

Marketing Strategies of Chabahar Port to Access Central Asia and Afghanistan Markets through Rail, Road, Sea and Air Transportation Facilities

Mohammad Saeid Arbabi, Hossein Vazifehdoust*, Karim Hamdi and Vahid Reza Mirabi

Department of Business Management, Science and Research Branch, Islamic Azad University, Tehran, Iran

Abstract

The Chabahar port is set to become a trading hub that will benefit not only Iran but also several other countries and regions like India, Afghanistan, Central Asia, Gulf, Commonwealth Independent States and Europe. The Chabahar Agreement signed by India, Iran and Afghanistan is an important step that has contributed to the port's development. The development of the Chabahar Free Trade Industrial Zone will also support the growth of the region and aid it in becoming a trade hub. The port's connectivity via road, railways and air as part of the International North South Transport Corridor opens a completely new route for trade and opens other markets to landlocked countries like Afghanistan and Central Asian countries. It also reduces the time and cost of transportation from Europe drastically. The development of the Chabahar port is being monitored by the world not only for its economic benefits but also for its political significance due to involvement of several countries. The future growth of the region is dependent on the success of these initiatives and the investment it garners from other countries. This paper studies the marketing strategies to link Chabahar port via sea, road, rail and air and the market potential that Chabahar offers to associated countries.

Keywords: Chabahar port; International North South Transport Corridor; Chabahar Free Trade Industrial Zone

Introduction

Chabahar Port

The Chabahar port is situated in the province of Sistan and Baluchistan in south-eastern Iran as shown in Figure 1. The port is located at the Strait of Hormuz in the Arabian Sea. The strategic location of the port provides an easy access to the Oman Sea, the Persian Gulf and the Indian Ocean. Chabahar port utilizes Baluchistan's strategic location by connecting Central Asia, Middle East and South Asia via rail, road, sea and air transportation and has the capacity to become a major centre of trade for these regions. Chabahar port has two ports, Shahid-Beheshti and Shahid-Kalantary, that share 10 berths between them and is planned to handle a capacity of 10-12 million tons of cargo per year as shown in Table 1. The development of the port is planned in five phases [1-5].

The Chabahar port agreement

The Chabahar port agreement was a culmination of initiatives

that were undertaken in the form of discussions as early as 2003 when India and Iran had green lit the Chabahar project. However, due to International sanctions that limited the import trade of oil from Iran; the project did not take off as per the expected timeline and witnessed a sluggish start for a decade. A framework of an intergovernmental Memorandum of Understanding (MoU) was approved by India in 2014 for creating a joint venture to equip two berths at Chabahar port. The framework would allow the joint venture firm to lease the two berths for 10 years and renew the same by mutual agreement. The berths would be converted into a multi-purpose cargo terminal and container terminal by a Special Purpose Vehicle. The agreement was signed in 2015, where both governments signed a MoU to develop the port. In May 2016, India reached an agreement with Iran and Afghanistan to invest \$635 million to develop the port where \$85 million was used to lease two berths at Chabahar port; \$400 million was allocated to supply steel for railway line between Chabahar and Zahidan; and \$150 million credit was given to Iran to develop the port [6-9].

The trilateral Chabahar Agreement between India, Iran and Afghanistan could be a regional game changer that will change the dynamics of trade and prove to be a win-win situation for all associated parties. It will enable India to secure energy from Iran and gain access to Afghanistan and Central Asia to establish its foothold in



Figure 1: Chabahar port [15].

***Corresponding author:** Hossein Vazifehdoust, Department of Business Management, Science and Research Branch, Islamic Azad University, Tehran, Iran, Tel: +989125182700, Fax: 982184932486; E-mail: h-vazifehdoust@srbiau.ac.ir

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Phase	Year	Description
1	2013	Approximately 1650m of breakwater extension, Construction of two container berths (640m) and three multi-purpose berths (540m); 17 million m ³ dredging to (-16m) depth; and Reclamation of 195 hectare by sediment.
2	2015	Construction of a container berth (360m)
3	2016	Construction of an oil berth
4	2016	Construction of a multi-purpose berth
5	2021	Construction of a container berth (360m)

Table 1: Chabahar port development plan [5].

the region. For Iran, the trilateral agreement would end its isolation in the global economy and will give it the opportunity to explore new avenues to expand its market. Access to the Indian Ocean will allow it to gain markets for its energy reserves and leverage its economy over Saudi Arabia. The agreement will help Afghanistan to reduce its sole dependence on Pakistan and gain an alternative maritime route through Chabahar port [10].

