

Regional Significance of Chabahar Port for the Middle East & Pakistan

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Abstract

The Chabahar port has the potential to benefit Iran economically and geo-politically. With India and Afghanistan, being associates of Iran on Chabahar, Iran would be able to increase its regional influence and affect the Middle Eastern conflicts substantially. The geopolitical and geo-economic consequences of Chabahar will be enormous. It would be one of the significant advances in the broader province of Iran after a considerable time. With its ideal location, energy resources, and a relatively strong state and military muscle, Iran has the potential to play a leading or even pivotal role in Central Asia, the Persian Gulf, the Middle East, and the Indian Ocean Region (IOR). If the original plan and associated agreements are fulfilled, a new trade route extending from Central Asia to the Middle East and Europe would be materialized. Iran strategically aims at becoming a significant oil-exporting country and a preferred transit route for international oil shipments. The paper aims to ascertain the possible implications of the Chabahar port on Pakistan and the Middle East.

Keywords: Middle East, Chabahar Port, Persian Gulf, sanctions, energy resources, proxy wars, OPEC.

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Introduction

Seaports have considerable worth, aggregating the tactical prominence of states that have them, in addition to boosting their financial status by amplifying their capacity to multiply their trade volumes. The Islamic Republic of Iran is developing Chabahar Port on the Makran Coast and trade routes from this port pass through Afghanistan and into Central Asia. It was called Tees (Teez) port in the past and it was considered as one of the important port towns in the Persian Gulf along the Makran coast (Mufti, Amirahmadian, & Sachedva, 2018). Iran's regional partners including India are actively participating in this project to facilitate the trade amongst them and also to increase their political leverage in the region. With India and Afghanistan, being associates of Iran on Chabahar, Iran would be able to increase its regional influence and affect the Middle Eastern conflicts considerably. The geopolitical and geo-economic consequences of Chabahar will be enormous. It would be one of the significant advances in the broader province of Iran after a considerable time. If the original plan and associated agreements are fulfilled, a new trade route extending from Central Asia to the Middle East and Europe would be materialized. Iran strategically aims at becoming a significant oil-exporting country and a preferred transit route for international oil shipments. The paper aims to ascertain the significance of Chabahar port for Iran and its implications for Pakistan and the Middle East.

Iran is bordered by Armenia and Azerbaijan to its north, to the east by Pakistan, Afghanistan and Turkmenistan, Turkey, and Iraq to its west. Iran forms a geographical "corridor" between Europe, Africa, South Asia, and Southeast Asia (Morady, *Iran Ambitious for Regional Supremacy: The Great Powers, Geopolitics and Energy Resources*, 2013). Iran's geography makes the country vital for regional and international politics.

Among the world's energy reserves more than sixty-three percent of the world's crude oil and forty percent of gas resources are in the Persian Gulf and the Middle East. The region holds nine out of the ten big world oilfields, as well as twenty-eight out of thirty-three super-giant fields (Morady, 2011). Iran is a major exporter of energy resources as it harbors the fourth leading oil assets and the second major gas assets in the world. Rendering to *Oil & Gas Journal*, Iran has nine percent of the world's overall reserves and over twelve percent of the Organization of Petroleum Exporting Countries (OPEC) resources (2013). The oil incomes create more than twenty-four percent of Iran's gross domestic product and constitute approximately eighty percent of its export incomes and up to seventy-six percent of its revenues (2013).

Enormous energy resources in the Middle East and the Persian Gulf further dictate the need for secure and financial lines of sea transportation. Nearly 17 million barrels of crude oil (including 88 percent of Saudi, 99 percent of Iranian, 98 percent of Iraqi, 99 percent of the United Arab Emirates (UAE) and the whole of Kuwait's oil) is carried through the Persian Gulf to the Indian Ocean, along with 70 percent of the world's transportation in petroleum globally. Equally important is the Caspian Sea basin, as the five states around it have approximately 15 percent of the world's entire recognized oil assets and nearly fifty percent of the world's overall established natural gas reserves (2013). Iran with support from India embarked upon an ambitious plan to develop its deep seaport of Chabahar.

