



China and Chabahar; Opportunities and Challenges of the Cooperation of Iran and China in the Indian Ocean

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Abstract

China has invested in the Gwadar port in Pakistan to create an economic corridor with the aim of connecting China to Central Asia through the Indian Ocean. This program is part of the Belt and Road Initiative (BRI), including several roads, sea routes, and corridors. On the other hand, India, a regional rival to China, is keen to invest in the port of Chabahar in the I.R. Iran to create the International North-South corridor, which can connect India to Central Asia, the Middle East, Russia, and Northern Europe through the Indian Ocean. According to these significant facts, two critical questions will be discussed in the present study: the first question investigates whether Indo-Chinese competition makes Chabahar and Gwadar rival ports, and the second question examines whether it would be possible for China to investigate in Chabahar as an alternative corridor. To address these questions, the present study hypothesizes that Chabahar can be an international port, fulfilling the interests of all parties, including China. This study is a qualitative research, based on the International Order theory by Hadley Bull, using the SWOT analysis in order to address the strength, weaknesses, opportunities and challenges of Iran-China bilateral relations in Chabahar for both sides. For collecting the data, existing documents and articles, as well as in-depth interviews have been used. Results indicate that the Chabahar port, as one of the main gateways to the Iranian transit corridors, could be a common point of Interest for Iran, India and China to create a regional order, based on cooperation in transit.

Keywords: Belt and Road Initiative (BRI), Chabahar, China, Corridor, Economy, India, Indian Ocean, International North-South Transit Corridor (INSTC), Iran, Pakistan, Trade

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1. Introduction

Chabahar is the only oceanic port of Iran and the only port with access to the open waters (Sayareh & Mehtarkalateh, 2016). India is keen to invest in Chabahar to gain access to the Middle East, Central Asia, and Europe (Mitra, 2019; Amirthan, 2017; Singh Roy, 2012), and this port is one of the main gates of the International North-South Transport Corridor (Srivastava, 2017). On the other hand, China, India's leading economic and trade competitor, has invested in the Gwadar port in Pakistan to create access for its Belt and Road initiative project (Yousaf, 2013; Malik, 2012). This has created concerns in Pakistan and Iran that these two ports may become rival ports and Iran may become a trade battlefield for China and India. However, China has shown some interest in investing in Iran and making Iran, part of its Belt and Road Initiative (BRI) program, as this cooperation has been mentioned in Iran and China's 25 years cooperation agreement (The Iranian Foreign Ministry, 1399 [2021]). The International North-South transport Corridor is a 7200 km long route, including sea routes, railways, and road network that can connect Mumbai in India to Helsinki in Finland. This route is approximately 40% shorter in terms of distance and time, and costs 30% less; India will therefore be able to save approximately 20% on shipping costs to CIS countries in Central Asia. This transit network will provide countries along the route an alternative way to the Suez Canal (Mirgholami, 2021). The corridor could theoretically reduce the current sea route via the Suez Canal from 16,000 km to 7,200 km and reduce travel time between South Asia and northern Europe from 60 to 30 days, significantly reducing shipping costs. The new corridor will be on a continental level and can be considered as an alternative, and thus a challenge, for the Suez Canal. The Indo-Europe trade has been done through this artificial waterway since

the opening of the Suez Canal in 1860, but the North-South corridor can make freights to move faster and cheaper in global trade between Asia and Europe, which explains the reason for which this corridor has been designed (Kumar, 2021). The canal, connecting the Red and Mediterranean Seas through Egypt, is a crucial gateway to world trade and is currently the main sea route between Asia and Europe due to its unique geographical location (Mirgholami, 2021). Instability and insecurity in the Middle East and the insecurity of sea routes, which are mostly results of the Arab Spring, have showed to the world, significance of the replacing the Suez Canal with the North-South corridor (Kumar, 2021).

India and China, the two leading powers in South Asia, are trying to outdo each other in competition with rapid changes in geo-economics developments. The emerging North-South corridor competes with the China-Supported Belt Road initiative (BRI), and it is a multinational corridor, which involves 68 countries in Europe, Asia, and Africa (Panda, 2021). By developing the North-South International Transport Corridor with significant trade and energy dimensions, India is willing to find new allies to bypass Pakistan (Kumar, 2021). It is noteworthy to indicate that by investing in the port of Pakistan Gwadar, China is able to limit India's sphere of influence in Pakistan. As China is redesigning its strategy to increase influence over India's neighbors, India is seeking long-term investment in the Chabahar Free Zone to retaliate against the Chinese investment in Pakistan's Gwadar port, using South Asia's transit potential (Veicy, 2021). India has plans to invest in the development of the Chabahar port in Iran, which is located across the Pakistan-Baluchistan border, as a response to China's interest in the port of Gwadar (Mirgholami, 2021). The

ports of Gwadar and Chabahar are both crucial for New Delhi and Beijing's trade plans, and Chabahar is a key part of India's ambitious North-South International Transport Corridor project (Veicy, 2021).

