



Iran: Construction Begins on the Chahbahar-Zahedan Railway

OE Watch Commentary: Chahbahar has long been an Iranian backwater. It was a sleepy port mostly serving dhow traffic and smugglers, more than 400 miles away from Zahedan, the provincial capital and itself a dusty outpost. The climate is harsh and living standards impoverished.

Over the past decade, however, Chahbahar has grown in economic and strategic importance. China seeks to fold the town into its ‘string of pearls’ network of military-capable ports across the Indian Ocean basin. Chahbahar has also become important as a logistical hub for imports into Afghanistan, approximately 600 miles away.

Initially, India invested heavily in Chahbahar as a means to export its products into Afghanistan and Central Asia. Doing business with Iran is difficult at the best of times because of a lack of commercial law and Tehran’s refusal to uphold business norms. Iran cut India out of its proposed railway product four years ago after tensions mounted between Tehran and New Delhi regarding payments and services.



The Chahbahar-Zahedan railway under construction.
Source: Mehr News Agency, <https://media.mehrnews.com/d/2020/10/21/3/3585307.jpg>

The excerpted story from *Mehr News Agency* was reportedly widely in the Iranian press and suggests that, even absent Indian investment, the Iranian government is now moving ahead with a major port and infrastructure expansion. The reported presence of Sardar Mohammad, commander of the local *Khatam al-Anbiya* unit, highlights the pivotal role which the economic wing of the Islamic Revolutionary Guard Corps will play in Chahbahar’s expansion.

Because roads along the Makran Coast and in the interior of Iranian Baluchistan are so poor, the railroad, once completed, will bolster Chahbahar’s utility perhaps more than the new infrastructure of the Shahid Beheshti port facilities. Constructing a new border terminal in Milak suggests that Iran seeks to increase its transit role for Afghanistan trade and increase Baluchistan’s role in Iran’s economy more broadly.

While the plans to bolster Chahbahar’s role in the Iranian economy reduce Iran’s vulnerability to any blockade of the Strait of Hormuz and therefore seaborne trade from the major ports and oil terminals that line Iran’s Persian Gulf coast, the general instability of Iran’s southeast will continue to pose problems for the region’s economic development. The Baluch are not only an ethnic minority but, as Sunni, a sectarian one as well. The region is also known for instability wrought by drug smugglers who often challenge the Iranian border police and even Revolutionary Guard. Any increase in road and railway trade will simply present more targets for insurgents and criminal elements unless the government is able to impose greater security and rule-of-law in the region. **End OE Watch Commentary (Rubin)**

“Work began on the Chahbahar-Zahedan railway.”

Source: “Amaliyat-e Raylgozari Rahahan Chahbahar-Zahedan Aghaz Shod (Construction Operations on the Chahbahar-Zahedan Railway Have Begun),” *Mehr News Agency*, 4 November 2020. <https://www.mehrnews.com/news/5063631>

Construction Operations on the Chahbahar-Zahedan Railway Have Begun

...This afternoon, work began on the Chahbahar-Zahedan railway in the presence of Mohammad Eslami, minister of Roads and Urban Development; Ahmad Ali Mohabati, governor of Sistan and Baluchestan; Sardar Mohammad, commander of Khatam Al-Anbiya encampment; Seyyid Amir Hossein Ghazizadeh Hashemi, first deputy speaker of the Islamic Consultative Assembly [parliament], and a number of parliamentary representatives from the province.... It is worth noting that they visited the site of the new city of Tis, the new market of Rimdan on the Iran-Pakistan border, the Negin Makran petrochemical project, the implementation site of the Chahbahar-Zahedan railway section 8, and the commencement of the Chahbahar to Zahedan railroad project..., and they also visited the container terminal project of Shahid Beheshti port and the location of 100,000-ton grain silo construction project at Shahid Beheshti port, and the inauguration of construction on the Iranshahr to Khash, Zahedan to Bam, and Zahedan-Zabol roads, and also the Milak border terminal....