Analysis of sea-lanes and seaports in the context of Iran reveals its vulnerabilities. Iran lacks deep-water ports. The southern port of Bandar Abbas can merely house 100,000-ton ships, implicating that, ships beyond that size have to berth in the United Arab Emirates (UAE) ports like Fajirah and Jabal Ali, because of which the cargo is loaded onto smaller ships and brought to Iran (Javedanfar, 2010). Apart from millions of dollars paid to the UAE, strategically Iran is open to a cessation of its seaborne trade in the occurrence of conflict with UAE or its Gulf Countries Cooperation (GCC) allies (Javedanfar, 2010). Given the strategic and financial cost Iran has to pay for its lack of deep seaports, the Chabhar port has great significance, not only for the Indian Ocean Region (IOR) but also for the Middle East and Central Asian countries. Chabahar Port carries its significance in Iran's trade because it is located outside the Strait of Hormuz and the Persian Gulf, and can ensure continuity of operations reducing Iran's vulnerability to foreign pressures.

The Chabahar port and associated road networks are anticipated to act as a trade corridor between Europe, the Middle East, and Central Asia. Afghanistan and India are providing help to Iran in developing the Chabahar port to facilitate Indian trade with Afghanistan and Central Asia (Nader, Scotten, Rahmani, & Stewa, 2014). Chabahar is anticipated to connect Afghanistan by roads and railways being built by Iran and India. The Iranian-Indian effort is inspired by geopolitics: India desires to bypass Pakistan and build enhanced relations with Afghanistan, and Kabul wants to expand the country's trade routes and become less reliant on Pakistan (Nader, Scotten, Rahmani, & Stewa, 2014). Chabahar can draw business away from Karachi, on which Afghanistan is greatly dependent.

Iran has a conviction to extract full advantage of its geostrategic location by playing a central role in the revived commercial route that connects East with West. Iran not only wants to be the strategic connection but also the trade center between South Asia, Central Asia, Europe, and the Middle East. Construction of the Chabahar port is part of a strategy to create a strong financial zone. Tehran has stated that they prefer the Port of Bandar Abbas to remain as a port for Russian and European trade and have Chabahar become the port for trade with Afghanistan and Central Asia.

Significance of Chabahar Port

The port of Chabahar is located south of the provinces of Sistan and Baluchistan, on the coast of Makran, 300 km east of the Strait of Hormuz, and is the only Iranian port with direct access to the Indian Ocean, as well as the Arabian Sea and the Persian Gulf. A broad-spectrum proposal for Chabahar port was anticipated in 1974. Deals associated with the port's development were contracted consequently. The 1979 Islamic revolution impacted negatively on Chabahar's development. Only limited development measures were conceded owing to financial limitations. Only the wharf and breakwater could be developed (1985).

Shahid Kalantary Port: Assembly of Shahid Kalantary port, one of the two central ports of Chabahar was commenced in 1983 and was made functional in the same year after the completion of four wharves.

Shahid Beheshti Port: Building of the second port, Shahid Beheshti, started in 1982 in Chabahar because of the precarious circumstance of the region owing to the Iraq-Iran war and determination of the Iranian government to construct a port away from Strait of Hormuz and the Persian Gulf. The ports obtained a central character during the war as they helped Iran's exports(1985). Positioned on the Gulf of Oman and the Indian Ocean, ports of Sistan and Baluchistan are significant for Iran's oil exports and seaborne trade.

India-Iran Efforts to Develop Chabahar

The covenant for India to help Iran develop Chabahar port can be accredited to the promising relations that define the Indo-Iranian strategic relationship. The Tehran Declaration was announced between India and Iran on April 10th, 2001. The declaration called for, "The sides affirm the importance of preservation of peace, security, and stability in the region. Mutually beneficial trade and transportation links, as well as regional financial co-operation among the countries of the region, are essential factors for the progress and development of the entire region. The sides note in particular the importance of a secure and peaceful environment to the development of commerce and the promotion of financial growth in the Persian Gulf and the Indian Ocean regions. The sides also consider security and stability in Central Asia of vital importance to them,"(Text of Tehran Declaration, 2001). Successively The New Delhi Declaration was announced on January, 25th, 2003. The New Delhi Declaration was announced during Iranian President Ayatullah Mohammed Khatami's visit to India. The announcement of these declarations helped establish a strategic partnership between India and Iran(Behuria, 2010).