1. 1. The Strategic Importance of Chabahar

Chabahar is Iran's only oceanic port with access to the open waters, which is located about 1,000 km from the port of Candela and 1,400 km from Mumbai and Central Asia. India has planned to invest about 500 million dollars in the Chabahar development project, which has doubled, compared to the previous year (Ali, 2021). This Growth illustrates India's commitment to the region's development and New Delhi's new strategy to increase its influence over the West and Central Asia, and find new routes toward Europe (Ahmed, 2021). India's hopes for more tremendous advantages over its main rival, China, in the Indian Ocean and Central Asia have made Chabahar the most suitable gateway to Europe (Taghizadeh & Bagherian, 1400 [2021 A.D.]). Currently India has invested about 70 million dollars in this project (Rastad, 2021). The Chabahar port will help India to find a new 11.9 billion-dollars trade market in Central Asia, as well as a significant source to import minerals, metals, oil, and gas. Iran's plan to develop its railway by connecting Chabahar to Zahedan and Zahedan to Zaranj in Afghanistan, will help India to obtain access to Afghanistan Central Asian countries through the Chabahar port. What is significantly important to New Delhi, is a comprehensive plan to extend India's geopolitics to northwestern Eurasia (Malik, 2021). The Chabahar port is designed to bypass Pakistan, and India is in a new position to use closer ties with Iran and Afghanistan as leverage against the Chinese political and economic influence

through Pakistan (Singh, 2021). In conclusion, the Chabahar port can be a balance in regulating political-security relations between India and Pakistan (Panda, 2021).

1. 2. Sino-Indian Competition on Chabahar

The construction of a port project in the city of Chabahar in Iran, as a potential global trade center and an arena for geopolitical rivalries, has attracted the attention of powers, such as China and India (Malik, 2021). India and Iran have signed agreements to develop the Chabahar port mutually, and India had plans to invest 500 million dollars in Chabahar (Tanoli, 2016). However, although India has not completely sanctioned this agreement, certain parts of the agreement, such as providing Gantry Cranes, have been sanctioned (Rastad, 2020). India's interest in Chabahar has roots in the country's plans to expand its trade influence, as New Delhi views the port as a way to access the markets of Central Asia and Afghanistan without the need for a Pakistani land route. In addition, from the Indian government's point of view, this port can act as a balancing act against the expanding relations between China and Pakistan by strengthening the relations between India and Iran (Ahmed, 2021). Therefore, Chabahar has two significant economic and geopolitical benefits for India (Taghizadeh & Baghernia, 1400 [2021 A.D.]). At the same time, China, which has expanded its relations with Iran in recent years, is seeking access to shipping routes and developing its maritime trade network, using its 25-year contract capacity to penetrate the port (Ali, 2021). From Iran's point of view, China's participation and investment in this port strengthen the economic and diplomatic relations between Iran and China, an issue that is significantly important for Iran in the

context of Iran's international isolation. In addition, Iran has a glimpse of taking advantage of China-India's rivalry over the port and balancing the two powers in its interests (Solhdoost, 2021). The Government of India has a long history of cooperating with and investing in this port and seeks to expand its market in Central and West Asia through this port (Ali, 2021). Iran-India cooperation in Chabahar dates back to 2003, but the joint effort of Iran and India to enhance this cooperation began in 2016 with the promise of a \$500 million investment by the Indian government in this port (Omidi & Noolkar-Oak, 2021). In addition to economic benefits, investing in the Chabahar port is a balancing act for India in the face of China's maritime trade network project and China's cooperation with Pakistan in the Gwadar port (Ali, 2021). On the other hand, China, which has the leverage of a 25-year contract with Iran, seeks to block India's presence in Chabahar and turn Chabahar into one of its links in its maritime trade network (Ahmed, 2021).

Therefore, there are two questions regarding the Indo-China relations:

- a. Whether Indo-Chinese competition makes Chabahar and Gwadar rival ports?
- b. Whether it would be possible for China to investigate in Chabahar as an alternative corridor?

Answering these two questions, the present study hypothesizes that Chabahar can be an international port, fulfilling the interests of all parties, including China.

