

Chabahar Port, allowing India to bypass Pakistan on trade route to Afghanistan, inaugurated in Iran

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Tehran: Iranian President Hassan Rouhani on Sunday inaugurated a newly built extension to the country's main Arabian Sea outlet, the strategic Chabahar Port on the Gulf of Oman, which more than triples its capacity and poses a challenge for a port under construction in neighbouring Pakistan.

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Iranian state TV said the inauguration was attended by dignitaries from India, Qatar, Afghanistan, Pakistan and other countries.

The USD 340 million project was constructed by a Revolutionary Guard-affiliated company, Khatam al-Anbia, the largest Iranian contractor of government construction projects.

It involved several subcontractors, including a state-run Indian company, and brings the capacity of the port to 8.5 million tonnes of cargo annually, from the previous 2.5 million tonnes.

The extension includes five new piers, two of them for containers allowing cargo vessels with up to 100,000-tonne captaincy to dock.

It is also expected to make Chabahar, Iran's closest sea link to the Indian Ocean, a rival to Gwadar Port, some 80 kilometers away across the border in Pakistan, which Pakistan has been building with Chinese investment.

Rouhani, however, downplayed the rivalry in his inauguration speech and said the port will bring "more engagement and unity" among regional countries.

"We should go after positive competition," he said. "We welcome other ports in the region, we welcome Gwadar's development."

He said Iran also plans to link the port to the country's railroad network to facilitate transit of goods to neighboring landlocked Central Asian countries, as well as open a route to eastern and northern Europe through Russia.

For India, the investment in Chabahar was important since the port will bolster a trade route for land-locked Central Asian countries that would bypass rival Pakistan.

Last year, India committed up to USD 500 million for the development of the Chabahar port along with associated roads and rail lines.

And last month, New Delhi shipped its first cargo of wheat to Afghanistan through the Iranian port, part of 130,000 tons that India plans to export to Afghanistan.

Chabahar also has an international airport and Iran's Navy and Air Force have bases in the city, adding to the ports value.

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