In 2003, India and Iran agreed to cooperate on developing Chabahar Port (Ezdi, 2015). Until 2012, India ceased construction of the Chabahar Port because of the United Nations (UN) and western sanctions on Iran and questions about its commercial viability. The Chabahar port gained renewed significance after India and Iran signed a memorandum of understanding (MoU) worth one hundred and ninety-five million dollars on May 6, 2015 (2016). The project was reactivated by India after Pakistan and China agreed to develop a financial corridor linking the Gwadar Port with China's Xinjiang province, however, the development of the Chabahar Port was fast-tracked after November 24, 2013, Interim Nuclear Agreement between Iran and the P5+1 (Borger & Dehghan, 2013). The Nuclear Agreement's implementation resulted at the end of the US and the European Union's financial and trade sanctions on Iran (Melvin & Martinez, 2016). Iran witnessed a significant boost in the trade of items like petrochemicals, aircraft parts, and precious metals. For Iran, it translated into an important destination, in the emerging trade arrangement, between Europe and Asia (2014).

India's strategy could be to undermine the financial prospects of Gwadar port by assisting Iran in upgrading its Chabahar port at the mouth of the Strait of Hormuz. Chabahar would present the shortest route for the Central Asian States to the sea. If the US isolationist policies towards Iran subside, it could out-shadow Gwadar to some extent (John Garofano & Dew, 2013). India's involvement in the port of Chabahar is motivated by the aspiration to one-day base Indian naval vessels there; however, Indian officials maintain that the port is strictly for commercial purposes (Kemp, 2010).

Iran has been pushing India for the perseverance of the commitments made on Chabahar. The concern figured at numerous mutual consultations. Tehran has also proposed Delhi to assist in building over 500 kilometers of the rail link from the Chabahar to Zahedan, the capital of Sistan-Baluchistan. Zahedan is connected with the core Iranian railway system and the suggested rail link once established will connect Chabahar with International North-South Transport Corridor (INSTC), and arrange for access to Azerbaijan, Turkmenistan and elsewhere. INSTC is designed to link South and Central Asia to North Europe via Russia. Iran is a partner nation in INSTC along with Russia, India, Azerbaijan, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Ukraine, Belarus, Oman, Syria, and Bulgaria (Bhatnagar & John, 2013).

India requires the Chabahar Port to dominate Iran's crude oil and gas assets. Moreover, it is also motivated to access and fully exploit three trillion dollars' worth natural resources of Afghanistan while hindering China there. Furthermore, Delhi aims to import energy resources from Central Asia where Kazakhstan and Turkmenistan possess three and a half billion barrels of oil and six hundred and 64 trillion cubic feet gas reserves. In return, India wants to export cars, computers, and information technology associated products to Iran, Afghanistan, and Central Asia. Over and above, India can utilize the Chabahar Port for military purposes given its proximity to Pakistan's Gwadar Port (Ayaz Ahmed, 2015).

The Inclusion of Afghanistan

Afghanistan also has high stakes in Chabahar and the ensuing transportation passage. Afghanistan regards the Chabahar route as a more dependable substitute that would decrease dependency on Pakistan—the only state providing Afghanistan with access to seaborne trade. Iran by this time has already built the route from Chabahar to Milak on the Iran-Afghanistan border. From Milak, this road is linked to the Zaranj-Delaram route that India constructed for Afghanistan for about one hundred million dollars, which further links with the central Kandahar–Herat highway from where goods are further carried to other parts of Afghanistan. Numerous other projects have been declared or are near a conclusion. These comprise the Chabahar-Faranj-Bam railway, the rail link between Hajigak and Chabahar, and the Chabahar-Zahedan-Mashhad rail link, which will be stretched to Herat and Mazar-e-Sharif and conclude at Termez in Uzbekistan (Bhatnagar & John, 2013).

