territory for access to maritime trade from the Arabian Sea, giving Islamabad monopoly on most trade with Kabul and influence over much of Afghanistan's economic and political life. The Chabahar Port, in that sense, reduces some of Afghanistan's dependence on Pakistan as it provides an alternative access to sea. This has been acknowledged by the Afghan Ministry of Commerce and Trade as well, which claimed that trade and transit issues with Pakistan are hampering the overall health of the Afghan economy because of which Chabahar provides the best alternative for entering the Indian and Iranian markets.²⁹ Indeed, Iran and Afghanistan have already signed a pact, which allows Afghanistan to use the port for shipment and trade. Moreover, Afghan traders are also provided storage facilities for free and are further given a 30 percent discount in custom tariffs and allocation of 50 acres of land for Afghan investment in the area.³⁰ Fuel transit to Afghanistan also began in June 2013 and efforts are underway to further develop this capacity.³¹ Afghanistan has even signalled its intentions of wanting to invest in Chabahar.

The China Factor

Besides the Afghanistan factor, India's concerns about China's rising influence in the region are widely seen as driving its Chabahar plans. For instance, it was reported in the Indian media that it was China's decision to operate the Gwadar Port that finally compelled India to announce its investment of US\$ 100 million in Chabahar. It has also been claimed that India's decision to begin working on Chabahar in 2002 itself was a response to China's decision to begin working on Gwadar.³²

There is no doubt that many in India are concerned about the possibility of 'strategic encirclement' by China through its efforts to develop a series of strategically located ports in India's neighbourhood—Sri Lanka, Myanmar and Bangladesh. There is a worry that these trade-oriented ports funded or developed by China could in future be converted into permanent naval bases. Pakistan's decision to

hand over the operation of the Gwadar Port to China in February 2013, 80 percent of which was funded by Beijing itself and which is just 76 km from the Chabahar Port (see Map 3), has intensified this concern. Despite clarifications made by the Chinese that Gwadar was not meant to encircle India, India's Defence Minister A.K. Antony stated China's presence at Gwadar was “a matter of concern” for India.³³

Map 3: Chabahar Port and Gwadar Port



Source: Outlook India

Recent moves by Pakistan and China to develop a transit corridor from Kashgar in China's Xinjiang province to Gwadar add to these apprehensions.³⁴ This transit corridor will improve Pakistan's connectivity with China and Central Asia and also provide another outlet to sea for the landlocked Central Asian countries via Pakistan bypassing both Afghanistan and Iran and thereby enhancing the transit potential of Pakistan. Gwadar Port could, thus, potentially challenge India's intentions vis-à-vis Chabahar Port.

China's decision to offer 60 million Euros as credit facility to Tehran in July 2013 for the development of the Chabahar Port has also led to suggestions by Indian media that China is attempting to push India out of the Chabahar project. It was reported that the Indian Ministry of External Affairs (MEA) decided to create an inter-ministerial task force comprising the finance, external affairs, shipping and commerce ministries to expedite the process and fast-track an agreement with Iran as a response to China's offer of investment at Chabahar.³⁵

China's offer to invest in the Chabahar Port has definitely been noted by India. However, the worry that India would get pushed out of the project by China is unfounded. In fact, the MEA clarified in the Parliament that it had no plans of setting up the inter-ministerial task force.³⁶ It is important to note that unlike Gwadar, Iran would not be willing to cede operational control of a strategically important port such as Chabahar to any other country. Thus, the possibility of any external power—whether India or China—having exclusive control over Chabahar is virtually non-existent. India should be open to the idea of Iran engaging with other countries on Chabahar as well and seeking funding from other sources, especially as India's offer of US\$ 100 million is not sufficient to develop the port to its

optimum level. In fact, as India itself is keen for the port to be upgraded in a timely manner, China's offer to invest in Chabahar is in India's interest as well.

Moreover, China and Iran share strong strategic, political and economic relations, and thus, China's interest in Chabahar should not be seen exclusively in the context of any China-India competition. China views stronger ties with Iran as an important measure to balance the American influence in the Persian Gulf and a regular source of energy, important to fuel its economic development. China's attempts to strengthen ties with Iran have played a major role in reducing the impact of the sanctions imposed on Iran.³⁷ It is for this reason that China has become extremely critical for Iran in its efforts to escape the political and economic pressures of the sanctions.

China is also Iran's largest trading partner and the total volume of trade in 2012 was estimated to be around US\$ 37 billion. It has been a major investor in Iran's energy and non-energy sectors. According to the Heritage Foundation's "China Global Investment Tracker", the total Chinese investment in Iran since 2005 has been US\$ 18.5 billion, of which US\$ 13.9 billion has been spent in the energy sector. China has signed agreements to develop Iran's Yadavaran oil field, phase 11 of the South Pars gas field, the Masjed-i-Suleiman oil project, and the North and South Azadegan oil fields. China has also invested considerably in the development of Iran's infrastructure, particularly railroads, dams and the metro system in Tehran and Mashhad.

Thus, the linkage between Chinese presence at Gwadar and its engagement with Iran on the one hand and India's decision to step up its engagement at Chabahar on the other may be overstated. As explained above, India wants to improve its connectivity with Afghanistan as it seeks to protect its interests there, and this will remain unchanged irrespective of China's intentions vis-a-vis Gwadar and Chabahar. India's policy towards Chabahar has an autonomous logic of its own.

International Sanctions

The sanctions imposed on Iran by the international community, particularly the US, have also forced India to work out new mechanisms to pay for its imports from Iran. According to the latest round of US-sponsored sanctions, institutions that conduct financial transactions for Iranian oil and petroleum products will be sanctioned. The US hopes that such measures will discourage countries from importing oil from Iran, the Islamic Republic's main source of revenue. Oil sanctions are thus viewed by the US as an effective tool to cripple the Iranian economy, which may compel it to give up its nuclear programme in exchange for the relaxing of sanctions.

