

India to ramp up Chabahar Port capacity fivefold

DHRUVAKSH SAHA
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Despite global trade instability amid geopolitical threats since the start of US President Donald Trump's second stint, India is looking to continue capacity building at Iran's Chabahar Port. The Centre aims to raise capacity fivefold at the terminal over the next decade.

"There is a capital expenditure (capex) of ₹4,000 crore or so underway which will help us acquire modern cranes, leading to mechanisation and modernisation at the terminal. The current capacity at the port is 100,000 twenty-foot equivalent units (TEUs) and the target is to expand this to 500,000 TEUs," a senior government official said on the sidelines of the National Sagarmala Apex Committee meeting in New Delhi.

According to officials, the Shahid Behesti terminal at the port, operated by state-owned India Ports Global (IPGL), is expected to handle 75,000 TEUs of container traffic in the current financial year. The cranes are expected to be procured over the next three years.

There have been growing concerns over the viability of the port, which India negotiated heavily to secure a 10-year deal for it in May 2024.

On February 6, Trump issued an executive order instructing the Secretary of State to "modify or rescind sanction waivers, particularly those that provide Iran any degree of economic or financial relief, including those related to Iran's Chabahar Port project."

A second official said that the situation is still uncertain and the shipping ministry and ministry of external affairs are deliberating on the potential impact of the US move.

Among the negotiations for the

With ₹40K cr corpus, Sagarmala 2.0 to focus on shipbuilding

With the current edition of the Centre's flagship maritime policy Sagarmala set to be completed over the next couple of years, the government will soon launch its second edition with a budgetary corpus of ₹40,000 crore, with a special focus on shipbuilding, repair and recycling. "These new initiatives under Sagarmala 2.0 will strengthen our maritime economy and help us transition into a global maritime powerhouse," Union minister of ports shipping and waterways Sarbananda Sonowal told reporters ahead of the National Sagarmala Apex Committee's meeting in New Delhi on Wednesday. **BS REPORTER**

contract was India's request to not have a minimum guaranteed traffic (MGT), under which an operator is penalised for failing to meet minimum targets.

The signed Chabahar agreement includes a clause on cargo targets, but no penalties will be imposed if such traffic is not achieved.

The Chabahar Port was a coveted strategic interest for India. It is a critical gateway for the proposed International North-South Transport Corridor (INSTC) — a multi-modal route between India, Central Asia and Russia, reducing transit time for trade between the three regions.

In the first year (FY25), IPGL is expected to bring in 30,000 TEUs worth of traffic. This number is projected to increase to 140,000 containers in the fifth year and 300,000 TEUs in the 10th year of the bilateral agreement.