The Iranian Ambassador to Afghanistan in April 2013 announced that Afghanistan will be linked to the fourteen Central Asian countries by concluding the Chabahar route. On April 27-29, 2015, Afghan President Mohammad Ashraf Ghani made a trip to India and emphasized the significance of the Chabahar port. President Ashraf Ghani and Prime Minister Narendra Modi vowed to work meticulously with Iran to materialize the Chabahar port into a reality, and advance it as sustainable access to Afghanistan and Central Asia. It was concluded that the roads other to the prevailing ones will offer a major stimulus to Afghanistan's financial restoration struggles (Behuria & Rizvi, 2015).

Although India by now has not been able to make considerable development on the Chabahar Port as part of its strategy to circumvent Pakistan and access Afghanistan and Central Asia through

Iran, it did construct the Zaranj-Delaram highway in 2009 to link with the 2200 km road network, branded as the Garland road, circulating inside Afghanistan and linking key cities in the country. India invested approximately six hundred crore Indian rupees to construct this linking highway. The venture was accomplished in almost four years (2005-2009) by the Border Roads Organization (BRO). In addition to this circular road, Iran is committed to growing its railway network in its eastern provinces to create access among Chabahar and western Afghanistan (Rooden & Dicks-Mirauex, 2005).

Strategic Importance of Chabahar Port

The route concluded through Chabahar will be strategically advantageous for India since it would offer access to Afghanistan without interloping Pakistan. Almost all of Afghanistan's sea trade routes go through Pakistan's seaport in Karachi. Pakistan charges an estimated five hundred million US dollars for Afghanistan's usage of Karachi Port a year (Nader, Scotten, Rahmani, & Stewa, 2014). A new trade itinerary from Chabahar to western Afghanistan would offer India I to Afghanistan's developing market and available assets without intervention from Pakistan.

A succession of agreements and investments were completed from 2003 and 2014 to make the Chabahar pact more profitable. Iran lifted numerous trading limitations on the port of Chabahar intended for Afghanistan. Afghanistan has been allowed complete entrée to Chabahar's storage facilities, along with approval for complete scrutiny of the site for Afghan officials. Port fees were slashed by ninety percent whereas warehousing was lowered by fifty percent for Afghanistan.

India concluded further contracts for investments in Afghanistan and Iran's natural reserve sectors. The Indian nationalized steel company, engaged in an agreement with the Afghan government in 2011 to form iron mining tasks, along with steel manufacturing mills in Afghanistan's western provinces, Hajigak and Bamiyan. In 2014, India vowed a loan of One hundred million US dollars for additional up-gradation of the Chabahar port.

India has comprehensively financed prospective energy sources in Eastern Iran also. During 2010, India was the third major market for Iranian crude oil and natural gas, with Iran catering approximately eleven percent of India's crude oil by 2010. Mutual arrangements permitted Indian companies to make investments in discovering and initiating oil and gas fields in Iran's South Pars region. The agreements are projected to possibly generate revenues of around ten billion U.S dollars equaling six million tons of natural gas (Winand, Vicziany, & Datar, 2015).

In 2010, Iran invested in a nine and a half billion US dollar upgrading and reformation project for its railway structure, which would make Chabahar the end route for two new rail lines that are scheduled for North-South Corridor venture (Ziyadov, 2012). When concluded, this scheme would open all of Europe directly to China, Central Asia, and South East Asia overland routes. A linking of Chabahar to this venture may provide a short and proficient trade route from Southern Russia and Eastern Europe straight to Mumbai, India (Ziyadov, 2012).

The Chabahar port is anticipated to receive and ship a variety of products, however, the preliminary emphasis appears to be on energy products, and specifically crude oil. Chabahar will be a way

station for energy imports approaching from the Persian Gulf intended for Afghanistan and Central Asia. It will be an opening to the Middle East, and conceivably Europe, for exports initiating from Afghanistan and Central Asia. The geopolitical and geo-financial consequences of Chabahar will be enormous. It would be one of the significant advances in the broader province of Iran after a considerable time. If the original plan and associated agreements are fulfilled, a new trade route extending from Central Asia to the Middle East and Europe would be materialized. The consequent development of Chabahar will pave the way for Middle Eastern exports to reach new markets in Asia, and Central Asia and vice versa.