Importance of Chabahar port development for Iran

Iran has rich reserves of hydrocarbon that have contributed significantly to its GDP and thus resulted in surplus fiscal revenue. However, international sanctions have taken a hit on the hydrocarbon production and hence the fiscal revenue has suffered. Iran's most important exports are mineral fuels and oils and contributed 80.2% to Iran's total exports in 2014. Thus, to ensure that the Iranian economy does not suffer due to restrictions on oil, Iran needs to find new markets [11].

The development of Chabahar port was initiated in 1973 but was delayed due to the Iranian Revolution and sanctions imposed on Iran. The port provides an alternative to Bandar Abbas port, situated off the Strait of Hormuz, which is the biggest port of Iran and always runs at full capacity. Although the Chabahar port is very underdeveloped in comparison to the Bandar Abbas port but has significant advantages over it. One of the advantages that Chabahar has over Bandar Abbas port is its location. Since Chabahar is located beyond the Strait of Hormuz, its usage is not dependent on any blockade in the Strait of Hormuz. Chabahar also has an additional significance since it is the only deep-water port in the country having access to the Indian Ocean. The significance of Indian Ocean for international trade is unparalleled since 75% of the global ships pass through this region. Gaining access to this trade route is of utmost importance to Iran. The Chabahar port is also expected to bring economic prosperity to Iran, especially its underdeveloped Southern and Eastern regions that are marred by insurgency [12,13].

India was the second largest export-destination of Iran accounting for 17.5% of the exports in 2014. The Chabahar port provides Iran with trade opportunities to expand its market for energy products in India and gain an edge over Saudi Arabia. Iran is also developing the Chabahar Free Trade Zone to develop Chabahar into a trade hub and has granted its land and other facilities to India, Afghanistan, China and Commonwealth of Independent States (CIS). Use of the Chabahar port by any country will also allow Iran to gain tremendously from the duties and tariffs on goods that pass through it as well as from the use of its transportation that connects further to Afghanistan and Central Asia. Due to the stated benefits, Iran has prioritized development of the Chabahar port and has invested about \$340 million in the project.

Statement of the problem

The Chabahar port's development opens up new trade routes and Chabahar has the potential to become one of the largest world's centres

of trade. To ensure the success of the region, it is essential to create links to it via sea, road, rail and air for accessing markets. The marketing strategy of the port is hence the basis for attracting more investment, more connectivity and more usage.

Objectives

The objectives of this review are:

- To study the importance of Chabahar port and its benefits for trade
- To analyze the marketing strategies that are being used to connect Chabahar port with Central Asia and Afghanistan markets through rail, road, sea and air transportation facilities.

Methodology

Obviously it was not possible to include every article or paper ever written on this topic, so it was necessary to decide which articles (or, in some instances, topics) to include or exclude. We used published literature mostly from last 10 years and a few from last 20 years. Two primarily used databases with a wealth of business literature were ABI/ProQuest and EBSCO host. We also used Business Source Complete including peer-reviewed academic journals and other sources, such as newspapers, magazines and trade publications. First, we identified some articles through subject searches (e.g., the sources used have been selected on the basis of the significance of Chabahar port, developments in Chabahar, International North South Transport Corridor, Chabahar Agreement, Chabahar and Gwadar's significance, Iran-Afghanistan-India ties, scope of development of Chabahar, Chabahar Free Trade Zone, Chabahar's connectivity and Central Asia's market importance. The sources were filtered on the basis of their comprehensiveness and insight and that focused on the latest developments). However, this tends to cast a very wide net and makes it difficult to identify the most relevant or important papers. So, we searched for papers by well-known and well-regarded scholars in the field, especially those that have been widely cited. We searched for more recent articles that cite articles already included in the review. We also used the bibliographies of articles to find other relevant publications. We prioritized more recent works, which should represent the latest thinking and which often review or cite the most influential earlier studies. The review started with articles in well-regarded, peer-reviewed academic journals, but also included other types of materials if they were cited by other sources. We prioritized the most relevant and/or most cited articles, and those with rigorous research methodologies. In summary, we reviewed and read research articles, chapters, papers, or other publication, the vast majority from peer-reviewed academic journals or textbooks.