This study is a qualitative research and conducts methods such as Archive-based method and SWOT Analyses (Bryman, 2012). The documents and tools used for collecting data consist of existing

articles and documents, as well as In-depth interviews with the following influential figures: Teymour Bashir Gonbadi, the former director-general for international affairs bureau of Iran's ministry of roads and urban development, Amin Tarafo, the director-general for commercialization and association affairs bureau of Iran's ministry of roads and urban development, Mohammad Rastad, the former CEO of Iran's ports and maritime organization (PMO), Zubaida Jalal Khan, Minister for Defense Production of Pakistan, Ali Mahmoudisaray, the Chairman of the Transportation & Logistics Federation of Iran, Masoud Polmeh, the Secretary-General of the Shipping Association of Iran, and Javad Semsarilar, the Chairman of the International Transport Companies Association of Iran.

This study is based on the International Order Theory by Hadley Bull (2002). The international Order Theory, is a realist International Relations (IR) theory. According to realists, we all live in an anarchistic world, where conflict of interests and zeal for power and influence always result in conflict, and maintaining power is the only solution to prevent war. Actually, in the realist world, war is the norm, and peace is only a pause between two wars. However, unlike the classic realist theories, in modern realist theories, there are other tools to maintain a win-win situation, and the “international order”, is one of those theories. According to this theory, there are state and non-state actors in the world governance (Makinda, 2001), but the international order is a pattern of international activities that will lead to maintaining the elementary goals of each state. This pattern is created by some states with mutual interests and values, and international organizations play a significant role in this pattern (Bull, 2002). As a result, according to the international order theory, conflict is preventable, even in an

anarchistic world, and the conflict resolution tool is cooperation, between states with mutual values and interests. In the current study, it is assumed that India, China, Iran and Pakistan are state actors, who share similar interest in cooperating through transit corridors towards Central Asia and Europe, and the Chabahar port can be a gateway to this cooperation.

2. Findings and Discussion

China started the Belt and Road Initiative (BRI) in 2013; its main goal was to achieve a ruling role in the global order and the international trade system (Ly, 2020; Rolland, 2017). In other words, China planned to shift its position in the production process, becoming a distributor and a manager of the supply chain, rather than a manufacturer (Ly, 2020), by transferring some of its production capacity to the countries located throughout the economic corridors of the BRI (Rolland, 2017), which would upgrade its position in the supply chain (Ly, 2020), solve the problem of excess liquidity in China (Rolland, 2017), and lead to the development of partner countries in the BRI project. The other goal for creating this system for China was to free the country from its debt trap (Lai, Lin & Sidaway, 2020; Johnston, 2018), which implies that China is willing to invest in countries that are in the BRI plan, and shift the production process in these countries. Through this plan, China will also reduce its dependency on the sea routes and the Strait of Malacca by developing the BRI (Bashir Gonbadi, 2021; Johnston, 2018). One of China's main problems is tensions in the South China Sea, where China claims acquisition and authority over most of the area, but China's neighbors resist these claims, and western powers support them. These tensions have increased military presence in the South China Sea, which is a

threat to China's sea trade; China will therefore create alternative land routes in the BRI, to enjoy alternate trade options (Bashir Gonbadi, 2021). One of the hubs to the BRI in West Asia is Pakistan and in order to develop the BRI, China has invested in the Gwadar port to create a road through the Western and Central Asia (Malik, 2012).

On the other hand, India is investing in the International North-South Transport Corridor (INSTC) and Chabahar port to compete with China and create corridors to Central Asia and Europe (Amirthan, 2017; Mitra, 2019). This has developed concerns in some countries, such as Iran and Pakistan, that the region may become a battlefield for India and China (Daniels, 2013). Iranian officials are aware of China's investment in Pakistan and India's will to rival this investment; Bashir Gonbadi (2021) believes that Chabahar is a balancer between China and India in this region. China and India have strategic partnership in numerous projects, and try not to confront each other strategically. However, when their projects are not partnership projects, the relationship becomes a competition, not a conflict, because the battle has tremendous losses for both nations, which are both significant actors of the South East Asia region.

China has a strategic partnership with Pakistan and is developing Pakistani's economic network and transportation infrastructures. In this situation, India plays with the Chabahar card in the international arena. India is interested in investing in Chabahar and use Chabahar in its international propaganda. India's goal is to rival China's investment in Pakistan, and tell the world that it has performed the necessary actions in developing Chabahar (Bashir Gonbadi, 2021).

