Chapter one

Chapter I: Introduction:

Chapter one is introductory. It discusses the planning of the thesis, scope of the study, review of literature and methodology of research.
1) Introduction:

Geopolitics deals with geostrategy. Principally it is a foreign policy guided by geographical factors. Which affect the political and military planning. The geostrategy links the means to the ends where a country's limited or extensive resources are connected with its local, regional, or global geopolitical objectives. According to Gray and Sloan, geography is "the mother of strategy."¹

Geostrategists differ from geopoliticians and advocate proactive strategies, and approaches to geopolitics from a nationalist viewpoint. Geostrategies remain relevant chiefly in the context to which they were devised i.e. the nationality of the strategist, the strength of the resources of the country, the scope of its goals, the political geography at the time, and the technological factors. These affect political, economical, cultural and military engagement. Geostrategy lays down norms which advocate foreign policy based on the geographical factors. It analyses how a foreign policy is shaped by its geography or predicts the future of a country and its foreign policy decisions on the basis of geographical factors.²

Many geostrategists are also geographers. They specialise in subfields of geography, such as human geography, political geography, economic geography, cultural geography, military geography and strategic geography. Geostrategy is

most closely related to strategic geography. After the World War II, some scholars divide geostrategy into two schools— the uniquely German organic state theory; and, the broader Anglo-American geostrategies.

Critics of geostrategy claim that it is a pseudo-scientific gloss. The dominant nations use it to justify imperialist or hegemonic aspirations. The technological advances have made some of the theories irrelevant. The geostrategists focus only on geography and derive incorrect conclusions about the conduct of foreign policy.

The geostrategy concentrates on the efforts of the state to project military power and direct diplomatic activity. The underlying assumption is that states have limited resources and are unable to conduct a foreign policy by itself. Instead they focus on political and military specific areas of the world. Geostrategy describes the thrust of foreign-policy of a state and does not deal with the motivation or the decision-making processes. So the geostrategy of a state is not motivated by geographical or geopolitical factors. A state may project power to a location on account of ideological interests of a group, or simply due to the whim of its leaders.

Always there is a contrast between Geo-economic issues and geostrategic competition. Whereas geo-economic trends focus on the world economy and the conflicts between nations over trade, goods, and money, while geo-strategic competition focuses on the rivalry between nations regarding military and political power. Both these trends became important in the twentieth century, as communication and transportation technology made the world a smaller place.

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In this introductory Chapter I have discussed the planning of the thesis, the scope of the study, the literature review and the research methodology.

2) Scope of the Study and it’s objectives:

The purpose of this study is to examine the geostrategic situation of Chabahar Port in southernmost part of Iran and its relevance to Asia. The major objectives of this research work include:

1. The assessment of the role of the Chabahar Port for Asian transportation, particularly the North-South corridor.

2. Tracing the key role of the Chabahar Port for transportation from Central Asian countries to the world markets.

3. Finding the importance of the role of Chabahar Port for transportation to Afghanistan.

4. The importance of the competition between Chabahar Port in Iran and Gwadar Port in Pakistan.

3) Review of the Literature:

a) Geo-strategy of Chabahar Port:

In the east, Chabahar is connected by a land and air transportation network to Pakistan; and in the north, to the Central Asian countries and Afghanistan; and in the south to the Indian Ocean. Being away from the Persian Gulf, it provides direct access to free waters and safety from any damage at a time of crisis and also provides a strategic position for a corridor between Central Asia and other countries around the world. Moreover, the appearance of two phenomena in the 1980s has increased the geostrategic importance of the Chabahar Port. Firstly the
Central Asian countries have an increasing need to gain access to the international waters for trade and transportation. Secondly, the South-east Asian countries were on the threshold of being industrialized. It is of high significance to speak about the strategic location of the Chabahar Port as the only oceanic passage to the international waters.5

Compared to other ports like Bandar Abbas, this port is located close to the Indian Ocean and is hundreds of miles closer to the international waterways. It is important for buyers and sellers to look at the effects of cost on the transit activities due to the temporary nature and duration of the transactions.

