

Iran's Chabahar Port vs. Iraq's Grand Faw Port

Iranian transit position under threat



Workers labor in Iran's southwestern Chabahar Port, located strategically on the Sea of Oman, on May 5, 2024.
● TASNIM

in transit networks as a key player leads to the recovery and stabilization of its position as an economic and geopolitical hub in the region, tying regional stability to Iran's stability. Given the above, developing Iran's transit and transport infrastructures is a vital priority for strengthening Iran's position in international arenas. Iran must adopt a comprehensive and coordinated approach to develop ports and linking routes and engage with neighboring countries and international organizations to achieve a more prominent role in global corridors. This not only improves the country's economy but also enables Iran to resist and enhance its strategic resilience against geopolitical threats like the Grand Faw Port project and rival corridors.

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OPINION EXCLUSIVE

In the contemporary era, transport and transit corridors are increasingly recognized as vital infrastructures of the global economy. These communication networks are not only crucial for facilitating the

flow of goods and energy between countries but also serve as unparalleled geopolitical levers in international power relations. Nations that operate as key nodes in these transit networks gain strategic positioning and unique economic advantages.

Among these, Iran, with its unique geographical location, has always had the potential to act as a bridge between Asia, Europe, and West Asia in global transport corridors. However, sanctions, insufficient investment, and mismanagement in utilizing transport and transit infrastructures have led to various threats, one of the most significant being the threat of corridor isolation.

Corridor isolation, role of Grand Faw Port

One of the most significant projects threatening Iran's transit position is the Grand Faw Port megaproject in Iraq. This project aims to transform Iraq into an economic and transit hub in West Asia, with substantial investment and strategic planning underway. Faw Port, with direct access to the Persian Gulf and Europe's road and rail networks, is proposed as an alternative route to the Suez Canal and the Strait of Hormuz. Thus, Iraq, leveraging the strategic position of Faw Port, seeks to establish a direct transit route between Asia and Europe.

If this plan reaches full operational capacity by 2025, Iraq will not only become a center for goods transit but will also challenge Iran's strategic position in global transit networks. In fact, neglecting the development and utilization of domestic capacities could hinder Iran from its transit position and strengthen Iraq's competitive advantage.

Developing Chabahar Port strategic necessity

Competing with the Faw Port project, Chaba-

har Port, as Iran's only deep-water and oceanic port, holds special potential for playing a significant role in international transit corridors. Due to its unique geographical location, Chabahar can become a connecting point between Central Asia and the Indian Ocean, enhancing Iran's geopolitical position in transit corridors. This port, with its direct access to open waters, offers unparalleled strategic and economic advantages and can become one of the region's main ports, allowing Iran to play a prominent role in competition with similar projects like Gwadar Port and the China-Pakistan Economic Corridor.

Besides its economic importance, the development of the Chabahar Port can act as a geopolitical tool for Iran, facilitating access to regional and international markets and creating new opportunities in economic, transit, and diplomatic fields. Therefore, the development and equipping of Chabahar Port should be considered a top national priority. Investing in port and transport infrastructures in Chabahar can create new economic opportunities, strengthen Iran's strategic

position in regional transit corridors, and improve its role in global value chains.

Weak transport infrastructure, lost opportunities

In past decades, a lack of investment in developing and equipping domestic transport infrastructures, particularly in the rail and road sectors, has delayed key national projects, reducing Iran's competitiveness in global transit networks. For instance, incomplete strategic projects like the Rasht-Ashtara and Chabahar-Zahedan-Sarakhs railways have hindered Iran's full utilization of the North-South Corridor, limiting trade and goods transit between Central Asia and South Asia.

Developing rail lines to connect ports to border areas and main roads can act as a geoeconomic lever and bring strategic advantages to Iran. For example, the Chabahar-Zahedan railway, by connecting to Iran's rail network and joining the North-South Corridor, can significantly reduce the time and costs of goods transport between Central Asia and the Persian Gulf. This project can also transform Iran into an international

transit center, facilitating greater exploitation of geopolitical and economic advantages.

Geopolitical outcomes of lagging behind

Failure to develop and exploit geostrategic and geoeconomic capacities has kept Iran behind in competition with regional countries' transit projects, creating space for the growth and development of alternative corridors. For instance, the India-Middle East-Europe Economic (IMEC) Corridor, supported by regional countries and centered around Israel, is one of the projects that, if completed, could challenge Iran's transit role and position. Since our beloved Iran is a natural bridge between the East and West of the world, such projects deliberately aim to bypass Iran and diminish its geopolitical role.

Meanwhile, projects like the China-Pakistan Economic Corridor (CPEC) and the development of Gwadar Port have enabled Iran's regional rivals to play roles in regional and international transit corridors and gain more economic and transit benefits. These projects can also serve as geopolitical tools to strengthen the influence of countries like Pakistan and China in the region, preventing Iran from participating in global value chains.

Importance of economic diplomacy, paradiplomacy

Developing transport and transit networks, especially in our country, requires active and multifaceted economic diplomacy. In this regard, economic diplomacy can effectively strengthen international cooperation in transit and transport. For example, Iran can solidify its

position in international corridors by signing multilateral and bilateral agreements to facilitate trade and reduce transit tariffs. Furthermore, paradiplomacy or interregional interactions of border provinces and areas is a novel and effective tool for establishing economic and transit relations between the border provinces of Iran and neighboring countries. This form of diplomacy allows border regions to directly expand their economic and trade collaborations with neighboring countries without the need for diplomatic intermediaries.

For instance, Iran's Sistan and Baluchestan Province, due to its border location and proximity to Chabahar Port, can develop its transit and trade collaborations with Pakistan's border provinces, thereby attracting investment and increasing the country's transport capacities.

Role of private sector, foreign investment

One of the challenges facing the development of Iran's transit corridors is the lack of financial resources and investment. Private sector investment and attracting foreign investment can serve as

effective solutions for developing the country's transport and transit infrastructures.

However, to attract international investors, Iran must create a suitable business environment and formulate regulations and incentive policies for investment in the transport and transit sector. For instance, establishing free trade zones and special economic areas around ports and border regions can increase investment attractiveness and aid in developing the country's transport and transit networks.

Impact of expanding transit networks

Expanding transit networks has significant economic, strategic, and security impacts on Iran's regional position. By strengthening transit infrastructures and actively participating in international corridors, Iran can play a central role in power dynamics and regional relations, achieving a superior position in global value chains. Moreover, developing transit corridors can strengthen regional alliances and reduce economic dependence on Western countries. In other words, Iran's presence



Besides its economic importance, the development of the Chabahar Port can act as a geopolitical tool for Iran, facilitating access to regional and international markets and creating new opportunities in economic, transit, and diplomatic fields. Therefore, the development and equipping of Chabahar Port should be considered a top national priority.

A drone view shows work in progress at the large commercial port of Faw as the building is finished at newly inaugurated docks, in Basra, Iraq, on November 11, 2024.

● MOHAMMED ATY/
REUTERS

