Chapter II: Iran: It's Geo-Strategic Relevance:

In this chapter general information is given on the potential of the Geo-strategic, Geographic and socio-economic situation of Iran. The importance of Sistan & Baluchistan Province and the Chabahar Port in these matters are also discussed. The global trade of today is primarily conducted through maritime. This means that ports play a pivotal role in maritime trade. With mammoth increase in the volume of trade and the size of the ships, the emphasis has shifted to the concept of transhipment, using the ports as a hub in prime locations for the loading and the unloading of goods. The dynamics of how the ports serve as a hub and increase the revenue of this region forms the highlight of this chapter. This leads to the discussion on how the Chabahar Port has the potential to become a hub-port. Subsequently, the project for the development of the port alone with other ancillary projects, are presented.
1) Introduction:

"Iran. (pronunciation: Êrân ;), officially the Islamic Republic of Iran (transliteration: Jomhūrī-ye Eslāmī-ye Êrân) and formerly known internationally as Persia, is a Southwest Asian country located in the geographical territories of the Middle East".\(^1\)

The country has always been recognized by its own people as Iran; however, from the 6\(^{\text{th}}\) century B.C until 1935 to the outside world, the official name of Iran was Persia. In 1935, Reza Shah asked the worldwide community to refer to his country as "Iran". A few years later, some Persian scholars protested to the government that the change of name had disconnected the country from its past. So in 1949, Mohammad Reza Shah announced that both names could be officially interchanged. Now both the names have become common parlance. In the modern political context the nomenclature is "Iran". In cultural and historic context the reference is always as "Persia". The official name of the country has been the "Islamic Republic of Iran" since the Iranian Revolution of 1979.\(^2\)

Iran has a very multi-coloured and diversified landscape. It ranges from high plateau to mountain ranges, to plains which border the Persian Gulf and the

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Caspian Sea. The chief topographical colour of the land is a high delicate brown, like that of the coat of a deer. The countryside, though, can be extremely colourful depending upon the altitude and the vegetation of the region.¹

In this chapter general information is given on the Geo-strategic, the Geographic and the Socio-economic potential of Iran. The importance of Sistan & Baluchistan Province and Chabahar Port in these matters is also discussed.

2) Islamic Republic of Iran:

a) Geo-Strategic Position of Iran:

In the oil-rich area of the Western Asia, Iran stands out importantly as the largest and most populous Islamic nation. The country possesses all the chief attributes to become a regional influence in the Western Asia, on account of its geo-strategic location, geographical land mass and human resources. It also has sizeable revenues from oil and gas exports.

Iran, because of its cultural identity, population, size, resources and its location acts as a geographical, historical and economical link between the East and the West. In addition it bridges two very important centres of energy, namely, the Caspian Sea and the Persian Gulf. This assumes a bigger importance than ever before today. The undeniable importance of Oil in the international economy and the concomitant rise of nationalism and religion particularly have added to the importance of Iran.

It acts not only as an inactive link, but also as a key player in the events transpiring in the entire adjacent region. This "adjacent" region stretches from the shoreline of the Mediterranean to the semi deserts of Afghanistan, including

Baluchistan in Pakistan and the towering peaks of the Caucasus stretching to the shores of the Persian Gulf and the Indian Ocean. Iran in every sense of the word is the centre of this varied world.

In addition, very few significant political and economical decisions among the regional states can be made without regard to the interests and responses of Iran. Perhaps, no other country in the world finds itself bordered by as many nations and geographical points as Iran. This brings to bear many issues relevant to the domestic and external security and the survival needs of the nation.4

All major powers are drawn to the importance of the Geo-strategic position of Iran. It has an appreciably long coast to the north of the Arabian Sea. Iran also dominates the entire eastern border of Persian Gulf. It has also a 300 Km border with Oman Sea by which it connects with the Arabian Sea and the Indian Ocean.

These sea borders have made Iran as the only powerful country in the region. As in 1890 Alfred Thayer Mahan wrote in his theory of “The Influence of Sea Power Upon History”. He wrote that sea-power was necessary to facilitate trade and peaceful commerce, therefore Mahan believed that the country that possessed this power would be one that could control the seas.5

Iran has long borders with Iraq, Turkey, Afghanistan and Pakistan. It also has borders on the residual republics of the erstwhile Soviet Union. In the North, Iran also has a coastline along the Caspian Sea and it also shares borders with the other republics in the Central Asian region. Iran could rightly be termed as the "entrepôt" for the Central Asian Republics. Iran has good infrastructure and also


power in the heartland. It is connected via transportation routes and rail with all
neighbouring countries in the East, West, North and South.