Review of Literature

Opportunity for Afghanistan

Afghanistan is a landlocked country and is solely dependent on Pakistan for international maritime trade. Due to its tenuous relations with Pakistan and the threat of terrorist attacks to its supply chain

network, Afghanistan is interested in gaining access to an alternate sea route. The development of network corridors gives traders an opportunity to move past the uncertainty and choose a stable route for their goods. The choice of an alternative route is extremely important in the situation where one route is blocked due to deteriorating conditions of Afghanistan or due to any border blockade. The Chabahar port would provide Afghanistan with an alternative route that is better and safer than Pakistan.

India is a major trade partner of Afghanistan and is the second largest market for Afghanistan's goods and the third largest in import partner. To increase the efficiency of trade and reduce its unfavourable trade balance, Afghanistan is also seeking for an efficient way to increase its partnership with India as shown in Tables 2 and 3. Iran has also provided a tax-free access to Afghanistan to the port of Chabahar. In addition to India, Afghanistan is also interested in developing strong relations with the countries of Central Asia. Since Chabahar port will also be connected to the Central Asia regions via rail network, Afghanistan has the opportunity to develop long-lasting trading relations. Access to the Chabahar seaport will also allow Afghanistan to export goods to the Middle East and Europe and get more investment from these regions to develop its infrastructure.

Other than the projected rail linkage between Afghanistan and Iran, development of domestic infrastructure in Afghanistan is crucial to maximizing its growth potential (Figure 2). Connecting rural Afghanistan to ship agricultural goods internationally is essential to utilize the presence of these regional transport linkages [14-17].

India's interest in Chahabar region

India is the third-largest and the fastest economy in Asia. Due to its large population and low domestic production, it faces a severe shortfall of energy. India depends heavily on the Middle East and Iran for its

energy sources with approximately 70% of its energy requirements being met from these regions. Iran has the world's second-largest natural gas reserves which amount to 10% of the global resources. India is also extremely dependent on Iran for its crude oil as many Indian oil refineries can process only heavy crude oil. Importing from Iran is also an attractive option to India due to its geographical proximity that helps to keep the cost of energy imports low [18-21].

The Chabahar port is extremely significant to India since it's the nearest port to India in Iran. The ports of Chabahar and Kandla in Gujarat, India are only separated by a distance of 650 nm, which takes only 2 days to travel between the two ports and thus enables quick movement of goods. Chabahar port will allow India to get energy supplies from Iran, Middle East and Central Asia and expand Indian trade and commerce in these regions.

To further secure its energy concerns, India also plans to invest in Iran's oil and gas fields which would also lower the cost of oil. India can also use the opportunity to invest in sectors like automobiles, pharmaceuticals, food processing, textiles, jewellery and education [22]. This would also help India to turn around its unbalanced trade where exports to Iran are worth \$2.6 billion while imports are worth \$10 billion.

Another factor that contributes to India's interest in the Chabahar region is the opportunity that Iran provides of bypassing Pakistan to reach Afghanistan, Central Asia and the Caspian Basin and increase its influence in these regions. India has already invested a lot in several infrastructure projects and financial projects of Afghanistan and hence needs to safeguard its assets. India has invested in several projects of Afghanistan namely, the Salma Dam Power Project worth \$116 million, telephone exchanges worth \$11 million, Afghan parliament building worth \$ 83 million and a substation at Kabul worth \$111 million. India is the sixth largest donor to Afghanistan with pledged support worth \$ 1.3 billion. India has also bid to mine iron ores in Hajigak region of Afghanistan. Access to the port allows India to stay connected with Afghanistan, and enhance its trade and influence using Iran's cooperation. India's interest in getting involved in Chabahar port was also due to Pakistan's refusal of allowing India access to Afghanistan. The Chabahar port was first used by India in March 2012 for giving humanitarian aid to Afghanistan by transporting 100,000 metric tons of wheat. India received 20 containers of dry fruits from Afghanistan as its first shipment in September 2013.