Nevertheless, Iran has also signed an agreement with China to

participate in the BRI (The Iranian Foreign Ministry, 1399 [2021 A.D.]). As claimed by Iranian officials, such as Mohamad Javad Zarif, the former foreign minister of Iran, the country is willing to invite all parties to the Chabahar port (PMO, 2019), and although there are agreements with India in Chabahar, the operation in this port is not monopolistic (Rastad, 2020). This means that while India has invested in Chabahar and has plans to increase this investment, China or other Central Asian countries can also invest in Chabahar and use this port. Amin Tarafo, Director-General commercialization and association affairs bureau of Iran's ministry of roads and urban development, also believes that all parties, including Iran's neighbors, can participate in the development and operation of Chabahar port:

Chabahar is under Iran's property, and the only important element for Iran is the country's interests. All countries of the region can therefore participate in the operation of Chabahar and different phases of its development if they can serve the interests of Iran (Tarafo, 2021).

Mohamad Rastad, The Former CEO of Iran's ports and maritime organization (PMO), believes that Chabahar is an international port, which can attract cooperation from different economic powers such as India and China, and can play a role as a gateway of the landlocked Central Asian countries to the ocean. Rastad (2020) also believes that Iran and Pakistan can cooperate in Chabahar and Gwadar, and that there is the possibility of ground transportation and operation of Roll-on/Roll-off vessels between Chabahar and Gwadar: "If the Pakistani party is interested in investment in the next phases of Chabahar Port's development, there are no barriers. It cannot be a threat for other investors".

Pakistan has also expressed interest in cooperating with Iran and

China (Khan, 2021b). Bashir Gonbadi (2021), the former director-general for the international affairs bureau of Iran's ministry of roads and urban development, believes that Iran has invited other countries, as well as China, to participate in the operation in the Chabahar port, and this indicates that Chabahar has the capacity to be a host for multi parties rather than just India. On the other hand, The INSTC is based on the conflict between India and Pakistan. However, recent developments, such as the Azerbaijan and Armenia war, indicate that Iran cannot rely on tensions, since what is permanent is interests, not tensions (Bashir Gonbadi, 2021); as a result, Iran must try to maximize its interests in developing relations with all parties, including China and India.

However, China has several plans to develop the BRI, which consist of various routes (Kolae & Norouzi Zarmehri, 1400 [2021 A.D.]). For example, one of the routes in BRI passes through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, and Turkey (Daily-Sabah, 2020). Does that mean that China has put Iran away from the BRI? Officials in the Iranian Ministry of Roads and Urban Development believe that the BRI is not a single route corridor; and that the existence of one route is not a barrier for the others (Bashir Gonbadi, 2021). Nevertheless, this can be a warning for Iran; Amin Tarafo, The Director-General for commercialization and association affairs bureau of Iran's ministry of roads and urban development, believes that if Iran does not develop its infrastructures and make the transit costs compatible, it may lose benefits in future: "Alternative corridors in the Middle East are not threats to Iran yet, but are alarms. Alarms that show that Iran will lose competition in future if it does not invest in its infrastructures now" (Tarafo, 2021).

Alongside the lack of infrastructures, transportation in Iran faces

institutional problems that can affect the operation of the Chabahar port as well (Kolaee & Norouzi Zarmehri, 1400 [2021 A.D.]); one of the main problems is the custom's bureaucracy, which will lead to delay in the clearance of goods in ports and borders and increase the duration of transit in Iran, which means an increase in the total duration of the international transit processes and an increase in the expenses of trade (Semsarilar, 2022; Polmeh, 2022). Javad Semsarilar, the Chairman of the International Transport Companies Association of Iran (2021), believes that legal challenges in the transportation procedures of Iran, such as the one mentioned above, have led to the eradication of transit in Iran, which implies that the Iranian transport companies are unable to compete with the international companies, as they are only allowed to transport goods from ports to borders and vice versa, and not beyond the Iranian borders. While transit means to transfer goods from an international origin to an international destination, Iranian transport companies have to "import" goods first, which needs an order registration certificate, a currency allocation certificate, and other legal documents, and then "export" the goods again, which will take time and increase the expenses. This explains the reason for which the Iranian companies prefer to take delivery of the goods in the port and hand them over to the borders (Semsarilar, 2021). This challenge is one of the reasons for which countries such as China are seeking alternative transit corridors and prefer not to cross from Iran. For example, China is now investing in corridors that are passing through Central Asia, Turkey, and Russia towards Europe, while the routes that pass-through Iran could be shorter and cheaper (Polmeh, 2021). According to Polmeh (2021), "due to legal process, clearance of a container, which needs only 6 hours in the UAE ports, may take 60 days in Iran, which means that using Iran as a transit route is not profitable".