The road and rail transportation of Iran in the heartland has made this
country a geo-strategic power in the region and has now made it even more
powerful, so, Mackinder wrote in his 1904 book Democratic Ideals and Reality,
Mackinder developed a "pivot area" which was the northern and interior parts of
the Eurasian continent where the rivers flow to the Arctic or to salt seas and lakes.
He believed that with the advent of railroads, this area would be pivotal as it
would be easy to defend and hard to conquer. Later, he called the pivot area the
"Heartland" and devised his famous Heartland Theory: "He who controls the
Heartland controls the World Island (Eurasia and Africa); He who controls the
World Island, controls the world." 8

The geo-strategic location of Iran and its long borders has led to conflicts in
the last quarter of the 20th century. Iran fought an eight-year war with
neighbouring Iraq under Saddam Hussein. In the last decade Afghanistan under
the Taliban has also figured as a strategic concern for Iran.

The Geo-strategic position of Iran and its potential as a regional power led
to the United States considering it as one of the "strategic pillars" of the Grand
American Strategy in West Asia. This was during the regime of the Shah of Iran in
the 1970s. However, the ouster of the Shah in 1979 and the military failure of the
United States in the ensuing Iranian hostage crisis led to Iran being considered as a
"strategic threat" to the security interests of the U.S. in Western Asia. From then
onwards Iran has been "persona-non grata" for the United States. 7

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8 H. J Mackinder, & M. Halford. Democratic Ideals and Reality: a Study in the Politics of
Reconstruction, (New Delhi, 1944). P. 45.

7 S. Kapila. IRAN IN THE STRATEGIC MATRIX OF RUSSIA, CHINA AND INDIA: An
In contrast to the geopolitical breadth of Iranian regionalism, its functional dimension has been well received by neighbouring states on the whole. It forms the basis for the actual growth of both bilateral and multilateral regional relations. Iran has little difficulty in finding partners for the construction of roads, railways, pipelines and power grids that can link its infrastructure with that of the countries of the Central Asia and Caucasus.

It also has no problems with future programs to remove all trade barriers for the environmental safety in the Caspian Sea. Iran owns 7% of the world's natural reserves although it has only 1% of the population of the world, approximately 70 million. This included about 11% of the proven global oil reserves and 16% of the world's natural gas resources. This can be translated into 133 billion barrels of oil (17 billion tons) and 27 trillion cubic meters of gas, which according to the current price of oil and gas would amount to $4000 billion.

In the modern times, this unique combination of energy resources and geo-strategic position has made Iran a centre for competition amongst the great powers of the world. This fact has profoundly infected the Iranian view of the world and how they perceive historical developments and international relations. Iran is located at the heart of the most significant petroleum hub of the world. Iran has the advantage of sitting on a huge land mass that can control the transportation lines that bypass the landlocked countries and the high seas. The reputation of this

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country has been enhanced by its geographic diversity, its skilled and semi-skilled workforce and communication routes.\textsuperscript{11}

The geography, the location, the size, its economic stature and its military muscle give Iran a prospective and essential role to play in several regional configurations, especially in the Greater Central Asia, the Caspian Basin and the Persian Gulf. The fall of the erstwhile Soviet Union has increased the awareness of the potential of Iran.

It has presented the combined relative strength of the country with regard to other regional states and its geographical proximity to the heart of the Eurasian continent. That Iran has a natural improved role as the main regional power, has been not only popularly opined but also accepted in government circles and among a wide spectrum of the elite. Iran is unable to fulfil its rightful and proper role currently in the manner in which it should within the international system on account of the nature of its relations with the United States. Only by participating in groups that exclude extra-regional powers can Iran hope to redeem its rightful place in the scheme of international affairs.

b) Geographic location of Iran:

With an area of 1,648,000 km\textsuperscript{2} and a population of 70.4 million (2006 est.), Iran is one of the most strategically located countries in the world. It is the eighteenth largest country in the world after Libya. It is ahead of Mongolia in size. The size of the United Kingdom, France, Spain and Germany put together roughly equals the area of Iran. It is about one-sixth the size of the United States and

slightly larger than the state of Alaska. The population of Iran is more than the total population of all the other Persian Gulf countries, including Saudi Arabia, Kuwait, Iraq, UAE and Jordan. Iran also occupies the entire 2,440 Km eastern coast along the Persian Gulf which borders six other oil-rich Gulf States.

