

# Iran hopeful of big boost to Chabahar project

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Iran is looking to India to speed up the acquisition of heavy equipment such as cranes and expedite work on a railway link to the Afghan border to boost the economic viability of the Chabahar port, people familiar with the developments said.

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"There is a written assurance from the US that will make it easier for foreign banks to provide funds for the purchase of heavy equipment, including cranes and pneumatic lifts that are needed to unload ships at Chabahar," said a person who didn't want to be named as he was not authorised to talk to the media.

In late 2018, the US had granted a waiver for Chabahar and the construction of a railway line from the port to the Afghan border from sanctions under the Iran Freedom and Counter-Proliferation Act of 2012. However, banks had been reluctant to provide loans for buying heavy equipment worth some \$85 million for the port because of the lack of a written assurance from the US, the people said.

This assurance was provided following the India-US 2+2 meeting of the defence and foreign ministers in Washington last December, the people added.

"The hope now is that the US assurance and the increased allocation for Chabahar in India's budget will help drive the process for acquiring all the necessary equipment," the person cited above said.

"As things stand now, the lack of equipment means it takes a lot of time to unload ships at Chabahar. What should be done in a day is done in several days. Besides, this adds to the demurrage charges that have to be paid," the person added.

India's outlay for Chabahar in the latest budget is more than double the allocation of Rs 45 crore in fiscal 2019-20, which wasn't expended.

**The other key element is the construction of the railway line from Chabahar to Zahedan on the border with Afghanistan to facilitate the movement of larger volume of goods.**

Iranian President Hassan Rouhani had specifically raised the Chabahar-Zahedan rail link at a meeting with external affairs minister S Jaishankar in Tehran last December and asked India to accelerate work on it to “benefit regional trade relations”.

During that visit, India and Iran had agreed to boost Chabahar’s economic viability, including steps such as providing higher subsidies to merchant shipping using the port.

Since India took over operations at Shahid Beheshti terminal in Chabahar in December 2018, the port has handled more than 500,000 tonnes of cargo, including some 1,000 tonnes of exports from Afghanistan.