Central Asia is formed by Tajikistan, Turkmenistan, Uzbekistan, Kazakhstan and Kyrgyzstan. Central Asia is also a major region that India seeks to gain access to due to its energy-rich topography. The presence of oil reserves has also resulted in investment by ONGC in the oilfields of Alibekmola and Kurmangazy in the Caspian Sea. Zafar studied the relationship between India and Central Asia. He mentions that India and Central Asia have had a strong cultural and economic connection for many years [23]. These countries gained independence in the 1990s and have since then engaged with India for diplomatic relations. Though both sides have always maintained friendly relations, there is huge potential for these countries to enhance their trade with each other. One of the major reasons for low economic ties is the lack of direct connectivity between the regions. The Chabahar port offers to create access to Central Asia via Chabahar-Melak-Zaranj-Delaram-Mazar-e-Sharif-Termez (Uzbekistan) and via Mashad-Sarakhs-Askabad (Turkmenistan) routes. The development of the Kazakhstan-Turkmenistan-Iran railway line is also planned as an alternative route for the region to access Indian Ocean. Due to the scope of connectivity

Country	Year					
	2008	2009	2010	2011	2012	2013
Pakistan	264	191	151	181	201	308
India	132	76	65	70	70	213
USA	2	17	4	4	34	41
Finland	6	5	3	6	13	17
Germany	0.7	0.8	1.9	1.5	1.6	17
Russia	37	26	30	33	11	14
Turkey	18	6	35	11	7	11
China	2	4	12	6	5	10
France	0.13	0.15	0.26	0.17	4	8
Spain	2	0.5	0.13	0.04	4	8

Table 2: Major export partners of Afghanistan [14].

Country	Years					
	2008	2009	2010	2011	2012	2013
Pakistan	482	307	597	878	883	1,998
USA	18	45	78	91	1,493	1,410
India	105	106	113	104	118	514
Russia	97	198	81	804	938	484
China	429	360	704	577	714	329
Kazakhstan	159	291	208	333	321	249
Turkey	51	71	109	138	290	228
Germany	65	144	422	244	258	221
Thailand	17	17	40	36	144	184
United Kingdom	10	16	32	24	31	108

Table 3: Major import partners of Afghanistan [14].



Figure 2: Connectivity with Afghanistan and Central Asia [5].

to the region, Iran remains a preferred choice for the transit of gas from Central Asia [23].

Developing a presence in Chabahar port also helps India to counter the influence of China present in Gwadar port. India will be able to expand the footprint of the Indian Navy in the Indian Ocean and the Gulf of Oman to counter any military moves by China. It also gives India another alternative to the Turkmenistan-Afghanistan-Pakistan-India Pipeline (TAPI) in favour of a sub-sea Oman-Iran-India gas pipeline. The pipeline would boost India's political and economic standing in Central Asia and strengthen its position while countering China at the same time.

Due to these reasons, India is extremely interested in developing long-lasting trade relations with Iran and the Chabahar agreement was initiated in accordance with these motives.

Chabahar free trade industrial zone

Free trade zones can bring in prosperity to a country since it leads to transfer of technology, the creation of employment and creation of export revenues. The most important objective of creating a free trade zone is to increase the domestic exports and use the domestic potential to enter new markets by attracting investment from other countries.

The Chabahar free trade zone is located 7 km from Chabahar between 25° and 25 min northern latitude and 27 min eastern latitude. The Iranian government has allocated 140 square kilometres to Chabahar Free Trade-Industrial Zone to increase the importance of the port and allow Chabahar to become a trade hub in the future. The Chabahar free trade zone has agricultural, industrial and commercial potential to attract investors. The success of the free trade zone can act as a catalyst to merging the Iranian economy with that of the world.

The Free Zone is allocated to trade and service activities (26%), industry (49%) and tourism and residential purposes (25%). The Free Zone offers several incentives that include tax exemption for 15 years, free of cost raw materials and import of machinery and free repatriation of capital and profits.

Behuria and Rizvi mention that as part of its strategy to make Chabahar a petrochemical hub, Iran has allocated 1100 hectares to develop a petrochemical complex [20]. The petrochemical complex is stationed 20-25 km the Chabahar airport and will have an area of 3000 km after completion. The complex will also be connected by a railway station to the Chabahar port. The plants in the complex would produce ammonia, urea, methanol, olefin, dimethoxyethane and polypropylene and will also have a crystal melamine plant and an aromatic complex plant. The project would entail an investment of \$80 billion.