It has borders with Azerbaijan (432 Km/268 mi) and Armenia (35 Km/22 mi) to the northwest; with the Caspian Sea to the north and Turkmenistan (992 Km/616 mi) to the northeast. There is Pakistan (909 Km/565 mi) and Afghanistan (936 Km/582 mi) to the east and Turkey (499 Km/310 mi) and Iraq (1,458 Km/906 mi) to the west. Finally to the south are the waters of the Persian Gulf and the Gulf of Oman (See Figure 1). 12

The Iranian plateau is very high, ranging on an average between 1,000 and 2,000 meters (3,000 to 6,000 feet) above the sea level. In fact the plateau, besides being of varying heights, also includes many peaks. It is edged by two big mountain chains, the Alborz to the north and the Zagross to west and to the south. The Alborz rises to 5,670 meters and forms a continuous wall above the banks of the Caspian Sea. The Zagross is perhaps less impressive than the Alborz but it forms a formidable barrier on the west and the south and has some peaks that rise to 4,500 meters.

In the Alborz Mountain range there is the massive volcanic peak of Damavand that separates the Iranian plateau from the moist coastal regions of the Caspian Sea. In addition to the plateau and the mountains, there is the central desert that covers one-third of the surface of the country. It must also be taken into account that it is as big as the whole of France.

Figure 1: Iran is a Southwest Asian country located in the geographical territories of the Middle East.

It has two parts, the Dasht-E-Kavir and the Dasht-e-Lut both of which are practically impassable barriers of pebbles, sand and salt. The regions of Iran are vast and have very different climates that the change from one time of the year to the other. At a certain time of the year on can see a variety in the climatic condition of the different regions. There are generally four seasons: spring, summer, autumn and winter. The spring starts from mid March and the weather is pleasant with warm, sunny days and occasional spring showers. The average temperature during spring is around 20-25°C. In summer the heat is often overwhelming, with the temperature frequently rising above 35°C in Tehran. In summer time, pleasant weather and beautiful landscapes of Northern Iran and the Caspian Sea invite people to escape from the heat and to spend their holidays in the mountains or at the seaside. The autumn commences from mid September.

Source: www.googlemap.com
with rather cool and sunny days. There are beautiful landscapes with colourful yellow, red and brown autumn leaves within an hour’s drive from Tehran. In winter, even in Tehran the cold can be intense and the thermometer can frequently drop at night to below zero centigrade to -5 or -10 °C. In winter Shemshak and Dizin ski slopes in Northern Tehran are popular for winter sports.\textsuperscript{14}

c) Socio-economic situation of Iran:

Iran is very rich in terms of natural resources. Iran has one-tenth of the world's oil and one-fifth of the world’s natural gas reserves. Its total oil reserves stands at 92.9 billion barrels. At the present extraction rate, it will last 70 years. Iran is ranked second in the world in view of its natural gas reserve, totalling 20.7 trillion cubic meters and at the current daily consumption rate, it will take Iran 360 years to exhaust it! Besides natural resources, unlike many other Middle Eastern countries, Iran possesses strong agricultural and service sectors. These together with a population of more than 70 million make Iran a substantial domestic power from the political and economical point of view.\textsuperscript{15} The official Iranian calendar is the Jalali calendar, which was designed by Omar Khayyam (1048-1122), the famous philosopher, poet and mathematician. The Iranian calendar has 365 days and 12 months. The Iranian New Year begins on March 21 and is dated from the Hejira in 622 A.D. when the prophet Mohammed migrated from Mecca to Medina. In religious matters, the Moslem calendars usually give three systems. Jalali, Islamic and Gregorian. The official weekend holiday in Iran is Friday.\textsuperscript{16}


The Iranian school year starts from September 21, with either three quarters at the junior level or two semesters at the senior level and the Iranian school year usually ends around the end of June. The official flag of Iran has three equal horizontal bands comprising green (top), white (middle) and red (bottom). Iran's currency is the Rial. It has a fluctuating exchange rate of between 8000-9500 Rials to 1 US Dollar.17

Iran is divided into 30 provinces, each governed by an appointed governor. The provinces are divided into counties and subdivided into districts and sub-districts. Iran has one of the highest urban-growth rates in the world. From 1950 to 2002 the urban proportion of the population increased from 27% to 60%. The United Nations predicts that by 2030 the urban population will form 80% of the overall population. Most of the internal migrants have settled near the cities of Tehran, Isfahan, Ahvaz and Qom.

In 2004, a large volume of Iran’s natural gas reserves were untapped. The addition of new hydroelectric stations and the streamlining of conventional coal and oil fired stations increased installed capacity to 33,000 megawatts. Of that amount, about 75 percent was based on natural gas, 18 percent on oil and 7 percent on hydroelectric power. In 2004, Iran opened its first wind-powered and geothermal plants and in 2009 the first solar thermal plant is expected to come online. Demographic trends and intensified industrialization have caused electric power demand to grow by 8 percent per year. The government goal of 53,000 megawatts of installed capacity by 2010 is to be reached by bringing on line new gas fired plants financed by independent power producers, including those with foreign investment backing and by adding hydroelectric and nuclear power generating capacity.