Meanwhile, factors like short distance, presence of ship equipments in Caspian Sea, insurgency in Iraq and Afghanistan, have accentuated the excellent and the strategic location of Iran. Then, there is Sistan & Baluchistan province with 1,400 Km of land and water borders. Its land boundary is limited to Pakistan and Afghanistan; and the water one connects the southern boundaries of Iran to the Indian Ocean.6

b) Geo-economy of Chabahar Port:

Chabahar is located in the Sistan & Baluchistan province on the Makoran Coast of Iran and is officially designated as a Free Trade and Industrial Zone. Chabahar has the best access point to the Indian Ocean from Iran. It is because of this reason that Chabahar is the most important port of Iran. It helps the development of the country through expansion and enhancement of transit routes among the landlocked countries in the northern part of the Indian Ocean and Central Asia.

Chabahar has three economic sectors: they are the Commercial Sector, the Fishery Sector and the Industrial Sector. The Fishery Sector, located out of the Chabahar Free Trade-Industrial Zone, has the largest amount of fish catch of the country.

The growing Commercial Sector located at the free trade zone area, has a high potential to turn into a place that would connect business growth centres in south Asia (India) and Middle East (Dubai) to the markets of Central Asia and Afghanistan. Government of Iran plans to link Chabahar free trade zone area with the main railway network of Iran. This would connect the Central Asia and Afghanistan and would make Chabahar capable of fostering a faster logistics sector and also provide a base that is necessary to compete with its competitor, the Pakistani Port of Gwadar.

India is helping to develop the Chabahar Port, as this will give it access to the oil and gas resources in Iran and the Central Asian states. Here, it is competing with the Chinese, who are building the Gwadar Port, in Pakistani Baluchistan.

c) Infrastructures of Chabahar Port:

In winter, Chabahar is the warmest part of Iran and in summer, the coolest southern port of Iran. It is also close to the Tropic of Cancer. It lies along the route of the monsoon winds from the Indian subcontinent and the tropics. Therefore, Chabahar has a tropical weather with relative humidity.

Shahid Beheshti and Shahid Kalantari are the most important ports in the Sistan & Baluchestan province (See Table 1). These regions could help in the proper development of the eastern transit routes. The organization is planning to construct five more piers in the future. Two multi-purpose piers will also be constructed in this area. The ports of Shahid Beheshti and Kalantari are situated on
the eastern shore of Chabahar Bay, facing the Sea of Oman, at 112 Km from the Iranian-Pakistani border.

Table 1: Chabahar port Infrastructures at Shahid Beheshti and Shahid Kalantari ports

<table>
<thead>
<tr>
<th>Port of Name</th>
<th>No. Of Berths</th>
<th>Berths Length (m)</th>
<th>Purpose Berths</th>
<th>Channel Depth (m)</th>
<th>Vessels Called (DWT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shahid Beheshti</td>
<td>1</td>
<td>268</td>
<td>Multi</td>
<td>16</td>
<td>100000</td>
</tr>
<tr>
<td>Shahid</td>
<td>3</td>
<td>150</td>
<td>Multi</td>
<td>9.5</td>
<td>25000</td>
</tr>
<tr>
<td>Shahid</td>
<td>1</td>
<td>150</td>
<td>Oil</td>
<td>9</td>
<td>20000</td>
</tr>
<tr>
<td>Shahid Kalantari</td>
<td>4</td>
<td>186</td>
<td>Multi</td>
<td>12.5</td>
<td>45000</td>
</tr>
<tr>
<td>Shahid Kalantari</td>
<td>1</td>
<td>120</td>
<td>Traditional</td>
<td>1.5-4</td>
<td>50-5000</td>
</tr>
</tbody>
</table>

**d) The advantages of the Chabahar Port:**

Chabahar Port has many advantages. They are as follows:

*Location at the most secure and closest route to Central Asia and Afghanistan markets - *Proximity to over populated and growing economies of South Asia - *Location at the ocean port of Iran with direct link to the mainland of the country - *Proximity to the largest energy resources of the world - *Location far from the crisis points of the Persian Gulf from the Strait of Hormuz - *Cheap energy. Low wage structure and simpler bureaucratic process - *Exemption from import-export formalities of the mainland - *Double taxation agreements with some

* Source: [http://www.chabaharport.ir](http://www.chabaharport.ir)
countries are in force - Duty -free import and transiting of goods to foreign
countries - *No duty on exporting and transiting goods to foreign countries - *Duty
reduction on exporting CFZ made value added goods to the mainland - *Purchasing
or leasing of land, manufacturing halls, warehousing facilities and service sites at
low prices - *100% foreign ownership on investment - * 100% repatriation of capital
and profits - *15 years tax holiday which can get extended to further 15 year.