Mirzadeh et al. in their study identify and prioritize opportunities in the Chabahar Free Zone using an analytic hierarchical process based on criteria like penetration in foreign markets, the industrial linkage between areas, foreign investment and transfer of technology and creation and foreign exchange earnings [24]. It was seen that the most important criteria were to penetrate foreign markets followed by creating foreign earnings, establishing industrial linkage and the last being the foreign investment and transfer of technology. Amongst sectors, infrastructure was considered the best priority which was followed by industry, education, agriculture, fisheries, tourism and department of services and trade.

To ensure that the Chabahar Free Zone becomes a success, Mirzadeh et al. have given several suggestions. This includes strengthening the existing infrastructure by developing linkage via railways and transit roads [24]. It is also essential to connect Chabahar to a gas network to fully utilize the potential of the free zone. The free zone must be promoted by making it a transportation centre and linking this zone to the eastern corridor would strengthen the free zone's position. The project's success is also dependent on investments and hence regional managers must be created for applicant investors. The free zone must also be equipped with all facilities to ensure the participation of Afghanistan and Central Asia. The priority-based decision making can accelerate infrastructure development, lead economic growth, increase revenue, create employment, create a presence at international markets.

International north south transport corridor

The North-South Transportation Corridor was a result of the Inter-Governmental agreement between India, Iran and Russia that formulated in 2000. The agreement was later joined by Belarus, Tajikistan, Kazakhstan, Oman, Azerbaijan, Ukraine, Kyrgyzstan, Turkey and Armenia. The corridor is intended to link India (Nhava Sheva port), Iran (Bandar Abbas port) and Russia (Astrakhan Port). The route will reduce the cargo transit distance from the Indian Ocean to Europe by two thirds in comparison to the route of Suez Canal. The International North-South Transport Corridor (INSTC) will boost trade between Iran, India, Central Asia, Europe and Russia via sea, rail and road [25-27].

As part of the North-South corridor, India undertook the development of Chabahar port. In 2003, Iran, India and Afghanistan signed a memo to improve the route from Chabahar to other Afghanistan cities (Figure 3). As per the agreement, the construction of the Zaranj-Delaram in Afghanistan was to be undertaken by India while the Chabahar-Milak road was to be developed by Iran. A 600-km highway that connects Chabahar to Zahedan has been constructed that connects to Milak which lies on the Iran-Afghanistan Border. This road then links to the Zaranj-Delaram highway in Afghanistan. The Zarani-Delaram highway was constructed by India in Nimroz province in Afghanistan at an approximate cost of \$100 million between 2005-2009. The 200-km road was completed by India despite facing regular attacks by terrorists. The Delaram-Zarnaj-Milak road establishes connectivity to the Garland Road of Afghanistan which further connects cities

like Kabul, Herat, Mazar-e-Shareef and Kandahar. Though the Zaranj-Delaram road is constructed, the Chabahar-Milak road is yet to see completion.

A railway line that connects Chabahar to Zahedan and the Iranian rail network has also been initiated to connect with CIS countries and Central Asia. It opens up the Indian market to Afghanistan's agricultural products while India will be able to use the route to transport goods and humanitarian supplies. Further integration with the International North-South Transport Corridor, will allow India to access Russia and Europe. India is also holding talks to construct a railway line from Chabahar to Hajigak. The railway line connection between Iran and Afghanistan may cost \$5 billion and India plans to extend its assistance to Iran and Afghanistan for this project.

Parkhomchik et al. and Bhatia state that the Federation of Freight Forwarders' Associations of India conducted a test in 2014 to analyze the bottlenecks in the route and found that the INSTC reduced the transit time by 40%. It also found that shipping a 20 ft dry container from Mumbai, India to Moscow, Russia costs \$2100-2800 and takes 32-37 days to reach Moscow using the Suez Canal route. The INSTC route reduces the cost to \$1260 and time to 19 days. The time for shipment between Chabahar and Baku also reduces to 23 days using the new route instead of the previous route via Singapore or Hong Kong. The test also indicated that exports worth \$60.6 billion and imports worth \$107.4 billion could be transported via the new route which forms 18.9% of the total exports and 23.4% of the total imports respectively [28-30].