The first nuclear power of Iran plant at Busheher, built with assistance from Russia, was not operative by 2009. In 2005, Iran's electricity imports were greater than its exports by about 500 million kilowatt-hours and exchanges were made with all neighbouring countries barring Iraq. The authorities and the private sector have in the past 15 years emphasised on local production for domestic-consumption oriented goods such as home appliances, cars, agricultural products, pharmaceutical, etc. Nowadays, Iran possesses a good manufacturing industry, despite restrictions imposed by foreign countries. However, all nationalized industries have often been terribly mismanaged, making them ineffective and uncompetitive. The government is trying to privatize some of these industries, such as downstream industries of the National Iranian Oil Company and despite some successes. There are still several problems to be overcome chiefly as the nagging corruption in the public sector. Thus, the nationalized industries lacks being competitive.18

Iranian culture has long been a predominant culture of the Middle East and Central Asia. The Iranian New Year (Norouz) is celebrated on March 21 from Spain in the west to Kazakhstan in the east. It is celebrated as the first day of spring. In 2004 Norouz was nominated as one of UNESCO's Masterpieces of the Oral and Intangible Heritage of Humanity.19

Iranian customs and traditions often seem complex to the foreigner, but after further study reveals a rich and often intensely warm characteristic. For example, respect for the elderly and hospitality for foreigners, remain highly

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visible parts of Iranian etiquette, while the highly joint family structure of Iran's society is in stark contrast to many western societies.20

Iran is a diverse country consisting of people of many religions and ethnic backgrounds cemented by the Persian culture. Persians, the founders of Ancient Persia, constitute the majority of the population. Seventy percent of present-day Iranians are Iranian peoples, native speakers of Indo-European languages who are descendants of the Aryan (Indo-Iranians) tribes that began migrating from Central Asia into what is now Iran in the second millennium BC.

The majority of the population speaks one of the Iranian languages, in addition to the official language, Persian. The main ethnic groups are Persians (51%), Azeris (24%), Gilaki and Mazandarani (8%), Kurds (7%), Arabs (3%), Baluchi (2%), Lurs (2%), Turkmens (2%), Qashqai, Armenians, Persian Jews, Georgians, Assyrians, Circassians, Tats, Pashtuns and others (1%).21

However, significantly, in recent years, birth rate of Iran has dropped. Studies show that rate of population growth of Iran will continue to slow until it stabilizes, by the year 2050, at 90 million. The Statistical Centre predicts 82 million in 2050, underestimating today's population by 8% more than two-thirds of the population is under the age of 30 and the literacy rate is 79%.22

The number of Iranian citizens where abroad is estimated to be some four million. There are people who emigrated to North America, Europe and Australia, mostly in 1979, after the Iranian revolution. Iran also hosts one of the largest

22 Statistical Centre, of Iran. Statistical Centre of Iran Population and Housing census (Tehran 28 Oct. - 17 Nov. 2006.).
refugee populations in the world, with more than one million refugees, mostly from Afghanistan and Iraq.

Since 2006, Iranian officials (See Table 2) have been working with the UNHCR and Afghan officials for their repatriation. Most Iranians are Muslims; 90% belong to the Shi’a branch of Islam, the official state religion and about 8% belong to the Sunni branch, mainly Kurds and Baluchi Sunni of Iran. The remaining 2% are Non-Muslim religious minorities, including Baha’is, Hindus, Yezidis, Zoroastrians, Jews and Christians. The latter three minority religions are officially recognized and protected and have reserved seats in the Parliament.

According to the Iranian Constitution, the government is required to provide every citizen of the country access to social security that covers retirement, unemployment, old age, disability, accidents, calamities, health and medical treatment and care services. This is covered by public revenues and income derived from public contributions. The World Health Organization in the last report on health systems ranks performance on health level of Iran at 58th and its overall health system performance 93rd among the nations of world.24

The tourism industry declined dramatically during the period of war with Iraq in 1980s but has subsequently revived. The majority of the 300,000 tourist visas granted in 2003 were obtained by Asian Muslims, who presumably intended to visit important pilgrimage sites in Mashhad and Qom.

According to the world Ecotourism Organization, Iran, a country with high tourism potential and attractions, unfortunately has a tiny share in the global tourist revenue of $ 700 billion and ranks low in terms of attracting and hosting

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tourists. The country ranks the 70th worldwide and is 13th among Muslim countries for tourism.

