

Chah Bahar: Tentative Indian Step Towards Regional Presence

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Background

The Indian Government reiterated its commitment of developing the Chah Bahar port in the Iranian province of Sistan- Baluchistan by extending a credit of \$100 Million in June 2013. The Indian move once again brought into focus the complex intricacies of two regional powers, India and China and their quest for greater regional presence. The development of the port gives India a direct route to Afghanistan and Central Asian Republics (CARs) bypassing Pakistan and most importantly, a strategic and economic toe hold in the region. The development of Chah Bahar also gives an economic lifeline to Afghanistan by providing much needed alternate route to the Indian Ocean.

The development of Chah Bahar port started in 1970s with US assistance as the Shah of Iran wanted to make it the biggest military base in the Middle East. Also, as Chah Bahar is located at the confluence of Indian Ocean and the Oman Sea, it provided an ideal location for the US Navy to dominate the Indian Ocean as well as closely monitor the shipping movement. The Iranian revolution led to US ouster and Chah Bahar lost its military prominence as the development of the port was put on a hold in 1984. The discovery of vast quantities of hydrocarbon reserves in CARs and a search for shorter routes for carriage of oil and natural gas to the Indian Ocean ports led to revival of Chah Bahar in 2002 with India's assistance. The project has been slow in development due to US sanctions,

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Kazakhstan and Uzbekistan hold almost 300 trillion cubic feet of natural gas and upto 200 billion metric tonnes of oil reserves, it is in India's interest that stable relations are developed for optimal exploitation of their energy resources. The Indian Connect Central Asian Policy hinges on economic and security considerations. India is keen to exploit the vast energy reserves for its rapidly developing economic base. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline and Iran-Pakistan-Indian (IPI) pipeline projects are being delayed due to various reasons and the development of Chah Bahar provides India a shorter and economically viable route for faster delivery of crude oil to Gujarat refineries. India also has a significant military assistance programme with CARs as large inventory of Indian military equipment is of soviet origin. India's small military presence in these republics is an indication of its long term plans to have stronger political and military ties. A stable relationship will provide India the platform to have a mutually benefitting economic partnership.

uncertainty and chill in Indo-Iran relations and slow pace of development of connecting infrastructure network.

Partnerships with CARs

The opening up of Indian economy in 1990s led to a decade of high growth and generated a heavy demand for energy resources. As India imports almost 70 per cent of its crude oil requirements, alternate sources were required to offset any drop in production by OPEC nations. India is poised to become the third largest economy by 2030 and its energy requirements will increase four times the present consumption levels. As Turkmenistan,

Afghanistan Angle

Long considered as Pakistan's backyard and strategic depth against India, Afghanistan is today recipient of more than \$2 billion aid from India. The Indian contribution has been in a wide array of fields ranging from military assistance, investment in transportation infrastructure and foray of Indian firms into the mineral rich province of Hajigak. The military assistance is in training of Afghan National Army, running of hospital in Northern Afghanistan and construction of Zeranj-Delaram Highway by Border Roads Organisation (BRO.) The highway

links to Chah Bahar via Zahedan and Iranshahr in Iran. It also links with Heart and Kandahar via the AI highway within Afghanistan, providing new markets for Indian goods. The highway also gives access to the CARs through the lateral connected roads, which is of greatest importance to India for trade and transportation of oil and natural gas. India has already signed a tri-lateral agreement with Iran and Afghanistan for reduced tariffs and preferential treatment to Indian goods being exported through Chah Bahar. A project to develop four iron ore mines, construction of a steel and power plant by a consortium led by SAIL is in the final stages of finalisation. The \$11 billion project will be the single largest investment in Afghanistan. With Indian plans to construct a 900 km long railway link from Hajigak and linking it to Zahedan, a dedicated energy corridor will be available for Indian requirements upto Chah Bahar.