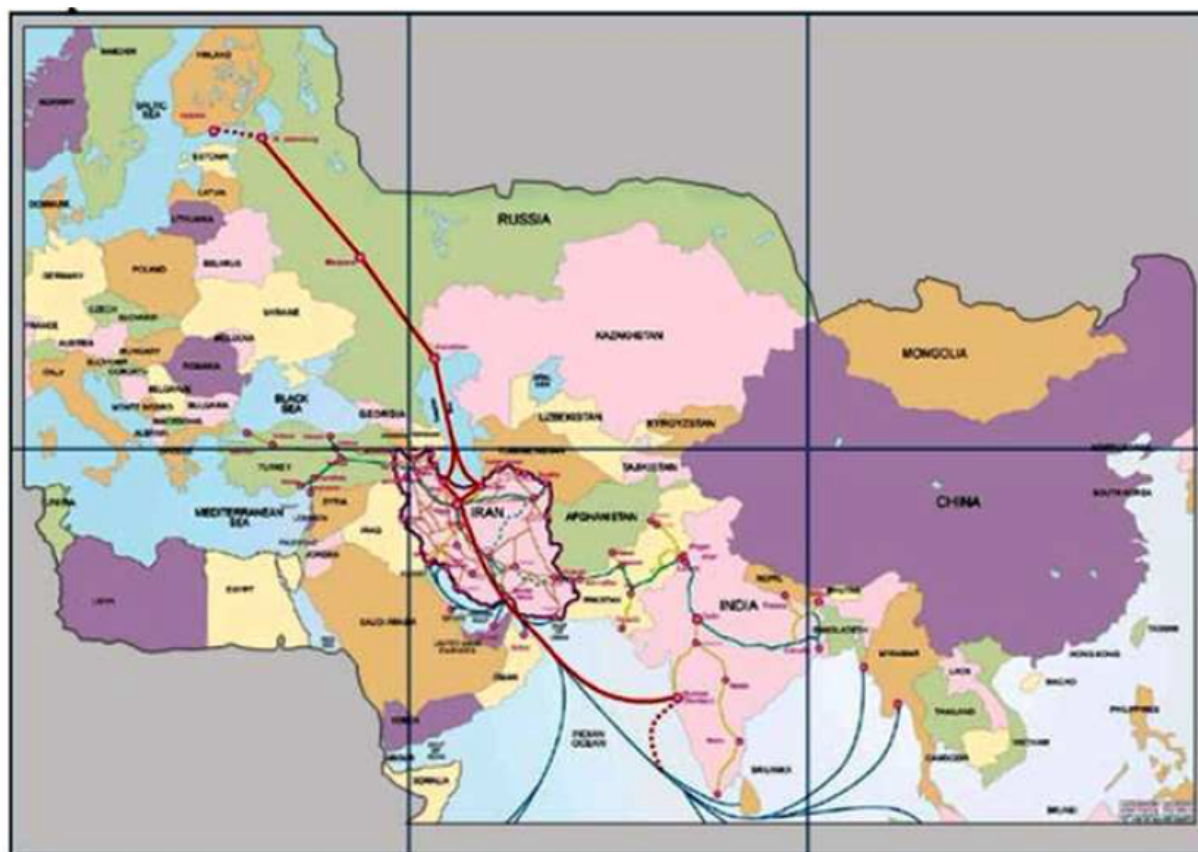


Figure 3: North-South corridor [29].

Despite the associated benefits, the INSTC is yet to resolve issues regarding allocation of funds for developing infrastructure, customs procedures and occupancy of containers returning from Russia to India.

Other beneficiaries of Chabahar port

Central Asia's poor connectivity results in it being the least integrated of the Asia-Pacific region. Central Asia accounts only for 5.9% of intraregional trade in comparison to 29.7% trade in South-East Asia. The exports of parts and components as a percentage of manufactured goods was merely 2-6% compared to 23-39% in comparison to countries of East Asia and South-East Asia.

Although the commodity exports are destined for global markets, non-commodity exports are mostly consumed by the North Central Asian sub-region. The destination markets for exports are not diversified, which indicates a lack of global competitiveness.