There are many religious sites in the country, including the holy shrine of Emam Reza Mashhad in Khorasan Razavi Province and also the holy shrine of his beloved sister Masoumeh in Qom. There are ample natural attractions and historical monuments scattered across the country, including those in the tourist cities of Shiraz, Isfahan, Hamedan, Tous of Mashhad and Ardebil.

Table 2: Official information about Iran

<table>
<thead>
<tr>
<th>Full name: Islamic Republic of Iran</th>
<th>Population: 70.4 million (via, 2006)</th>
</tr>
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<tbody>
<tr>
<td>Capital: Tehran</td>
<td>Area: 1.65 million sq Km (636.313 sq mile)</td>
</tr>
<tr>
<td>Major language: Persian</td>
<td>Major religion: Islam</td>
</tr>
<tr>
<td>Life expectancy: 69 years (men), 72 years (women) (UN)</td>
<td>Main exports: Petroleum, carpets, agricultural products</td>
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<tr>
<td>Monetary unit: 10 Iranian rials = 1 toman</td>
<td>GNI per capita: US $2.770 (World Bank, 2006)</td>
</tr>
<tr>
<td>Internet domain: .ir</td>
<td>International dialling code: +98</td>
</tr>
</tbody>
</table>

Recently, there has been praise for the medical tourism potential of the country, considering the high standard of the knowledge and expertise of its physicians and specialists in body organ transplants as well as blood, cardiovascular and neurological diseases. Iran can take necessary measures to benefit from its enormous historical, medical, natural, cultural and social advantages to gain more tourists, thus gaining a higher share in the world tourist revenues by 2010.²⁶

Iranian natural resources include petroleum, natural gas, coal, chromium, copper, iron ore, lead, manganese, zinc and sulphur. Its strategic location on the Persian Gulf and Strait of Hormuz, are vital maritime pathways for crude oil transport. Natural hazards in Iran include periodic droughts, floods; dust storms, sandstorms and earthquakes.

3) Sistan & Baluchistan Province:

a) Geo-Strategic Position of Sistan & Baluchistan Province:

The Sistan & Baluchistan province is located at crossroad of South Asia, Central Asia and Middle East. It shares 300km long borderline in the northeast with Afghanistan and 909 km borderline in the east with Pakistan.

The regions like Afghanistan, Pakistan and Oman Sea surround it, which are rich in oil and gas reserves. While on one hand, the province is situated in the midst of oil and gas reserves. On the other side, Sistan & Baluchistan coast lies nearby to the Strait of Hormuz, which is an important route for global oil supplies. It has the potential to become the centre for international trade.

The geo-strategic position Sistan & Baluchistan makes it attractive for transit traffic to the landlocked Afghanistan and the Central Asian Countries. The strategic trans-national gas pipeline projects and construction of seaport, oil refinery and oil city at Chabahar can turn Sistan & Baluchistan into an important energy conduit in the region. The future of the Iran-Pakistan-India (IPI) gas pipeline, which would develop a regional trading system, also lies in Sistan & Baluchistan. Today, the big challenge before Tehran is to convert its strategic assets in Sistan & Baluchistan into economic opportunities and to open up the province to international trade and investment.27

Promoting increased economic and social cooperation in the whole region mainly Afghan-Iran border area is the key to undermine extremism. A shared and prosperous future of all the countries lies in the increased regional cooperation, which involves trade facilitation through regional infrastructure projects. A broader strategic agreement on the future of Afghanistan, improvement of security situation particularly in the Iran-Afghan border areas, an end to regional political rivalries and the restoration of peace and political stability in the insurgency-hit Sistan & Baluchistan.28 The province can still play a frontline and leading role vis-à-vis reconstruction and economic rehabilitation of war-torn Afghanistan and greater regional economic and social integration.

Integration of regional markets through undertaking infrastructure projects including network of roads and railways would facilitate trade within the region. The cross border movements of people that will increase economic, cultural and social exchanges and help create transport and energy corridors and promote regional economic cooperation.

b) Geographic Situation of Sistan & Baluchistan Province:

The province of Sistan & Baluchistan is located in south-east of Iran. It shares 1,700 kilometres border with Pakistan and Afghanistan and 300 kilometres along the Gulf of Oman (See Figure 2). This province has 1,772 million strong populations, 486 thousand of whom are concentrated in the provincial centre of Zahedan.

Figure 2: Sistan & Baluchistan province

Sistan & Baluchistan has eight towns namely Zahedan, Chabahar, Khash, Zabol, Saravan, Iranshahr, Nikshahr and Sarbaz. Its rubber-producing hevea trees are reminiscent of Java and Sumatra, its mango trees and Indian figs, its banana trees and Africa crocodiles are famous. Among the provincial towns, Zahedan holds the largest rate of urban conglomeration, the ratio of urban dwellers to rural residents, being 90.4 percent and the lowest ratio belongs to Nikshahr with 15.2 percent (See Table 3).