The lack of a unique proctor for transportation in Iran is another challenge (Semsarilar, 2021; Mahmoudisaray, 2022). While the Ministry of Road and Urban Development is responsible for the transportation Industry in Iran, other ministries, and organizations, such as the Ministry of the Industry, Mining and Trade, and the Customs, have their laws, procedures, and instructions for transit, transportation, and trade, which increase the duration and expanses of transit as well (Semsarilar, 2021). An increase in expenses is another reason for the international players of trade and transit not to choose Iran as their main transit corridor (Polmeh, 2021). Exhaustion of the transportation fleet in Iran is also one of the main challenges of transportation and transit in Iran, as old trucks and trains consume more fuel, pollute the environment, have higher maintenance costs, and lower productivity. The risk of using this fleet for international trade is high, because once Europe upgrades its environmental procedures, the Iranian fleet will be banned from entering Europe. While the Iranian government is charging the international transit companies that participate in trade with Iran with taxes, to subsidize the renovation of the Iranian transportation fleet (which increases the costs of transit in Iran as well), the Iranian companies have not received any support from the government. In addition, the high costs of purchasing new trucks is a barrier for the renovation of the transportation fleet in Iran (Mahmoudisaray, 2021). These are not the only challenges of the transportation sector and transit in Iran, Ali Mahmoudisaray, The Chairman of the Transportation and Logistics Federation of Iran (2021) believes that one of the most important problems is the short period of management in the country:

When a new administration takes power, usually all deputies and director-generals lose their seats as well, and this means that the new managers need time to become familiar with the facts and

realities of the transportation industry. This process usually takes more than two years, and that is a waste of time.

The challenges mentioned above are the main challenges of transit in Iran, which include and influence the operation of the Chabahar port as well. However, as mentioned earlier, the Chabahar port has the capacity to become a world class trade gateway and a place for international actors, China, and India in particular, to cooperate and compete at the same time. As stated by Bull, cooperation of states with same values and interests can shape the world order (Makinda, 2002; Kolaee & Norouzi Zarmehri, 2021). In this case, Chabahar can provide mutual interests for Iran, Russia, Central Asian countries, Europe, China, India, and other countries in both BRI and INSTC projects. Chabahar can even become a place of cooperation between Iran and Pakistan, as Chabahar and Gwadar ports can work as partner borders (Khan, 2021a; Rastad, 2021; Bashir Gonbadi, 2021). As a result, although these ports are believed to be competitors, and involved in two rival projects, but they can provide Iran, Pakistan and Afghanistan with mutual interest; New transit corridors can shape a new world order, as they connect the interests of states together, and Chabahar, which can be part of both BRI and INSTC, will tie the interests of China and India together. Once the challenges of the Chabahar operation and transit in Iran are eliminated, Chabahar can be the key to a new regional order, in which India and China, share interest and cooperate, rather than competing.

3. SWOT Analysis

The role of the Chabahar Port in international trade, as well as the opportunities to cooperate with China, could be examined through the SWOT analysis (Fallahfaal & Kiakojour, 2021), which consists

of investigating the strengths, the weaknesses, the opportunities and the threats regarding a phenomenon. To SWOT analyze the cooperation of China, India and Iran in the Chabahar port, one should focus on the strengths, weaknesses, opportunities and threats of the transit corridors in Iran, rather than only Chabahar, as the operation in the Chabahar port is critically dependent on the transit roads and the geopolitical position of Iran in the region.

3. 1. Strengths

The strengths of the Iranian transport, trade, and economic corridors and the Chabahar port are as follow:

1. The corridors that pass through Iran are shorter than the rival corridors (Bashir Gonbadi, 2021).

2. Chabahar has access to different regions, including Central Asia, the Mediterranean region, Russia, and Europe. As a result, routes through Iran can be used to create connections between different countries and regions, and traders will have access to different destinations. On the other hand, each rival route can provide access to only one of the many destinations that are available through the Iranian Routes (Tarafo, 2021).

3. Iran is safe in comparison to other countries in the region (Bashir Gonbadi, 2021). For example, a rival route, from the Gwadar port to Central Asia, should pass through Afghanistan, which is currently a semi-stateless country due to various in-state conflicts.

4. Iran's transport infrastructure is currently more developed than some of the rival countries, for example, the Gwadar to Central Asia corridor faces lack of railroad infrastructure,

especially from the south to the north of Afghanistan (Tarafo, 2021).