Chabahar port will lead to a competitive environment with Pakistan's Gwadar port. As India desires to construct Chabahar to open up new trade routes through Iran and northward, China, on the contrary, is building up Gwadar to open up trade routes and financial exchanges through Pakistan and northward back to China (Domínguez, 2015). New Delhi's determination to build a deep-sea port at the Iranian city of Chabahar along with transportation corridors northward has been motivated by New Delhi's financial rivalry with Beijing.

Positioned on the same shoreline and separated by less than 200 km, the two seaports, Gwadar and Chabahar, are not at a comforting distance as contending seaports. The competition is enhanced by the circumstances that they are situated at the mouth of the Strait of Hormuz through which travels approximately thirty-five percent of the world's sea-borne oil shipments and twenty percent of the oil internationally. Almost 85 percent of the crude oil exports are bound for the Asian markets of India, China, Japan, and South Korea.

Considering the significance of Chabahar for regional countries, the port would prove essential to Afghanistan. It could bring in great financial benefits for Afghanistan in a time when the "war economy" is scaling down. Afghanistan's trade can soar exponentially, as Afghanistan will also be able to connect better with markets in the Middle East and Europe by circumventing Pakistan. It would also be easy for Afghanistan to convey key goods back to its markets (Cordesman, 2015).

Iran's Endeavor for a Multipolar World

Post-revolutionary Iran rhetorically argued for self-reliance and exclusion of extra-regional powers from the Middle East and the Persian Gulf politics, rejecting to admit the advent of a global system influenced by the US and has been endeavoring for a multipolar order. The US supremacy of the region and the segregation of Iran required the Islamic Republic to counterbalance the peril by looking for allies amid other major powers such as India, China, and Russia as well as Muslim countries. The US policy of containing Iran by presenting it as a rogue state could not force countries like India, China, or Russia to terminate their relationships with Iran.

Tehran pursued to use regional and international organizations that were not entirely imperiled by Western supremacy. These included the Non-Aligned Movement (NAM), the Organization of Islamic Conference (OIC), OPEC, the Economic Cooperation Organization (ECO), the Shanghai Cooperation Organization (SCO), the Conference on Interaction and Confidence Building

Measures in Asia (CICA) and the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) (Morady, 2011).

The enormous oil and gas resources in the Persian Gulf, the Middle East, and Central Asia have turned the region vital in the world economy. China's fuel consumption in 2030 will be equal to that of the US today, and any disruption in oil supplies will have a major effect on China's financial growth. Any substitute for petroleum has so far to be celebrated and oil is anticipated to play an essential role in the conceivable future (International Energy Agency, Flagship Report, 2017).

With the appearance of new financial powers such as China and India along with the US, Europe, and Japan, the demand for oil has amplified to about 87 million barrels per day (bpd). Likewise, the energy demand in the global South has amplified to about thirty-five percent of the world's energy supply. It is predicted that by 2025, the South will surpass the North as the principal buyer of energy, and by 2030, China alone will devour more energy than all of Europe and Japan combined. Equally important is India, in terms of energy imports. India is an emerging power whose consumption of oil, according to the Energy Information Administration (EIA), reached approximately three million bpd in 2009. In the same year, India was the fourth largest consumer and the sixth largest net importer of oil in the world, importing nearly seventy percent of its oil requirements. The EIA predicts India will become the fourth largest net importer of oil in the world by 2025, behind the US, China, and Japan. India imports seventy percent of its crude oil from the Middle East, primarily from Saudi Arabia and Iran (International Energy Outlook 2013: With Projections to 2040", 2013).