Table 3: Sistan & Baluchistan population ratio

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial population</td>
<td>2405742</td>
<td>3.41%</td>
</tr>
<tr>
<td>Urban dwellers</td>
<td>1193198</td>
<td>49%</td>
</tr>
<tr>
<td>Rural and nomadic population</td>
<td>1212544</td>
<td>51%</td>
</tr>
</tbody>
</table>

Zahedan is at the forefront in the development of the country's urban structure. Chabahar is a major hub for fisheries and is famed for trade and free zone and Zabol is the agricultural centre of the province, while Iranshahr is the industrial point.\(^{31}\)

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Sistan & Baluchistan have different climates. Its best climate is in the north because of its proximity to Taftan. The higher regions in the north and in the south of the province have an extremely pleasant climate because of its proximity to the Tropic of Cancer and the equator area. Temperature changes little and the trees are forever green during the year. Zahedan includes semi desert and mountains. Zabol and Iranshahr areas have a desert climate while Khash and Chabahar have the best climate and are the most beautiful areas of the province. Influence the province and climate Indian seasonal conditions from October to April, when the most tourist destinations are empty because of the cold weather; Sistan & Baluchistan welcome tourists interested in nature and fine weather.33

c) Socio-economic situation of Sistan & Baluchistan:

The establishment of the Zahedan & Kerman railway will play an important role in the internal and external business relations. This pivotal network with a length of 14,000 Km, will start from Singapore, pass through Malaysia, Thailand, Bangladesh, India, Pakistan, Iran and end at Istanbul in Turkey and will also link the two major ports of the world. Put more simply, it will connect south-eastern Asia to Europe.

The passage of the peace gas line through this province will connect the Middle East countries and Afghanistan via this province. The fishery goods of the southern part, the presence of a long land boundary with two neighbouring countries with border markets, are some factors that have intensified the growth of this province. Other factors include: good agriculture, the favourable winter


33 Annika Rabo, Bo Utas. The Role of the State in West Asia, of London, 2005). PP, 151-156.
climate, the cement factories and the presence of free zone with planned investments.\textsuperscript{34}

The province is connected to Pakistan via the Zahedan-Mirjaveh-Quete road, thru South Khurasan province via Berjand-Zahedan, thru Kerman province via Bam-Zahedan and Iranshahr-Bam and with Bandar abbas port via Chabahar-Jask. The cites of the province are connected via road originating from Chabahar and ending at Zabol. Moreover, a transit road is to be constructed which currently links Nikshahr and Iranshahr, while in Tange Sarhae a tunnel is about to be drilled.

The province presently has 646 Km railway which links Iran with Pakistan through Zahedan-Mirjaveh-Quete. Before 1979 this railway was active for transportation but after that it has been used only for government transportation. There was established in June 2009 another train line from Zahedan to Kerman of the length of 550 Km and this will intensify the growth of the province.

The province has 6 airports for air transportation. Zahedan and Chabahar (Konarak) are international airports; Iranshahr and Zabol are domestic airports and Saravan and Khash are used temporarily for domestic flights. The international airports have flights to countries like Saudi Arabia, Pakistan, United Arab Emirates, Afghanistan and Oman.

Chabahar Port does not have transit for passengers. However goods are exported and imported through its custom house. With the intention of promoting

\textsuperscript{34} Economic Group. \textit{Zahedan –Kurban railway is development rail.} (Zahedan: 2007).
naval equipment transportation and improving plans, the sea link line will be implemented quickly.35

Establishment of border markets encourage exports and organizes transactions across the border. There are seven active border markets at present namely, Milak in Zabol, Mirjaveh in Zahedan, Pishin of Sarbaz, Kohak and Jalig of Saravan, Remdan and Pasabandar of Chabahar all of which work under major National Security Consultancy. Recommended border markets of the province are Choto border market in Zahak, Rotak border market in Khash, Shamsar and Haq Abad market in Saravan.36

Industry sector of Sistan and Baluchistan lags behind the other areas in development, due to such factors as: the province's seclusion from the industrial hubs of the country, prevailing dry weather, rapid population growth, lack of sufficient skilled workforce, underdeveloped economic structures and a severe shortage of fresh water and energy. Yet, there are wide spectrums of untapped resources in the province, each of which can turn into a major export earner. There is a sizeable potential for the establishment of paper and cardboard mills. The largest textiles manufacturing companies of Iran are located in Sistan and Baluchistan. In 1998, Baaft Baluch Factory produced 8.6 million square meters of curtain and mattresses, up from 8.1 million in 1997. Carpet and rug weaving is also very common in Sistan & Baluchistan and the yarns used in their weaving is derived from the Baluchi sheep, whose wool is 30-40 microns higher than that of the Australian sheep.37


36 hussain mehdi. Sistan-o-Baluchestan, Iran developing with pace after islamic revolution. (Tehran, 2007). P. 89.