5. The Chabahar port is an oceanic port, with direct access to deep and open waters and the Indian Ocean (Bashir Gonbadi, 2021). This means that it can accept larger ships with no limitations.

6. The Chabahar Port is excluded from the US sanctions against Iran (Bashir Gonbadi, 2021).

3. 2. Weaknesses

Alongside the above-mentioned strengths, the Iranian corridor has the following weaknesses:

1. Lack of infrastructures such as roads and railroads in some parts of the country (Semsarilar, 2022; Polmeh, 2022). For example, the Chabahar-Zahedan railroad, the Rasht-Astara railroad and the Esfahan-Shiraz highway have not yet been completely developed (Tarafo, 2021; Polmeh, 2022). Of course, the infrastructures in Iran, are still in a better situation than the rival corridors of Iran, but they are still not completely developed and the fast development in some of the rivals may be an alarm for Iran (Tarafo, 2021)

2. The Effects of the international sanctions, which have resulted in lack of funds. Iran faces serious problems to fund its infrastructure development programs (Polmeh, 2022), as well as the renovation of the transportation fleet (Mahmoudisaray, 2022).

3. The costs of passing through Iran may be more expensive than the rival corridors (Polmeh, 2022; Semsarilar, 2022).

4. Unstable relations with some neighbors such as Turkmenistan, as well as the unstable political situation in some neighbors, such as Afghanistan and Pakistan (Tarafo, 2021).

5. The regional conflicts such as the war between Azerbaijan and Armenia (Kumar, 2021).

6. The development of the Chabahar Port is not progressing as planned, and the port has not yet reached its full capacity (Polmeh, 2022).

7. Time-consuming bureaucracy, long time of transit procedures and cumbersome laws have resulted in prolongation of transit in Iran (Polmeh, 2022; Mahmoudisaray, 2022; Semsarilar, 2022), which means that although routes in Iran are shorter than rival routes, transit may take a longer time in Iran.

8. The lack of a unique proctor for the transportation sector is another threat for the transit in Iran and the operation of the Chabahar Port (Semsarilar, 2022).

9. The short period of management in the transport sector has resulted in the lack of long-term planning for the transit in Iran (Mahmoudisaray, 2022).

3. 3. Opportunities

Iran and its corridors have the following opportunities in developing the Chabahar Port through joint projects with other countries:

1. Becoming the main access route between Eastern Asia, the Middle East, and Europe: As Iran has a unique geopolitical position, more developed infrastructure and access to most of the

trade destinations in Central Asia, Middle East and Europe, Iran can pave the way for Iran to become the main route for both China and India to expand their trade relations with the mentioned destinations. Chabahar can play a significant role in this process, as the only oceanic port of Iran and one of the main gateways to the Iranian transit corridors. This is an opportunity for both China and India to use Chabahar as a mutual interest point and expand their relations.

2. Gaining surplus value through the trade and transport Industry: Transit corridors and the Chabahar port can create an alternate income for Iran.

3. Becoming a regional power, relying on the transport corridors and cooperation with trade powers such as China and India.

4. Iran can use the Indian and Chinese funds to develop Chabahar, which will result in the development of the entire south-eastern and eastern parts of Iran.

3. 4. Threats

Alongside the above-mentioned opportunities, certain threats need to be considered regarding the Chabahar Port:

1. Dependency on one party and lose the others: It is a threat for Iran that becoming too close to one of the parties (here China or India) may result in the dependency of Iran and losing other parties.

2. Losing the role in international trade over unstable relations and regional conflicts (Masomy, 2021). For example, the conflict between Azerbaijan and Armenia may result in Iran losing one of

its alternate routes to Europe (the Armenia-Georgia Route), or the instability in Afghanistan may result in Iran losing one of its alternate railroads to China (the Afghanistan-Uzbekistan route).

3. Although the Iranian transport infrastructures are mainly more developed than their rivals, but slow trend of development compared to other countries, long process of transit in Iran, lack of the necessary infrastructures, such as railroads in particular areas, instability and conflict in neighbors of Iran and exhausted transportation fleet in Iran may result in other parties, especially China and India, to choose other countries of the region over Iran to expand their transit corridors. Slow trend of development in the Chabahar Port is also another threat, as other ports in the region are ready to compete with Chabahar and fill the vacancy of this port in the market.

