

India seeks to unlock trade potential with Central Asia via Chabahar port

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Amid fast-tracked deliberations on the International North South Transport Corridor (INSTC), India is increasingly looking at unlocking the trade potential of the erstwhile dormant Chabahar Port in Iran.

Union Minister Sarbananda Sonowal on Sunday addressed diplomats from Central Asian countries, seeking higher trade engagement via the Chabahar free trade route.

“Once we start exploring this route for trade, we will be able to rationalise our logistical cost, in terms of money

and time, helping build an economical, faster, and shorter route between the two regions. I would like to take this opportunity to request all of you to take this message ahead to make your business community aware about the opportunity and potential that this route may unlock,” Sonowal told diplomats and industry.

The minister made these remarks on the occasion of Chabahar Day, which saw renewed interest from stakeholders amid the Russia-Ukraine conflict, as India looks to seize the bilateral trade opportunity with Russia and Central Asia. The meeting was attended by diplomats



Union Minister Sarbananda Sonowal on Sunday held a meeting with diplomats from Central Asian countries

from Iran, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, and Kazakhstan.

“There is a need for bilateral engagement on trade. A problem on that route is bottlenecks for inbound cargo

due to lack of consistent supply of goods from the region. A thorough commodity-wise discussion took place during the deliberations, and there’s a clear consensus to revive the INSTC and the Chabahar Port. There is an expectation of new developments soon,” an Indian official close to the development told *Business Standard*.

Last week, India and Uzbekistan agreed on a pilot container cargo movement from Tashkent to Navi Mumbai, as an in-principle commitment to boost business through the free trade route. In 2018, Chabahar Port was acquired by India Ports Global through its subsidiary

India Ports Global Chabahar Free Zone (IPGCFZ).

The shipping ministry, from its deliberations, is hopeful of the possibility of a trans-Caspian multi-modal transit corridor between Central Asia and South Asian nations in the future. The route was identified as an alternative to the European route via the Suez Canal, which takes significantly longer.

The INSTC is a 7,200-kilometre-long corridor, conceptualised with the aim of optimising trade potential between India and Russia, Eurasian, and central Asian economies, which reportedly has an eightfold potential for increase.