

# Breakthrough on the Gulf of Oman: Big Step To Link Asia and Europe

by Ramtanu Maitra

May 28—On May 23, the Prime Minister of India and the Presidents of Afghanistan and Iran signed a trilateral agreement in Tehran, to develop Chabahar Port on the Gulf of Oman, in the southeastern Iranian province of Sistan-Balochistan. The agreement has been labeled “historic” and a “milestone.” Subsequently, Iranian President Dr. Hassan Rouhani welcomed the agreement, saying,

[T]his is a very important day for Iranians, and from now on it is going to be even more important, because today is going to mark the day of cooperation between three of us, Iran, India, and Afghanistan, and from now on this day can be called the day of Chabahar. Of course the symbol of such cooperation *is* Chabahar, and ‘Bahar’ means spring, and it is a spring for the three of us.

But it is not only a “spring” for the three countries that signed the agreement. The project opens up a vast potential to make Central Asia a hub of development.

There is also no doubt that what Dr. Rouhani said on that occasion is at the heart of this agreement. The development of Chabahar Port and its free-trade zone, along with a 500 kilometer rail link between Chabahar and Zahedan, an Iranian city close to its borders with Pakistan and Afghanistan, has the potential to benefit all three countries immensely. A highway linking Zahedan and Zaranj, a town in Afghanistan’s Nimruz province, already exists.

These projects, when completed, will provide Iran an opportunity to develop its sparsely populated and underdeveloped Sistan-Baluchistan province to grow and prosper, enable industrial development in the free-trade zone, and ease pressures on Iran’s already crowded Bandar Abbas (Port Abbas) on the Strait of

Hormuz, about 700 kilometers west of Chabahar. They will also strengthen Iran’s trade and economic cooperation with India and Afghanistan in the coming years. In essence, Iran’s long-term plans ensure that Chabahar Port will become a transit hub for immediate access to markets in the northern region of the Indian Ocean and in Central Asia.

From India’s point of view also, the agreement is “historic.” India has never before agreed to invest in such large-scale infrastructure development beyond its own borders. Chabahar Port will help India bypass Pakistan and open up a route to landlocked Afghanistan with which New Delhi has close security ties and shared economic interests. Moreover, it will allow India to trade effectively with all of Central Asia by sea and



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land. Pakistan has not allowed India access to Afghanistan or Central Asia through its territory.

The development of Chabahar Port will also cut transportation time and costs between Iran and India's western ports by almost a third. Moreover, the access to Chabahar Port, and Zahedan and Zaranj further north, will allow India to reach four major Afghan cities—Kabul, Kandahar, Herat, and Mazar-e-Sharif—that are linked by Afghanistan's Garland Highway. India had already built the 220 kilometer Zaranj-Delaram highway within Afghanistan, known as Route 606, in 2009, which connects with the Garland Highway at Delaram.

For Afghanistan, this development could be a life saver. Over the last four decades, Afghanistan has been battered by foreign invasions that created armed insurgents—now organized as the Taliban—and made Afghanistan the prime center of world opium and heroin production. This process not only made the country highly insecure, but allowed a pall of hopelessness to set in. Recent reports indicate that thousands of Afghan youths are leaving the country, at a time when the presence of foreign armies in the country is bringing in more terrorists and jihadis from abroad, threatening a state of perpetual instability.

The Chabahar Port development will provide Kabul the opportunity to interact with the growth centers of Asia, and will also enable Indian Ocean countries, and even East Asian countries, to invest in Afghanistan and start the process of its stabilization. Iran's and India's hands-on involvement, via the transport corridor facilitated by the port development, could usher in the hope of Afghanistan becoming a mining and industrial nation in the decades ahead, instead of remaining the victim of London's geopolitical intrigues.

### **Putting Iran's Natural Gas to Work**

The May 23 agreement—signed by Iran's President Dr. Hassan Rouhani, Indian Prime Minister Narendra Modi, and Afghanistan's President Ashraf Ghani—is extensive. But at the center is the development of Chabahar Port, the starting point. "The bilateral agreement to develop the Chabahar Port and related infrastructure, and the availability of about \$500 million from India for this purpose, is an important milestone," Modi said in addressing the media jointly with Rouhani on May 23, India's PTI reported.