Campbell mentions that Central Asia's energy abundance is due to its vast onshore and offshore hydrocarbon reserves. These reserves account for about 3% of global oil reserves 4% of global natural gas reserves. Kazakhstan, Uzbekistan and Turkmenistan have the largest share of energy in this region. For the generation of hydro-electric power, Tajikistan and Kyrgyzstan have the required resources. In addition to oil, Central Asia is also rich in uranium ore. These resources can earmark a new era of development with increased connectivity to reach energy-dependent countries.

Chabahar Port will benefit Central Asian countries, which are now dependent on Russia, and export energy to other Asian countries and Europe. None of these countries has access to warm waters and is not able to transport goods to India in a cost-effective way.

Chabahar and Gwadar rivalry

The advantages that Gwadar Port and Chabahar Port offer to international trade have also created a rivalry between the two ports to claim superiority. The two ports are located 76 km apart from one another (Figure 4). Both ports have engaged in strategies to increase their existing capacity, promote their infrastructure and deliver enhanced

performance in comparison to the standards defined by hub ports. While Gwadar has a cargo handling capacity to the tune of 300-400 million tons, Chabahar's potential to handle 10-12 million tons makes it very small in comparison. The connectivity offered by Gwadar is also larger than that of Chabahar where the former connects to economies worth \$20 trillion, while the latter connects to economies worth \$8 million. The Gwadar port also has the benefit of providing a linkage to East Africa via the Red Sea. The rivalry between the ports is also a result of international politics between India and Chinathat are involved with Chabahar and Gwadar respectively. The Chabahar initiative undertaken by India is also a counter measure of China's presence in Gwadar port. There is a concern in India about the intentions of China to strategically encircle India by developing a series of ports in India's neighbourhood. Despite Gwadar's largeness, Chabahar will likely alter the current regional trade dynamics by offering new connectivity routes with countries like Afghanistan, Central Asia and CIS countries.

Sayareh and Mehtarkalateh undertook a study to analyze the performance of Chabahar and Gwadar that are similarly positioned in terms of geographic location. They studied that to increase their significance; each port must concentrate on enhancing their performance and customer satisfaction. On the basis of 20 different criteria, it was found that Chabahar port outperformed Gwadar port in logistics on criteria such as objectives of supply chain, customs clearance services, promised services, electronic services, terminals and transport companies, staff skills, trust acquisition, order receipt and delivery methods, anticipate customer needs, efforts to fix problems, operational and financial transaction security, accountability and willingness to help staff, customs communication with other institutions, quality of stated affairs and clearance.

Gwadar and Chabahar ports are considered rivals as it may lead users to choose one over the other. However, the two ports can complement each other to improve trade across the region and lead to all-round development for the region. Gwadar port can prove to be beneficial to Chabahar port by handling spillover cargo. Passenger and cargo services between the ports can also enhance transportation for religious purposes that require travelers to pass by insurgency prone Baluchistan.



Figure 4: Chabahar and Gwadar port [5].

Discussion

In order to develop appropriate marketing strategies for Chabahar port, it is essential to know the threat and opportunities there. There exists several threats and opportunities. Bhatnagar and John and Hosseinbor have studied the threats to the Chabahar project and have identified insurgency as the biggest threat to the Chabahar project. The development of the Chabahar port is threatened by insurgents who are opposed to Iranian rule. Due to the region's vastness, it would be extremely challenging for the Iranian government to secure Chabahar in the face of widespread opposition. The Chabahar agreement also reduces the dependency of Afghanistan on Pakistan, which may lead to stopping the of Chabahar project by Taliban. Any deterioration of relations between Iran and US that may lead to an imposition of sanctions on Iran would completely alter the current status quo. Tensions between Saudi Arabi and Iran are also a threat which can negatively impact the project.