Rising energy demands, especially from China and India, have caused great anxiety amongst the developed and developing countries. There is little confidence that the world's energy industry will be able to respond to the demand of consumer states in the future. It is possible to anticipate that there may be significant political conflicts over remaining future supplies. According to one estimate, the US has spent one trillion dollars over the past two decades to defend energy supply. Therefore, for the US, the security of the energy supply will be crucial for both domestic consumption and global domination.

China and India are aware of this, and as a result, have increased their active geopolitical role in the region, as they do not wish to become hostage to the US oil diplomacy. They have increased their operations in the Middle East, Africa, and Central Asia by investing in different oil fields. India and China have been busy providing military assistance, intelligence sharing, and military training to gain a geopolitical advantage in areas of interest in Iran, Africa, and Central Asia.

The importance of the countries in the Middle East in exporting oil will rise by each passing day. Iran strategically aims at becoming a significant oil-exporting country and a preferred transit route for international oil shipments. Because of its strategic position, Iran has been able to play India, China and Russia off against the US, by leveraging both rising powers and Russia. With its position between Central Asia, the Persian Gulf, and the IOR, the Islamic Republic sees itself in an ideal position to play a significant role globally.

Geopolitical Implications of Chabahar Port

The geopolitical implications of Chabahar project are considered enormous, as it seems to be one of the most consequential developments in the region. One can also see the creation of new trade routes stretching from the northern reaches of Central Asia down to southern Iran. Oil exports from the Middle East would be able to reach new markets in Asia and the Central Asian states. More importantly, Afghanistan will be able to better connect with markets in the Middle East and Europe. Additionally, the Chabahar project is expected to set up a notable regional competitive dynamic with Gwadar Port in Pakistan. India knows, however, that if it is serious about acquiring energy resources in Central Asian, it needs to find a direct way to access the region. It cannot do so through Pakistan, so it has decided to go through Iran, which may be long-drawn and indirect to an extent, but feasible, nonetheless.

Chabahar is anticipated to help build Afghanistan's economy. The Afghan economy is anticipated to grow many folds with the development of Chabahar at a time when Afghanistan's economy is suffering and will continue to suffer even more after the dollars that have been bucketing into Afghanistan to sustain the US war machine, reduces to a trickle when the US troops leave the country. In effect, Afghan trade volumes are expected to soar exponentially, as Afghanistan would be able to ship goods more easily to key markets in Europe and the Middle East. It would also be able to import key goods more easily as well (2015). At 135 miles, the Chabahar road to the Afghan border is far shorter than the nearly eleven hundred miles trip from Karachi to the Torkham border in northeastern Pakistan and even shorter than the five hundred miles from Karachi to the Chaman border in northwest Pakistan. Thomas Barfield, author of comprehensive *Afghanistan: A Cultural and Political History*, puts it succinctly: the new transport corridor through Chabahar "ends Pakistan's monopoly on seaborne transit trade to Afghanistan...[making] Iran the most efficient transit route into Central Asia.

Anticipated Increase in Iran's Regional Influence

Added to its financial dimensions, strategically the development of the Chabahar port is considered to outmaneuver Pakistan's Gwadar port. China's contribution to the Gwadar Port and Indian contribution in the Chabahar port can fuel severe Sino-Indian struggle for influence in the Persian Gulf and the IOR region. Iran also agrees to the Indian concern of safeguarding the post-2014 Afghanistan by ensuring that the country does not return to Pakistan's fold and to stop the re-emergence of Taliban rule in Afghanistan. It is quite likely that once the financial sanctions are lifted and tensions ease between Iran and the US the latter may move closer to the former on Afghanistan, which will be beneficial for India.

The conflicting interests of Iran and Saudi Arabia in the broader Middle East can also witness significant intensification. The proxy wars from Yemen to Lebanon, Syria, and Iraq, between Saudi Arabia and Iran, two regional powers, explain the vastness of geopolitical and security issues in the Middle East.

A strong and vibrant Iran in the Middle East, the Persian Gulf, and the IOR region will increase Saudi Arabia's apprehensions alongside with other Sunni Arab states. Enormous financial and

strategic benefits can be achieved by Iran through the development of the Chabahar port. Iran's increased influence in the Middle East and Persian Gulf region can force Saudi Arabia to revamp its strategic preferences regarding Pakistan for help against Iran.