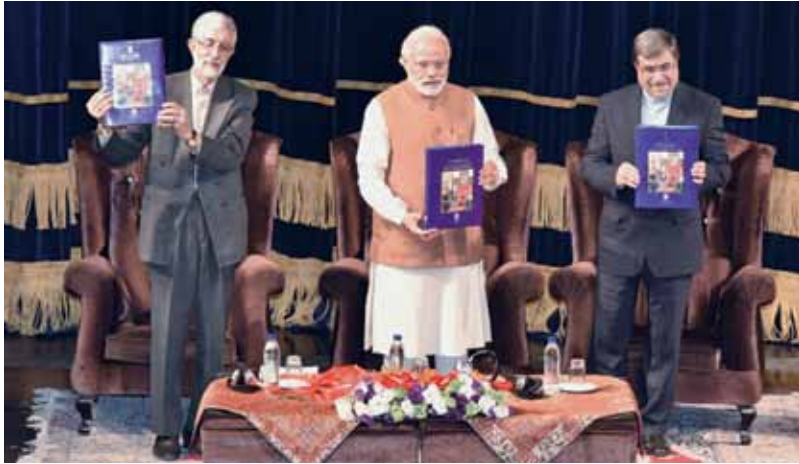
Beyond the port itself, India's Road Transport, Highways and Shipping Minister Nitin Gadkari, who accom-

panied Modi on this occasion, told PTI that "over Rs 1 trillion [about \$16 billion] investment can happen in the Chabahar free trade zone." Iran, Gadkari said, has cheap natural gas and power, which Indian firms are keen to tap to build a half-million ton aluminum smelter and urea manufacturing units for nitrogen fertilizer. "We spend Rs 450 billion [about \$7 billion] annually on a urea subsidy, and if we can manufacture it in the Chabahar free trade zone and move it through the port to Kandla [on the Indian coastal state of Gujarat] and onward to the hinterland, we can save that amount," he said. The Indian minister added that Indian aluminum manufacturer Nalco will set up the smelter, while private and cooperative fertilizer firms are keen to build urea plants. The railway public sector unit IRCON will build a rail line from Chabahar to move goods up to Afghanistan, Gadkari said. He said that India Ports Global Pvt, a joint venture of the Jawaharlal Nehru Port Trust and the Kandla Port Trust, will invest \$85 million to develop two 640 meter container berths and three multi-cargo berths.

### **More than Commerce**

While these major projects—to which Prime Minister Modi has committed for early implementation—will boost economic growth in the region, the closer cooperation among Iran, India, and Afghanistan will also link major countries across the Eurasian landmass. Re-establishing the direct links that were disrupted by the colonial British Raj and further weakened later by the Cold War geopolitics of the West, will allow the dormant cultural interactions between eastern parts of Asia and Central Asia to flourish once again. Referring to historical ties between India and Iran at a conference titled, "India and Iran, Two Great Civilizations: Retrospect and Prospects," on May 23 in Tehran, Modi said, "in the world of today, political pundits talk of strategic convergence. But India and Iran are two civilizations that celebrate the meeting of our great cultures. India and Iran have always been partners and friends. Our historical ties may have seen their share of ups and downs. But throughout, our partnership has remained a source of boundless strength for both of us," PTI reported from Tehran.

Prior to the conference, Prime Minister Modi released a facsimile edition of a rare Persian manuscript of the *Kalileh-wa-Dimneh*, a translation of the *Panchatantra* and the *Jataka* tales, to highlight the centuries-old close cultural ties between India and Iran. He said,



narendramodi.in

Indian Prime Minister Narendra Modi presents the facsimile edition of the *Kalileh-wa-Dimneh* at the conference on “India and Iran, Two Great Civilizations,” May 23 in Tehran.

It is remarkable how the simple stories of the Indian classics of *Jataka* and *Panchatantra* became the Persian *Kalileh-wa-Dimneh*. It is a classic example of exchange and travel of cultural ideas between two societies—a beautiful demonstration of how our two cultures and countries think alike.

He called it “a true depiction of the wisdom of our ancient civilizations.”

The *Jataka* tales, dated between 300 BC and 400 AD, form a part of the canon of sacred Buddhist literature. This collection of some 550 anecdotes and fables depicts earlier incarnations of the future Buddha, Siddhartha Gautama. Buddha is considered by the Hindus—and was acknowledged by Siddhartha himself—to be an incarnation of the Indian God Vishnu. Many of the *Jataka* tales are set in or near Varanasi, a sacred city of the Hindus located in north central India on the Ganges, in the political constituency of Prime Minister Modi.