With regard to opportunities, Haghighi et al. studied the use of dry ports to support container terminals in Iran to increase the volume of container storage at terminals [31]. Dry ports are inland terminals that are connected to seaports via rail connectivity. The ports allow customers to collect or leave their goods in loading units just like a seaport. Dry ports have become a possibility due to the multi-modal nature of transport and the wide usage of containers that facilitate an easier transfer of goods via sea, rail or roads. They are also an efficient means of transportation for goods from a factory to the destination. Thus, creating a dry port would result in several benefits to the Chabahar Project. Haghighi et al. also suggest the use of Balanced Scorecard System and technological changes improve operations at ports [31]. The Balanced Scorecard system is a management system used by companies to align the activities of a company in accordance with its strategy. Using a Balanced Scorecard, results in improved communication in a business and helps business to track their performance vis-a-vis their goals. To fasten the pace of processing containers, container terminals have witnessed technological changes that are designed to improve the productivity and efficiency of operations. Automatic Equipment Identification (AEI), Optical Character Reader (OCR), and Electronic Data Interchange (EDI) are being used for the same [31,32].

The Chabahar port needs to be developed further to maximize its impact. Thus, arises the need for developing airports that can handle large cargo planes and develop harbour facilities to handle cargo ships at the port itself. Cowan also mentions the need to develop air corridor in Afghanistan like the one to India can also help enhance connectivity and bypass the areas considered to be a security threat. Air corridors will be dependent on the availability of secure airfields and would also require trained local talent to make these air corridors functional. There is also an opportunity to link the Chabahar port with CPEC projects and create bigger opportunities for infrastructure development.

Japan has also shown interest in joining India in the Chabahar project for expansion and increased trade potential. The viability of the project will also increase if more companies from the USA started investing in the Chabahar route. There are several other countries that may also join the project once it becomes successful and lead to greater investment.

The main findings of the review is that Chabahar port project is an extremely important milestone for India, Iran and Afghanistan and can lead to new economic ties that will benefit all three nations. The successful development of the port has the potential to expand export markets, receive goods at lower cost and in a lesser time for

all three countries. Further developments of Chabahar Free Zone and railway lines that offer connectivity with the International North-South corridor will create an inter-regional hub. These connectivity options will be of particular significance to landlocked countries like Afghanistan and Central Asian Region, which are yet to fully exploit their economic prowess due to lack of connectivity. It is also essential to combine the advantages of enhanced connectivity with reforms in business and financial sectors. This would create changes in existing regulations and licenses to start a business and create more initiatives that provide financial loans for people to start businesses. A regional strategy that concentrates on economic connectivity and development must be adopted. With comprehensive connectivity and facilities for trade, the underdeveloped regions of Iran, Afghanistan and Central Asia will witness growth in employment and better infrastructure. The growth will be spurred by international investors who will want to cease the opportunity of trade that these regions have lost out on in the past. The connectivity offered by Chabahar port and the International North-South Corridor will be another important route interconnecting the region in addition to the China Pakistan Economic Corridor and the Eastern Corridor. These routes will strengthen the economy of any country associated with these projects by expanding their reach to newer markets.

Limitations

- The review is limited to the existing literature that can only give insight into the importance of Chabahar port.
- Since the port is still being developed, the statistics of the trade volume cannot be assessed.
- The International North South Corridor and the Chabahar Free Trade Industrial Zone are still being developed; hence their true impact cannot be assessed.

Conclusion

The review provides a comprehensive insight into the importance of Chabahar port and its beneficiaries. It presents a complete assessment of the potential that the port holds and how its linkage to International North South Transport Corridor will provide access to markets across the world. Once fully developed with connectivity across sea, road, railways and air; the region will shorten distances and reduce costs between India and Europe. The landlocked countries of Afghanistan and Central Asia will gain access to markets in South Asia, South-east Asia and Europe which will boost their trade and contribute to their economy. The rivalry of the ports of Gwadar and Chabahar can also be a boon for the region once it starts attracting more investment. Involvement of Japan and USA in Chabahar can boost the development and thereby quicken the development process. The complete potential of the market must be marketed to investors in Chabahar Free Trade Zone. Involvement of more countries and investors will be of massive value to Iran which will boost its standing as a global power. The review presents the complete picture of the regional prominence that Chabahar will enjoy once it's marketed to Afghanistan and Central Asia and later to Europe.

Future direction

The future research should concentrate on the statistics of the trade volume growth of Chabahar port, the changes in the trade volume of ports of Gwadar and Bandar Abbas. The trade between India, Iran, and Afghanistan must be assessed. In future, the International North South

Transport Corridor's impact on trade along with the measured benefits should be reviewed.

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