

FICCI hails India-Iran Chabahar agreement as big leap forward in bilateral ties

NEW DELHI, 24 May 2016: The Federation of Indian Chambers of Commerce & Industry has welcomed the signing of the long envisioned agreement on developing the key Chabahar port between India and Iran as a landmark development and a big leap forward in co-operation between Iran and India. Prime Minister Narendra Modi's outreach to Tehran has infused vigour into the momentum to develop connectivity, infrastructure and in India's energy security goals.

Chabahar port, located in the Sistan-Baluchistan Province on Iran's southern coast, is of great strategic importance for India. India and Iran had in 2003 agreed to develop Chabahar on the Gulf of Oman outside the Strait of Hormuz, near Iran's border with Pakistan.

The bilateral agreement to develop the Chabahar port and related infrastructure signed by Prime Minister Narendra Modi and Iranian President Hassan Rouhani, underlines the extraordinary strategic opportunities that present themselves for India in the region. The signing of commercial contract for the Chabahar Phase 1 will open a route to land-locked Afghanistan and cut transport costs/time by third. The development of the port for which India will provide \$500 million will help Indian companies enhance engagement in Iran and gain access to Afghanistan & Central Asia. In the long run Chabahar will also serve as the point of origin for the proposed Iran-Oman-India pipeline.

A multiplier effect rests on the possibility that other international investors may also see the rationale of this important investment, thus paving the way for creation of a strategic bulwark that facilitates greater flow of people and goods among the three countries, as well as in the region and contributes to economic growth of Afghanistan.

FICCI also sees PM Modi's timely visit to Iran setting the stage for boosting trade in a big way. The 12 MoUs signed between the two countries cutting across culture, science & technology, exchange of info& knowledge and many another aspects of economic engagement, as a significant effort to build enduring partnership.

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