4) Chabahar Port:

a) Geo-Strategic Position of Chabahar Port:

Chabahar Port is well known for its geo-strategic position in the world. It’s gaining more importance because of the Great Oil Game which is centre of attraction for developed countries. Chabahar Port is situated in the province of Sistan & Baluchistan which is located in south-eastern part of Iran.

Chabahar Port has all the natural advantages that can play a major role in serving as a corridor for energy, cargo and services between Central Asia, the Indian Ocean and other surrounding regions. By virtue of its geo-strategic location, Iran can serve as a transportation corridor between Central Asia and Indian Ocean and the Chabahar port can become a major outlet for trade between the Central Asia and the world market.38

Chabahar Port is situated on the Makoran Coast of the Sistan and Baluchistan Province of Iran and is officially declared as a Free Trade and Industrial Zone by the Iranian government. The port has been developed by India. It is the closest and the best access point to the Indian Ocean. Its location is at the most secure and closet route to the Central Asian and Afghani markets. It is in proximity to the largest energy resources of the world.

The Chabahar Port is well connected to other cities of the country by road and airlines. A strategic partnership will be established between Iran, India and Russia to establish a multi-model transport link connecting Mumbai with St. Petersburg, providing Europe and the former Soviet Union Republics of Central

Asian access to Asia and vice-versa. Iran and Afghanistan have signed an agreement to give Indian goods leading for Central Asia and Afghanistan, preferential treatment and tariff reduction at Chabahar Port.

India’s financing and engineering assistance is not only limited to Chabahar Port only, but it is bypassing Pakistan by actively developing a highway that leads from the Chabahar Port to Afghanistan. Chabahar Port is well suited for linking southern ports of Afghanistan and a few Central Asian states. For Pakistan in the present condition, the southern Afghanistan is not ready to be a reliable transport corridor for Pakistan’s access to the Central Asian states.39

Chabahar Port close connection to the Indian Ocean through the Oman Sea without need to pass through the Hormuz strait has gained it a unique advantage among the other Iranian ports. That is the reason it has been called the gate way of trade and transit for the eastern corridor of Iran, from long times ago. Due to its specific geo-strategic situation, Chabahar Port is the best area through which the development of eastern provinces of the country, particularly the Sistan & Baluchistan province, could be conducted. Having this fact in mind, the first phase of the port extension project is launched with more than 350,000,000 USD allocated budget, in order to enhance its cargo handling capacity up to 6 million tones per year.

b) Geographic situation of Chabahar Port:

Chabahar is an Iranian free port (Free Trade Zone) on the Makoran coast of Sistan & Baluchistan province of Iran. Chabahar Free Trade Zone has an area of 14,000 hectares, it is located in the south-eastern most part of Iran along the warm

waters of the Gulf of Oman and the Indian Ocean at the northern latitude of 25, 12' and the longitude of 60, 37'East. It is 7 meters above sea level.

Chabahar is bounded on the north to the counties of Nikshahr and Sarbaz, on the south to the Gulf of Oman, on the east to Pakistan and on the west to Konarak and Hormozgan province. Average max temperature (in June) is 31.5°C and avg. min temperature (in January) is 18.9°C with average temperature during the year being 26°C. Minimum relative average humidity (in the winter) has been reported to be 57% and maximum relative average humidity (in the summer) to be 87.6%.40

c) Socio-economic situation of Chabahar Port:

Chabahar Port is the most advantageous location in Iran for development the east of country. It has direct access to free waters and to the Indian Ocean.41

Chabahar's economic sectors are the commercial sector, fishery industries and agriculture. A commercial sector located at the free trade area has high potential to Chabahar Port into an economic zone that would aid business growth centres in five eastern provinces of Sistan-Baluchistan, Karman, North Khorasan, South Khorasan and Razavi Khorasan in Iran.