4) Research Methods:

Research will be conducted by analysing the historical and contemporary
data available in the form of government documents, books, reports and others
primary and secondary resources.

Secondly, in this study, the accomplished works applicable to the research
could be used as a source. The acts which exist within the civic district of
Chabahar as well as the civil districts of Sistan & Baluchistan province could
serve as a source, so also the relevant political and commercial books could be
used for the research.

The role of ports in the economy of a nation is discussed to highlight the
importance of the strategic port of Iran. The present economic situation of Iran,
with particular emphasis on the role of the transportation sector, forms the base on
which this thesis is developed. Chabahar port is compared to transhipment ports of
Dubai and Salalah of Oman with respect to its infrastructural facilities. In addition
there is comparison to the domestic ports of Bandar Abbas, Bandar Bushehr and
Bandar Emam Khomeini. The Chabahar Port is also being built to handle the flow
of natural resources from Central Asia. In this case the ports of Karachi and
Gwadar in Pakistan are likely to be the competitors. A comparison with these ports
is also presented. Each port has been, at first, discussed individually. The
comparisons are drawn at the end. In the subsequent sections the anticipated
economic capability of the Chabahar Port and its capacity to contribute to the national economy are deliberated in detail. As this requires a carefully articulated package of incentives for the potential users of the port, as well as for the investors, a comparative study of the economic packages offered by the various ports are presented. There is an economical assumption that the success of the port will come through trade and as a passage for natural resources to Central Asia and Afghanistan. It can also handle trade coming from Mumbai, the commercial port of India. It can act as an alternate transhipment port to other ports in the area. Every element in this economic assumption is evaluated to gather evidence to support it.

5) Research Problem/Question:

a) Research Problem:

Chabahar in Iran cuts through thousands of kilometres of transportation routes and reduces the distances along certain trade routes. It is important from the viewpoint of strategic military considerations. It can also sort out transportation problems in the Strait of Malacca, the straits of Hormuz, the Suez or anywhere along southern coastline of Asia. The Chabahar Port will further boost the importance of Central Asia as a corridor for trade and transport. Iran and Pakistan in addition to India and China, are seeking close relations with Afghanistan and Central Asia. A planned trade and transport route will have the obvious effect of building a solid, stable and harmonious tie between the erstwhile hostile neighbours.

b) Importance of Current research:

This research is important on account of the following factors:
1. The government of Iran is going to increase the role of that country in the international transportation. Chabahar has the optimum potential to obtain these objectives by increasing the average level of income in the region and by developing the indices of trade in the eastern part of Iran.

2. The other policies for Chabahar Port include a rapid preparation of infrastructure, the development of economical growth, the investment and the increase in public income which will provide healthy conditions for active participation and occupation in the global and the regional markets. It will also help the production and the export of industrial commodities for which Chabahar Port has the necessary capacity and background.

3. The Chabahar Port which overlooks the Indian Ocean is the part of Iran which is closest to Afghanistan and the Central Asian countries. It can access the world markets and also employ its potential as a transit base for the transfer of products from many countries at the lowest possible cost. It is also necessary to consider that it is especially the best point from which to provide an access by sea to the world markets for Afghanistan.

4. To study the development of the East Axis in Iran, it is essential to regard the trading sector as having the best potential for the development of the east of the country. This is because of its historical background and the conditions which prevail there at present.

5. In recent years, economic growth in Asia has exceeded 6% and many countries of Asia have achieved a significant role in the global arena. Presently, the share of Asia in global exports is said to be approximately 46%, which is set to increase to 51% by the year 2011. The formation of the European Union has given a new shape to the commerce of Asia. Europe which is the third trade partner of Asia, exports 16% of its product to Asia. The exports of Asia to Europe have also increased rapidly. It is predicted that by the year 2011, a country like China will be the biggest market for container products of the world. The Islamic Republic of
Iran can earn enormous profits by ensuring appropriate policies so that Chabahar will become the transit point for the extension of the North-South corridor.

