

FICCI hails India-Iran Pact for development of Chabahar Port in Iran

NEW DELHI, 8 May 2015: FICCI welcomes the agreement signed between India and Iran for the development of Chabahar Port on May 6, 2015 in Tehran. The agreement was signed by India's Road Transport and Highways Minister Mr. Nitin Gadkari and Iran's Minister for Transport and Urban Development Dr. Abbas Ahmad Akhondi.

Chabahar port is of great strategic utility for India which will create for India a sea-land access route to Afghanistan, bypassing Pakistan. The port will be used to ship crude oil and urea, saving India transportation costs by one-third. Chabahar Port would also provide Afghanistan's garland road network system alternative access to a sea port, thereby significantly enhancing Afghanistan's overall connectivity to regional and global markets.

India intends to lease two berths at Chabahar for 10 years. The port will be developed through a special purpose vehicle (SPV) which will invest \$85.21 million to convert the berths into a container terminal and a multi-purpose cargo terminal. The Indian side will transfer ownership of the equipment to Iran's Port and Maritime Organisation (P&MO) without any payment at the end of the tenth year.

FICCI has always been in the forefront of Afghanistan's reconstruction and development efforts. FICCI is responsible for the implementation of the Trade Commerce & Investment CBM under the 'Heart of Asia' process. It has also formed the Afghan-India Chamber of Commerce & Industry to deepen business relations between the two countries and thereby contribute to the development of the Afghan economy.

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