*Kalileh-wa-Dimneh* was first written in Pahlavi, the Persian language of the Sassanid era (224-651 AD). The first five chapters are from the Sanskrit book, *Panchatantra*, which provides *hitopadesh* (Sanskrit for “good advice”) to a king, through the mouths of animals. Scholars point out that when, in the Sixth Century, the Sassanid King Khosru Nushrivan learned that there was a Sanskrit book that advises kings, he sent a Sanskrit-Persian scholar to India to obtain a copy and

translate it. Later, in the Eighth Century, Ibn al-Mokaffa translated it into Arabic, and it is considered a classic of Arabic literature. In many Arab countries, textbooks carry these tales.

Responding to Modi’s highlighting of the India-Iran traditional and cultural relationship in the past, President Rouhani said India’s relationship with Iran today starts with Chabahar, “but its end will be an all-out comprehensive development, and economic and cultural cooperation.”

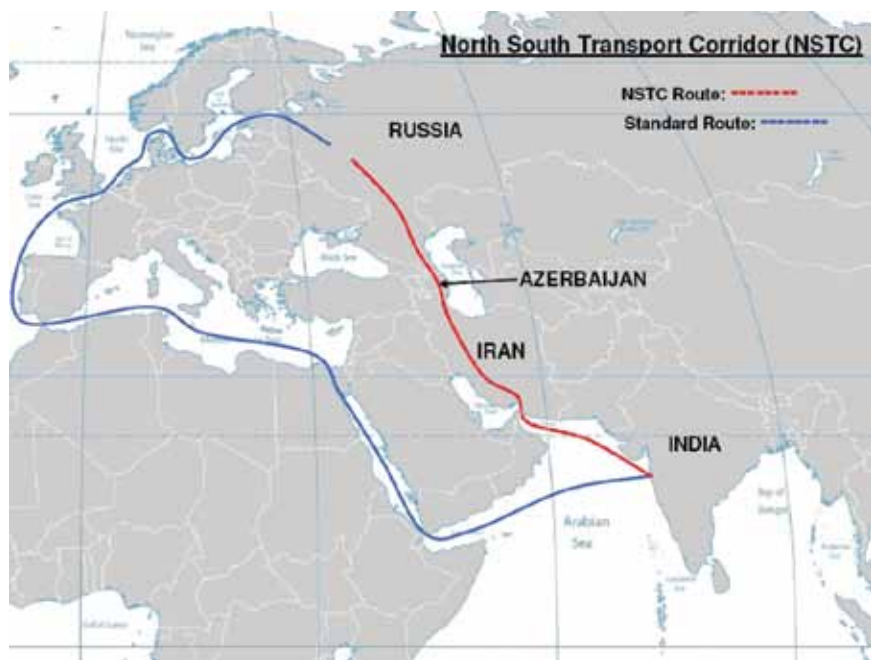
## The Wider Regional Connectivity

The development of Chabahar Port and the linking of Chabahar to Zahedan will put in place an eastern leg of the International North South Transport Corridor (INSTC). This eastern leg will link Iran and Afghanistan to South Asia, Southeast Asia, East Asia, and China by land and sea. The western or main leg of the INSTC—a multi-modal transportation route officially agreed upon in the year 2000 by Iran, Russia, and India at a meeting in St. Petersburg—is designed to link South Asia and some ports of Southeast Asian nations, to Europe and Central Asia via the Indian Ocean, the Persian Gulf, and the Caspian region. It runs through Iran and Azerbaijan, and then through the Russian Federation to northern Europe.

Connecting this eastern leg with the main INSTC, however, will require an adequate link from Zahedan to Tehran. Iran’s work on this route is still in its early stages.

The main INSTC route itself is not quite complete, because one section of railroad is still being built. However, a dry run of this route was successfully conducted by the Federation of Freight Forwarders of India in 2014. One benefit of this trial run was that it established the extent of the large savings of this route when compared to the Suez Canal-Mediterranean route to Europe (see map, next page).