Shahid Beheshti and Shahid Kalantari are the most important ports in the Sistan & Baluchistan Province. These could help in the proper development of the eastern transit routes. The transit axis, which commences from Chabahar Port in Sistan & Baluchistan province, passes through Nikshahr, Iranshahr, Khash,


Zahedan, Birjand, Gonabad, Torbat-e Heydarieh and Mashhad. Chabahar-Milak transit route, which borders Afghanistan, is one of the most important parts of this axis. Large ships, including Super Panamax would be able to berth in the port once the project is completed. The organization is planning to construct five more piers in future. Two multi-purpose piers will also be constructed in the area. Facing the Sea of Oman, the ports of Shahid Beheshti and Kalantari are situated on the eastern shore of Chabahar Bay, 112 Km from Iran-Pakistan border.

Fishery sectors with the largest amount of fish catch the country are mainly located at the Chabahar Port. There is good potential for the development of fishery industry in the area Shrimps, Lobsters, Ton fish, Mictofeed fish, mixed fish and shark fish are found here. According to present statistics 9750 fishermen are working with 1755 boats in Chabahar Port. The culture of shrimps is a potential venture of this province. As per studies, more than 21000 hectares of Chabahar lands along 8 sites is extremely suited for shrimp culturing. Since 1996, a project of 4000 hectares near Western Bahookalat River has been at it. As a result, fishing of shrimps has increased from 202 tons in 1999 to 355 tons in 2000.

Environmental changes affect agriculture in the region of Chabahar. Most of the land is potentially suitable for agriculture. However, absence of non-salty water and timely rainfall makes agriculture fall in importance and most of the land becomes useless, the agricultural products have to depend on the winter rainfall. Farmers construct earthen dams around lands to preserve rainwater for cultivation when the land water has dried up. However, on account of its warm, humid climate, it has a potential for cultivating tropical fruits. Such fruits generally cannot be cultivated in other parts of Iran. This provides good reason for

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42 Ships classified as Panamax are of the maximum dimensions that will fit through the locks of the Panama Canal.
tourists and guests from other regions, to visit the big banana, coconut and citrus groves which provide splendid scenic view of the countryside.\footnote{Ibid.}

The Oman coast is one of the most pivotal coasts in the world because this area has access to international waters and also the fine capacity to establish ports within itself. Its depth is of 200 meters and it has stable coastal strata as an added merit.\footnote{B. N, Nosrat. \textit{The form of visionary province development}. (Zahedan, 1984). P. 19.} Along the Sistan & Baluchistan coastal line, Chabahar is a strategically and geopolitically important port on account of its proximity to the Indian Ocean.

According to previously laid plans, three ports along the south coasts of Iran have been considered for development. They are: the Emam Khomaini port covering the west, the Bandar Abbas Port covering the centre and the Chabahar Port covering the eastern part of the country.\footnote{P., Ceragioli & M. Martellini. \textit{Middle East The geopolitics of pipelines}. (15 January, 2007) Retrieved from Asia: http://www.atimes.com/atimes/Middle_East/EF29Ak05.html.} Other than the main oil ports of Iran, the three ports of Emam Khomaini, Bushehr and Chabahar can be, better than other port, as substitutes which have a good capacity for docking ships, attempting other portal activities and solving commercial problems.\footnote{E, Fared. \textit{Geographically usage on research method in city and village}. (Tehran, 1993). P.85.}

Geopolitically, Chabahar plays an important role not only in the political geography of the country but also in the world, especially in Asia. This region has a 300 Km water boundary with the Oman Sea and Gulf of Chabahar and a special location with regard to Hormuz strait and entry to the Indian Ocean.\footnote{A., Paka, & M., Farajzadeh. Iran's Integrated Coastal Management plan: Persian Gulf, Oman Sea, and southern Caspian Sea coastlines. \textit{Ocean & Coastal Management}, (Elsevier) Vol. 50 (9). (2007). PP.753-773.} The limitations to other ports could result from possible closure of the Hormuz Strait,
in a time of crisis. Then Chabahar can act quite freely to establish connections with other countries of the world.\textsuperscript{49}

The transit situation of Iran has always been very significant during its history. The route has been frequently used many times during emergency and in ordinary circumstances. For instance in ordinary situations it has been used for commercial and tourism matters and at the time of World War II it was an emergency location for Russia through which it had access to military equipment. The Central Asia countries and Afghanistan have long desired to gain access to international waters as much as the South-western Asian countries who wish to access the economic markets of the Central Asia.\textsuperscript{50}

Historically, even before the dominance of Bandar Abbas under its old name of Gampron, Chabahar embodied a recorded history under its old name of Tiss. It was and is economically very active. All the historians and travellers, from Yaqut Hamavi to Marco polo, have emphasized the importance of the place, which at present is a small village in Chabahar Port.


\textsuperscript{50} Andrew Burke, Mark Eliott. \textit{LONELY PLANET IRAN (COUNTRY GUIDE)}. (lonelyplanet, 2008). P.361.