Saudi Arabia and other Sunni dominated Arab states will try to limit Iranian influence in the Middle East and the Muslim world in general. Saudi Arabia has already formed a coalition of the willing, a 34 nation anti-terror coalition of Islamic countries and sought security cooperation from Pakistan (Siddiqi, 2016). Pakistan can find it difficult to estrange itself from Saudi Arabia which has been a long-term ally and financial partner. At the same time, Pakistan will find it difficult to antagonize Iran. It is quite likely that once the financial sanctions are lifted and tensions ease between Iran and the US the latter may move closer to the former on Afghanistan, which will be beneficial for India (Implications of the Deal, 2015).

The Syrian conflict can intensify. The conflict there has already killed around 250,000 people and displaced nine million. Russia and Iran are Syrian President Bashar al-Assad's key supporters; the US, Europe, and Gulf states support his adversaries. A Syrian peace deal seems unviable without Iran's participation. Despite the US attempts to isolate Tehran, countries like India, China, Turkey, and Russia are banking on Iran for the long haul, precisely because it is a relatively stable, energy-rich geographic lynchpin. With emerging projects like an Iran-Pakistan-China gas pipeline, and financial cooperation for establishing railway line from Istanbul to Tehran and Islamabad, and the North-South Trade Corridor, Iran's regional impact is inevitable. The US may as well adapt itself to that fact while it is still engaged in the region (Padukone, 2012).

Regional rivalries can be predicted to surge in the conceivable future. Structural factors such as volatility in the Arab world and the subsequent power voids left by weak states will make competition probable as regional states like Iran, Turkey, and Saudi Arabia could endeavor to exploit the conditions. Consequently, intensifying inter-state conflicts across the Middle East will continue to embark because little is being done to resolve the grave security challenges triggered by state erosion throughout much of the region.

A Turkish-Saudi partnership in the region to counter Iran can also be an outcome of an emerging Iran. A possible Turkish-Saudi coalition could be used to limit advances made by Iran and restrain Iran's capability to project power in the region. A more active and potentially militant Turkish policy in the Middle East may thus be one of the significant and lesser expected, geopolitical and financial consequences of Iran's rise (Mohseni, 2015).

A lesser possibility of Chabahar's development can also positively impact the Middle Eastern politics. Iran's financial growth would moderate its commitment to inexpensive and high-risk conflicts in the region; enhanced financial affairs with the Arab world can enhance Iran's regional reintegration. Iran's successful financial progress would build up the middle class and strengthen the moderates in Iran.

Conclusion

With its ideal location, energy resources, and a relatively strong state and military muscle, Iran has the potential to play a leading or even pivotal role in Central Asia, the Persian Gulf, the Middle East, and the IOR. The development of Chabahar port will amplify Iran's capacity to be an efficient trade route for most of the trade between Europe, the Middle East, Central Asia and South Asia. The ensuing financial benefits will subsequently encourage Iran to be more assertive in Middle Eastern and Persian Gulf region, resulting in possible escalation of conflicts with Saudi Arabia and Arab states.

India also sees the potential for Iran to serve as a crucial transit route to Afghanistan and Central Asia. India's renewed concern in recent months for the development of Chabahar port, with the political and financial obstacles being removed, point towards its strategic goal to challenge China's influence in the region. The completion of the Chabahar port will also lead to greater interest in developing the transit corridor through Iran to Europe and Russia.

The drawdown of US and NATO troops from Afghanistan has made the Iran transit route even more vital for India. The two countries have worked together in Afghanistan, where they have had a common interest in limiting the Taliban's role. The ongoing Pakistan-brokered talks between the Afghan government and the Afghan Taliban have increased concern in India about greater Taliban influence in Afghanistan. This will augment the motivations to collaborate with Iran. The financial benefits of Chabahar port will see a resurgent Iran in regional politics, asserting its influence from Syria, Iraq, and Lebanon to Afghanistan.

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