

# Wait over as India, Iran ink 10-yr Chabahar deal

DHRUVAKSH SAHA & SUBHAYAN CHAKRABORTY

New Delhi, 13 May

India and Iran on Monday inked a 10-year long-term bilateral contract for the operation of Chabahar Port, a key link in India's trade plans with Central Asia and parts of Europe, announced the Union Ministry of Ports Shipping and Waterways.

The agreement, signed between India Port Global Limited and Iran's Ports and Maritime Organization, will see India develop the strategic port for 10 years. Union Shipping Minister Sarbananda Sonowal, in a social media post, highlighted the port's strategic location on Iran's south-western coast, offering easy access to India's west coast. He noted that the port "forms a crucial link in the International North-South Transport Corridor", and the long-term contract will give a "significant boost to economic activities and establish our growing role in developing global trade and commerce". A formal 10-year agreement was signed in 2016, but sanctions against Iran hindered progress. As a result, India had been operating the port through short-term agreements, which were periodically renewed.



**Union MoS for Ports, Shipping and Waterways Sarbananda Sonowal (centre) at the signing of contract for operation of Shahid Beheshti Port in Chabahar, Iran on Monday**

PHOTO: PTI

This situation made investors and shippers hesitant to invest due to the lack of a long-term government agreement.

"So far, there were concerns that when the government itself doesn't have a long-term agreement with Iran for the port, how can the industry be expected to move its long-term supply chain plans through it? This should get streamlined now," a government official said.

A 10-member delegation, including officials from the Ministry of Ports Shipping and Waterways and the Ministry of External Affairs, arrived in Tehran on Monday to execute the agreement. The central government had sought an exemption from the model code of conduct for the ongoing Lok Sabha elections for the visit, which was granted by the Election Commission last week, said officials.