6) Chapters:

This thesis is divided into seven chapters. The contents of these chapters are briefly explained below:

a) Chapter I: Introduction:

This introductory discussed regarding the planning of thesis, scope of the study, literature review, research methodology of the current subject.

b) Chapter II: Iran: It’s Geo-Strategic Relevance:

In this chapter general information is on given potential of the Geographic. Geo-strategic and socio-economic situation of Iran, Sistan & Baluchistan Province and Chabahar port are discussed. Today’s global trade is primarily conducted through maritime means in which ports play a pivotal role. With mammoth increase in trade volumes and sizes of ships, the emphasis has shifted to the transhipment concept using hub ports as a prime location for loading and unloading of goods. The dynamics of hub ports to serve the region and produce revenues forms the kingpin of this chapter. This leads to the discussion of the Chabahar port’s potential to become a hub port. The port project, along with its many ancillary projects, is subsequently presented.

c) Chapter III: Historical Background of Chabahar:

The purpose of this chapter is to evaluate the past accomplished changes in Chabahar Port, the socio-political condition and the relationship between this port with other parts of the world as an effective port in the southeast of Iran. Then, a
comparison of its facilities with other regional transhipment ports of Karachi and Gwadar in Pakistan, Novorossiysk in Russia, Cyhan in Turkey and Dubai in UAE is made to highlight the potentials of Chabahar Port to become a transit port.

d) Chapter IV: Geo-Strategic Conflicts and Regional Relevance of Chabahar:

This chapter evaluates current policies and the potential of Chabahar Port. The chapter starts with a complex, multi state rivalry to influence and control Central Asia’s destiny, trade, and resources and especially the main players are Russia, Iran, Turkey, India, Pakistan, China, and the United States. An evaluation of the growing global need of natural resources, with particular emphasis on the resources of Central Asia, is presented to find their potential flow through the Chabahar port. Additionally, the need for another transhipment port in this area for trade in the vast Asian consumer market and the dictates of a growing domestic trade demand is used to establish economic expectations of this port. This chapter discusses competition between countries and relations with the states of Central Asia, access to Central Asian countries to the world markets and also the methods of connection as well as the geo-strategic relevance of Chabahar with Central Asian access to seaports at the southern-east of Iran on the Oman Sea.

e) Chapter V: Regional Cooperation in Asia and It’s Relevance to Chabahar Port

The purpose of this chapter is to evaluate the geo-strategic Location of Iran to provide Central Asian states the shortest possible route to the warm waters of the Persian Gulf, Oman Sea and Indian Ocean. In addition to serve as an entrance for trade with Central Asian States, the Chabahar port will cash itself and would bring economic stability to the province of Sistan and Baluchistan in general and Iran’s coastal areas in particular. This chapter will investigate the Socio-Political
programs of the Sistan and Baluchistan Province as well as the central government in the development of Chabahar free-trade zone and also the role of all countries which will join with the world trade (global business) by the North-South corridor.

f) Chapter VI: Prospective Geo-Strategic Relevance of Chabahar:

This chapter evaluates regional and global powers that are earnestly pursuing interests in Central Asia owing to its geopolitical status and economic promise. And it also investigates the regions enormous mineral reserves, their locations as the gateway for east-west trade, and malleable political preferences of the ruling elites that have elicited the interest of various powers. Virtually every neighbouring power has sought to exercise influence in the region, beginning with Turkey which was primarily the Western conduit to prevent the Central Asian states from slipping into the Iranian sphere of influence. This chapter tries to analyze the current trading policies by interpreting political conflicts; consideration of the role of all applied policies and their strategic effects.

g) Chapter VII: Conclusions and Finding:

This chapter evaluates the situation of Iran for the neighbouring countries as they have been interested in connection, security and low cost methods to transit their goods from Iran. Also it shows that neither of these countries don’t have such a situation to access warm water because of the creation of new countries in Central Asia and the requirement of those countries for export and import goods and services with dependable. Iranian south port of Chabahar can play the best role for transportation to Central Asia.

It also investigates the Central Asian potential to become the largest supplier of oil and gas to Asia and Europe with its estimated reserves of approximately 200 billion barrels, surpassing any region outside the Persian Gulf. The extraction and transportation of oil and gas from the region has emerged as a major source of
geopolitical rivalry. The physical access to these reserves remains an obstacle due to the region's physiography. The hope is that with the development of transit routes, and better security and transit services, the benefits will reach the area residents.