The following table provides the internal and external elements of the conducted SWOT analysis on Iran-China cooperation through Chabahar; the vulnerable strength, weaknesses, opportunities and challenges of the cooperation are mentioned. In order to provide a relevant SWOT table, first it is compulsory to divide it into two main elements, the Internal factors and external ones. The internal factors in SWOT analysis indicate the strength and weaknesses of the cooperation, while the external factors describe the opportunities and threats of cooperation (Fallahfaal & Kiakojouri, 2021).

Table 1: SWOT Analysis of the Cooperation of China, India and Iran in the Chabahar Port

Internal	External
<p>Strength</p> <ul style="list-style-type: none"> • Strength of Iranian transport, trade and economic corridors in Chabahar; <ul style="list-style-type: none"> ○ <i>Iran provides shorter corridors</i> ○ <i>Iran provides access to different regions of Central Asia, the Mediterranean region, Russia and Europe</i> ○ <i>The safety of corridors in Iran are higher than other corridors in the region</i> ○ <i>Iran's transport infrastructure is currently more developed than some of the rival countries</i> ○ <i>The Chabahar port is an oceanic port, with direct access to deep and open waters and the Indian Ocean</i> ○ <i>The Chabahar Port is excluded from the US sanctions against Iran</i> 	<p>Opportunities</p> <ul style="list-style-type: none"> • The most significant opportunities of Iran corridors <ul style="list-style-type: none"> ○ <i>The main access route between Eastern Asia, the Middle East and Europe</i> ○ <i>Gaining surplus value through the trade and transport industry</i> ○ <i>Reliance to transport corridors and trade powers such as China and India would make Iran a regional power</i> ○ <i>Iran can use the Indian and Chinese funds to develop Chabahar</i>
<p>Weaknesses</p> <ul style="list-style-type: none"> • The available weaknesses of Chabahar and Iranian transit and economic corridors; <ul style="list-style-type: none"> ○ <i>Lack of infrastructures i.e., railroads and roads</i> ○ <i>The Effects of the international sanctions, which have resulted in lack of funds for developing Iran's infrastructures</i> ○ <i>Vulnerability of higher costs in Iran, compared to other rivals</i> ○ <i>Iran's unstable relations with its neighbours such as Turkmenistan vis-à-vis unstable political situation in some neighbors, such as Afghanistan and Pakistan</i> ○ <i>Numerous regional conflicts</i> ○ <i>Development of the Chabahar port does not proceed as planned</i> ○ <i>Time-consuming bureaucracy, long time of transit procedures and cumbersome laws</i> ○ <i>Lack of a unique proctor for the transportation sector</i> ○ <i>Short period of management in the transport sector</i> 	<p>Threats</p> <ul style="list-style-type: none"> • The vulnerable threats of Iran's corridors <ul style="list-style-type: none"> ○ <i>Dependency on one party and losing others</i> ○ <i>Losing the role in international trade over unstable relations and regional conflicts</i> ○ <i>Slow trend of railroad developments in Iran, compared to other rivals, long process of transit in Iran, lack of infrastructures, such as railroads in particular areas, instability and conflict in some of Iranian neighbors, and exhausted transportation fleet in Iran may result in other parties use alternate corridors</i>

Source: Authors

3. 5. Chabahar and Its Rival Advantage

Due to its location in the North-South corridor, the Chabahar port will lead to the development of cooperation between Iranian ports and the ports of other countries located on the north-south route, which will help reduce tensions and create peace and friendship (Kumar, 2021). The opening of this port can have an annual revenue of approximately one billion dollars for each of the countries along its corridor and three markets and centers of global freight transportation and distribution, namely the Persian Gulf, Eurasia, and the southern countries (Ahmed, 2021). In addition, Southeast Asian countries will have access to each other on more straightforward terms. With the creation of new foreign production, economic and trade poles, one can observe a more abundant economic dynamism in the region (Kariminejad, 1399 [2020 A.D.]). Strategically, its exploitation and activation can be seen as a balancing act in regulating the political-security relations between the two neighbors and South Asia's nuclear rival, India and Pakistan (Khan, 2021a).