Given the new sanction regime and the difficulties in facilitating financial transactions for Iranian oil, India and Iran have worked out an arrangement by which Indian oil companies importing oil from Iran deposit the payments into rupee accounts in UCO Bank. These funds are then used by Iran to

purchase agricultural products and medicines from India. A total of US\$ 4.5 billion is expected to be transacted through the rupee account.³⁸ In order to facilitate this process, the Indian government has exempted Indian importers from paying withholding tax of up to 40 percent on the purchase of Iranian crude oil. This not only makes the purchase of oil cheaper, but also paves the way for oil transactions in rupees.³⁹

However, India's total imports from Iran are around US\$ 10-11 billion in comparison to its exports worth US\$ 3-4 billion. India therefore still needs to work out mechanisms to settle deficits in the trade bill. Investments in projects in Iran, like the Chabahar Port, may be one such mechanism that India could be considering given that such investments are not targeted by the sanction regime.

Prospects

Although India may have found a way around the US sanctions in order to continue its engagement with Iran, Tehran's standoff with the international community over its nuclear programme does pose a problem for India. It compels India to balance the benefits from relations with Iran against the costs of engaging with it.

This is already noticeable in India's efforts to reduce its oil imports from Iran in order to secure waivers from the US sanctions. Table 3 clearly shows a decline in India's oil imports from Iran from 2010 onwards, even though the overall volume of oil imported by India continued to increase. The volume of oil imported in 2013 so far has decreased further.⁴⁰ Such sanctions have also discouraged some Indian companies from investing in Iran as they fear that this could damage their business interests in western countries.⁴¹

Table 3: Phases of Port Development Plan

Year	Total Volume Imported (in million tonnes)	Total Volume imported from Iran (in million tonnes)
2012-13	185.533	13.242
2011-12	165.711	14.980
2010-11	153.628	16.083
2009-10	153.119	22.085
2008-09	130.042	21.589
2007-08	115.335	19.049
2006-07	106.828	16.501

Source: Ministry of Commerce and Industry, Government of India

India and the US also view the potential of Iran vis-à-vis Afghanistan differently. While India sees Iran as a potential collaborator in Afghanistan, the US is wary of Iran's role in the country. However, some changes in the US position have been discernible in the recent past. The US has, for instance, publicly voiced its support for closer India-Iran cooperation on Afghanistan and the development of the Chabahar Port. Following the trilateral summit held in August 2012, the US issued a statement hoping that the meeting would help increase regional trade and commerce. The State Department

spokesperson, Victoria Nuland said, “These three countries are neighbours. They have to get along. We are obviously interested in increased trade and commerce back and forth there. So anything that ameliorates that situation is something that we would support”.⁴² However, if the nuclear standoff between Iran and the US were to intensify in the future to the extent that it affects investments in the non-energy sector as well, it could increase the pressure on India to further balance its interests.

An equally, if not more, daunting challenge is the deteriorating security situation in the region. Chabahar is located in the volatile Sistan-Balochistan province, where a Sunni Baloch insurgency poses a threat to the Iranian regime. Indian officials believe that Iranian reluctance to move faster on Chabahar may be linked to its anxiety about the troubled Sistan-Balochistan region and the stimulus that external influences brought to the region by a thriving port could provide to this insurgency.⁴³ A number of attacks have been carried out by extremist groups in Chabahar in recent times. Harakat Ansar Iran (HAI), which claimed responsibility for attacks carried out on the Chabahar Port in July 2013, declared the attacks were meant to harm Iran's economic interests.⁴⁴ Although the insurgency has been contained after the execution of Abdolmalek Rigi in 2010, the leader of the insurgent group Jundullah, the prospects of the insurgency resurfacing again cannot be ruled out, raising the spectre of the port becoming the target of renewed militant activities.

The prevailing insecurity in the region, especially Afghanistan, could also undermine the potential of Chabahar from developing as a viable transit to Afghanistan and Central Asia. For instance, reports in 2011 suggested that the Zaranj-Delaram highway had come under the control of Taliban insurgents. In September 2013, the Afghanistan Chamber of Commerce and Industries also expressed concerns about the security on the Zaranj-Delaram and Kabul-Kandahar highways, claiming that the deteriorating security situation and the unabated activities of insurgents and illegal armed groups were hampering the commercial transport between Chabahar Port and Afghanistan's major cities.⁴⁵

It is possible that post-2014 the Taliban may be successful in extending their sway over larger parts of the country. The possibility of a civil war in Afghanistan remains a real worry. In such a scenario the potential of Afghanistan emerging as a transit hub seems extremely bleak. Looming uncertainties have also derailed the work of countries like India in Afghanistan. India has not started any large-scale project in Afghanistan for the past few years, with the emphasis being shifted to small community development projects that require minimum Indian presence. Media reports indicate India is scaling down its manpower and monetary contributions to Afghanistan.⁴⁶ The deteriorating security environment in the region could possibly derail the completion of the physical infrastructure required to connect India with Central Asia via Chabahar and Afghanistan.

Despite these obstacles, the development of the Chabahar Port continues to be an important part of India's policy towards Afghanistan and Central Asia. For India to ensure that it can protect and expand its presence in the region in the future, the expansion of the port to its full potential is extremely

important. Thus, it cannot, regardless of the obstacles, afford to scale down its contributions towards the development of the port or further delay the process. The development and expansion of the port is in Iranian interests as well, especially in light of the international sanctions imposed on it and the fact that Tehran seeks to play a bigger regional role. It is important for the two countries to work together and finalise finer details regarding the project in order to expedite its completion.

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