As of now, the Asian trade travelling via the main INSTC unloads at Bandar Abbas and then goes by rail to Tehran and Qazvin, thence by road to Bandar Anzali (Port Anzali) to be loaded onto a ship crossing the Caspian Sea from south to north. It arrives at Astrakhan in the Russian Federation, where it is unloaded and re-



From South Asia to Europe: the International North-South Transport Corridor (red) and the old route (blue).  
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loaded to travel by rail to northern Europe. That is how the route operates now.

But within three years, there will be a major improvement in efficiency. Iran is building a railroad from Qazvin to Rasht through a mountain pass, to bring the route to the southwestern corner of the Caspian Sea, and will then extend it along the western shore of the Caspian to Astara, bordering Azerbaijan. From Astara, cargo will travel on the existing Azerbaijan-Russian Federation railroad through Baku (Azerbaijan).

The INSTC enables a south-north transport corridor through which countries on the Indian Ocean littoral can trade through Iran into Europe, and also into Central Asia via Afghanistan. At the same time, another connection is developing that will link China to Central Asia and beyond toward Europe, through the Caspian Sea. One could call this an east-west transport corridor. [Seray Özkan of the Hazar Strategic Institute reported, Aug. 27, 2015:](#)

On August 3, 2015, the first cargo [test] train from China arrived at Baku International Sea Trade Port (Port of Baku) in Azerbaijan. It was the first successful attempt to launch a cargo train from China to the Caspian Region through the Caspian Sea. There have been efforts to utilize this route; especially the Trans-Caspian Coordi-

nation Committee has pushed all parties to provide a competitive route from Asia to Europe through an efficient cooperation. ...

The train departed from the northwest of China, from Shihezi city in the Xinjiang Uyghur Autonomous Region, on July 28, and arrived at Alat Port (Baku) in six days. The train, which consists of 82 containers and 41 platforms, traveled 4000 km and stopped in Aktau Port in Kazakhstan. Multi-modal transport is the key point here, which links Aktau with the Port of Baku through rail ferries. Although it requires time to transport trains via rail ferries, the Trans Caspian route shortens the time and distance between China and Europe.

The Institute, based in Istanbul, is devoted to the Caspian region.



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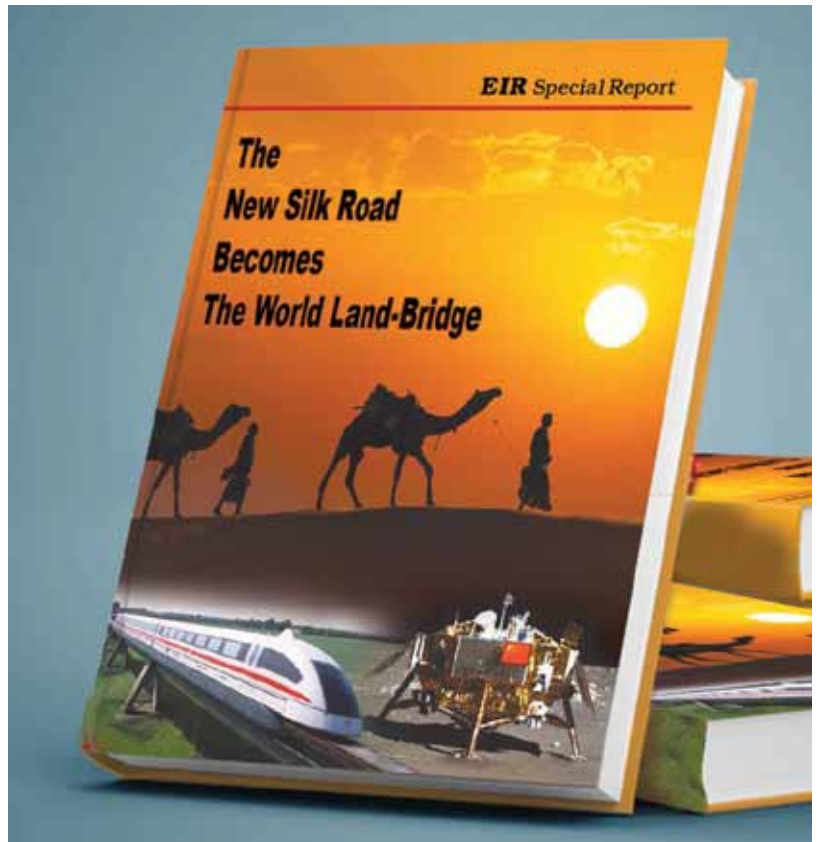
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