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India Iran Cooperation

India's major initiative as part of India Iran cooperation has been active assistance in construction of North South energy corridor with revival of Chah Bahar port in 2002. The recent investment of \$100 million will be managed by a joint development group of Jawaharlal Nehru port and Kandla port. Out of the existing four jetties, two jetties will be handed over to India on operations and management basis for next 60 years. Plans are in place to construct two additional berthing places. The linking of Zehadan in Iran to Indian built Zeranj-Delaram highway has provided Iran an access route in Afghanistan and CARs. The rail link with Hajigak at a later stage will further boost Iran's economy. Iran has significant links with Tajiks and Shia Hazaras and it maintains close ties with the Karzai government. The withdrawal of US forces in 2014 can lead to greater influence of Tehran, which will be beneficial to Indian interests.

Strategic Toehold

China has developed Gwader on Pakistan's Makran coast around 500 kms west of Karachi. Being operated by Chinese state owned Chinese Overseas Port Holdings, Gwader accords China an important port facility in Indian Ocean. Though China has presently refused Pakistan's offer to build a naval base at Gwader, a

future Chinese naval presence in close proximity of India cannot be ruled out. The development of Chah Bahar by India negates that edge of a close Chinese presence as Chah Bahar is located only 70 nautical miles to the east of Gwader. The location of Chah Bahar just outside the Strait of Hormuz gives India a unique location and an added advantage of monitoring all the commercial shipping traffic as over 70 per cent of world's oil passes through this region. Chah Bahar provides India with a dedicated commercial link to Afghanistan and CAR for its economic activities. It also accords India a presence in Pakistan's proximity. The Indian naval vessels can utilise it as a transit point when required.

Advantage India

- Massive investment in Afghanistan in mining and power sectors along with construction of road and rail network provides India a dedicated corridor for fulfilling its ever increasing energy requirements bypassing Pakistan. It also increases its influence in Kabul as it reduces Afghanistan's dependence on Karachi by providing an alternative with Chah Bahar. This is likely to have an adverse impact on the revenues of Karachi port, an offshoot benefit of Indian investment in Chah Bahar.
- India can effectively neutralise the Chinese presence in Gwader by its operations in Chah Bahar. Though Gwader is presently a commercial port under the Chinese control, its use as a naval base in future is feasible. India can use Chah Bahar as an interim arrangement for placing its naval ships to guard its commercial shipping assets due to a perceived military threat from China or Pakistan.
- Development of Chah Bahar will provide CARs a shorter route for exporting its huge reserves of oil and natural gas. India can use the port and linked transport network to exploit another market in CARs for its goods. The economic benefits will strengthen its relations with CARs and provide India a permanent presence in Pakistan's backyard.

Challenges

- Though India has made substantive investment in Afghanistan, an unstable country with Taliban or Haqqani network elements in power post 2014 is not likely to be supportive of Indian investment and will endanger Indian interests.
- Chah Bahar is located in the volatile Sistan-Baluchistan region with anti regime Jundallah terrorist group fighting for rights of Sunni muslims and

carrying out its terrorist activities against the state. An unstable region will impact development of Chah Bahar port and movement of goods in the region.

- Uncertainty in Indo-Iran relations can derail the entire project. Both the nations do not have an all weather relationship like China and Pakistan. Iran has been vary of India when it voted against Iran in IAEA. Also, the project is already delayed by over ten years due to lack of clarity on long term gains by Indian policy makers. A clear laid down policy directive is required for a sustained initiative by India to successfully exploit the accruing benefits in terms of trade and strategic military gains.

Conclusion

India's strategic partnership efforts with Iran for a long term commitment and a favourable government in Afghanistan can give a much needed boost to Indian economy in the coming years. The development of Chah Bahar will provide economic benefits to Iran, Afghanistan and CARs and these benefits may outweigh the regional tensions and suspicions. As Chah Bahar has access to an existing road network to Afghanistan and CARs, its importance as a regional transportation hub is likely to be much greater than Gwader which has negligible infrastructure. An alternate port of exit will reduce Pakistan's leverage over Afghanistan and prove to be an important strategic gain for Indian requirements. Most significantly, Chah Bahar will provide India a much needed presence in proximity of Pakistan and act as a counter to Chinese activities in Gwader.

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