The Chabahar port is India's outlet to the Indian Ocean in a large north-south international transit corridor that has provided India with access to Central Asia and Russia and eventually to various European markets (Malik, 2021). In 2003, Iran, India, and Russia began negotiations on the North-South corridor, which was delayed due to India's proximity to the United States and fears of losing the US support (Khan, 2021a). After the JCPOA and following China's extensive activities for the construction and operation of the Gwadar port in Pakistan (with a sea distance of 100 km and a land distance of 400 km from the Chabahar port) and the creation of the necessary infrastructure to enter the Indian Ocean and build a highway Kashgar in China's Xinjiang Uyghur province and proving

the seriousness of Pakistan's presence in the North-South corridor, India once again tried to participate in the project (Ahmed, 2021); Since the development of the Gwadar port by China would help Pakistan to improve its economic and strategic position in the region, and due to the passage of the Kashgar highway through the disputed area of India and Pakistan, namely the Kashmir region, Pakistan will find a higher hand than India in the region (Ali, 2021). On the other hand, territorial disputes between China and India over Tibet and the two countries' trade and military rivalries, vis-à-vis the fears of losing Central Asian markets, have raised Indian concerns about China's presence (Ahmed, 2021). In 2016, when the Gwadar port project was completed, an agreement was signed between Afghanistan, Iran, and Pakistan, and in November 2017, only the first phase of the project was put into operation (Ali, 2021).

3. 6. Obstacles and Requirements for the Development of Chabahar Port (According to SWOT Analysis)

The obstacles in the development and operation of Chabahar port may be expressed and explained through an analysis of the international and domestic dimensions of the project. Internationally, US sanctions and sabotage have so far delayed the project (Singh, 2021). In addition, one may refer to India's multilateral relations with the United States and the US's emphasis on weakening Iran's role, especially during the embargo period and even banning trade and economic relations with Iran and the Central Bank of Iran, as well as Prabhakar's policies and some anti-Iranian government approvals (Kariminejad, 1399 [2020 A.D.]). Trump and the US Congress have discouraged Iran's partners, especially India, in the North-South corridor to invest in Iran. In the

field of internal issues and challenges of the development of this port, one can point to the weakness of communication infrastructure, including the deterioration of the country's road network. Despite the development or modernization of these networks, there is still insufficient proper infrastructure at the level of international standards for the transit of goods in the North-South corridor in the country, as well as insufficient infrastructures for their reconstruction, the development of regional transports, and optimal use of the port (Masomy, 2021). Meanwhile, the Gwadar-Xinjiang highway being partially built by China due to its high capacity, could be more attractive to countries and traders (Ahmed, 2021). In the long run, it can drastically reduce the opportunities for the proper use of such a strategic project. Furthermore, among the indirect challenges of the regional development plan and the Chabahar port are some cross-sectional insecurities formed by some terrorist groups (Singh, 2021). In general, it should be noted that the North-South corridor is one of the most prominent international transport routes and the corridor connecting the Indian Ocean with Russia, Central Asia, the Caucasus, and finally Europe.

4. Conclusion

The Chabahar port can be an international port, hosting different partner countries, including China and India, and play an important role in the BRI project. The Iranian officials have expressed significant interest in inviting other countries, such as India in the operation of the Chabahar port, and the Pakistani officials have welcomed cooperation with Iran and China. This means that China, India and Iran, have mutual interest in the development of Chabahar port, and this fact can turn Chabahar to a non-state actor,

which plays a significant role in the cooperation of state actors in the region. Mutual agreements and pacts around Chabahar, can form an international organization, and according to the international order theory, such international organizations, which guaranty cooperation and help to maximize the interests of all parties, can be a means of conflict resolution in an anarchistic world. However, there are some obstacles in the way of international cooperation in Chabahar, which could mainly be eradicated thorough extensive planning by Iran. The lack of infrastructures in Iran and the high costs of transit can be a threat, causing China and other countries to choose alternative routes. Other challenges that Iran faces in the competition with other regional players of transit consist of time-consuming bureaucracy, lack of a unique proctor for the transportation sector, cumbersome laws, long time of transit procedures, and short period of management in the transport sector. On the other hand, the regional order, on which corridors rely, may change in the future. As a result, Iran must develop the necessary infrastructures and maximize its interests in Chabahar by creating a positive balance between all parties, especially China and India, allowing Chabahar to operate as an international port. Iran can maximize its interests by introducing the Chabahar port as a gateway to Central Asia and Europe for the rising powers of the East, such as India and China, relying on different parties instead of taking side in the trade competition of these powers. Cooperating in the development of the Iranian transit corridors and the Chabahar port in particular, can be fruitful for both China and India, as it enables them to reach a faster and cheaper trade route towards the West. China can also guarantee a safe and trusted route, which is not influenced or threatened on regional tensions. Therefore, investing in Chabahar can lead to maintaining the national and international interests and

goals of Iran, China, and India. This means that these states can find mutual interest in Chabahar, and Chabahar can be a key point for China and India to create a new regional and international order, in which the two rising powers cooperate, rather than compete.

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