

Chabahar Port and the Geo-Economics of Regional Integration

Asadullah Jafari (Pezhman)¹

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Abstract

The present study aims to analyse the geo-economic role of Chabahar Port in regional and international trade dynamics and to examine its competitive dimensions vis-à-vis Pakistan's Gwadar Port. Employing a descriptive-analytical approach grounded in the theoretical frameworks of geo-economics and the balance of economic power, the study seeks to elucidate Chabahar's role in redistributing transit and economic power in South Asia. Findings indicate that Chabahar, as the focal point of trilateral co-operation among Iran, India, and Afghanistan, has evolved from a mere infrastructure project into a regional geo-economic mechanism. Analysis of statistical and documentary data shows that Chabahar's share in Iran's regional transit increased from 2% to 9% during 2016–2025, and the port has reduced transit time between India and Afghanistan by 40%. A comparative assessment of Chabahar and Gwadar reveals that, owing to its multilateral governance structure, Chabahar enjoys greater economic sustainability and decision-making autonomy, whereas Gwadar remains heavily dependent on Chinese investment and strategic interests. Interpretation of these findings further indicates that, beyond its economic function, Chabahar also fulfils political and security roles. By fostering a pattern of mutual dependence, its operations among the three countries have contributed to reducing geopolitical tensions and strengthening regional integration. Strategically, Chabahar serves not only as an alternative trade route for Afghanistan but also as a platform for Iran's economic diplomacy and for expanding India's influence in Central Asia. This research emphasizes that Chabahar represents a successful transition from traditional geopolitics to interactive geo-economics and can serve as a model for sustainable economic co-operation in South Asia and the Indian Ocean region.

Keywords: Chabahar Port; geo-economics; regional trade; international trade; Afghanistan; Iran; India

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¹ Department of Science and Business Administration, Faculty of Science and Business, University of the People, California, USA—BBA, Afghanistan; e-mail address: asad.jafarip@gmail.com; ORCID: <https://orcid.org/0009-0009-7994-8120>

Introduction

Over the past two decades, Chabahar Port has emerged as a strategic hub in the new architecture of regional and international trade. Its geostrategic location adjacent to the Indian Ocean and as the gateway to Central Asia has transformed it from a purely port infrastructure into a geo-economic axis in regional and international interactions (Omidi and Noolkar-Oak, 2022: 23). Chabahar not only serves as the connecting link between Iran and the markets of South and Central Asia, but also, by playing a complementary role in the International North–South Transport Corridor (INSTC), has facilitated the redefinition of Iran’s position within global supply chains (Dadparvar and Kaleji, 2025). From a geo-economic perspective, the port represents the convergence of multilayered interests among Iran, Afghanistan, and India. It is one of the central elements of regional competition among Tehran, Kabul, and Islamabad (Ahmadi and Mohammadi, 2018: 49).

From a geo-economic standpoint, Chabahar symbolizes the transition from conflict-based geopolitics to cooperation-oriented geo-economics that leverages synergies between national and regional interests. Countries with direct access to international waters occupy a privileged position in controlling transit routes and reducing transaction costs (Irfan et al., 2021: 7). Therefore, for Iran, Chabahar is not only a tool for the regional development of the Makran coast but also a critical geo-economic asset for becoming a transit hub connecting the Persian Gulf, Central Asia, and the Indian subcontinent (Yazdani and Basiri, 2023: 8). For Afghanistan, the port provides independent access to international waters, reducing its historical dependency on Pakistani transit routes (Mojibullah and Deep, 2025).

From a theoretical perspective, Chabahar Port can be analysed through the lens of **networked economies and geo-economic corridors**. Multimodal transport infrastructures not only perform economic functions but also serve as instruments for shaping regional power (Omidi and Noolkar-Oak, 2022: 28). Accordingly, Chabahar has evolved from a national-level project into a tool of **economic soft power**, capable of reducing Iran’s economic vulnerability to sanctions and diversifying international trade routes (Dadparvar and Kaleji, 2025: 25). India’s investment in the development of Phase One of Shahid Beheshti Port, beyond financial commitments, reflects New Delhi’s long-term strategy to access Central Asian markets via Iran (Chabahar Port Agreement, 2024). By connecting Chabahar to the Chabahar–Zahedan–Mashhad–Herat railway network, India aims to establish a secure trade corridor that reduces transit time and costs while simultaneously strengthening Afghanistan’s geo-economic independence (Mojibullah and Deep, 2025).

The regional competition between Chabahar and Gwadar also mirrors the broader geo-economic rivalry between the India–Iran and China–Pakistan axes (Munir et al., 2021). However, from an economic policy perspective, the development of Chabahar can serve as Iran’s multimodal trade hub and a catalyst for transit-driven economic growth across the region (Yazdani and Basiri, 2020: 12). Iran’s membership in the Ashgabat Agreement and the North–South Transport Corridor further enhances its capacity to act as a bridge between East and West Asia (Mazandarani, 2025). From a regional perspective of economies of

scale, Chabahar's increasing transit volume reduces transportation costs and strengthens its competitive advantage over rivals such as Gwadar and Karachi (Omidi and Noolkar-Oak, 2022: 31). The port symbolizes Iran's shift from a politics-centred approach to an economy-centred strategy and its transition toward development-oriented diplomacy (Ahmadi and Mohammadi, 2018: 60). Its natural and independent location, free from the constraints of the Strait of Hormuz and with lower transportation costs, positions Chabahar as a secure and strategic option for international trade (Dadparvar and Kaleji, 2025: 17).

Overall, Chabahar can be analysed at three levels: national, regional, and international. These levels encompass domestic economic development, regional economic integration among Iran, India, and Afghanistan, and their key role in trans-regional corridor networks and global supply chains (Omidi and Noolkar-Oak, 2022: 35). The geo-economic significance of Chabahar lies not only in its existing capacities but also in its prospects. Regional port competition will increasingly be defined by economic efficiency and logistical value added. At the same time, the continuity of foreign investment, the completion of railway infrastructure, and institutional synergy constitute essential prerequisites for Chabahar to realize its competitive advantage (Gaur, 2024).

Literature review

The scholarly literature on Chabahar Port, particularly over the past decade, has undergone significant conceptual and methodological evolution. Numerous studies have sought to analyse the port's role from geopolitical, geo-economic, regional political economy, and international trade management perspectives. A review of this literature indicates a shift in research focus from merely emphasizing Chabahar's geographical importance, strategic location, and role to analysing its economic, transit, and economic diplomacy functions (Omidi and Noolkar-Oak, 2022: 25). This shift reflects a transition from the traditional geopolitical paradigm to a modern geo-economic paradigm, in which economic power increasingly substitutes military power in regional and international interactions (Dadparvar, 2025: 9).

Within domestic research and Persian-language sources, Ahmadi and Mohammadi (2018) demonstrate that Chabahar plays a key role in India's "balancing strategy." They argue that New Delhi leverages the port to reduce dependency on Pakistan's transit routes and to enhance its geo-economic influence in Central Asia. Their findings, grounded in Walt's "balance of threat" theory, suggest that Chabahar is an integral component of India's efforts to counter the China–Pakistan axis. Similarly, Yazdani and Basiri (2023), focusing on the Chabahar Free Zone, examine the port's economic dimensions and underscore its role in attracting foreign investment, increasing exports, and serving as a "goods transit hub."

International research and studies have also analysed the geo-economic significance of Chabahar. Omidi and Noolkar-Oak (2022), in *South Asia Research*, describe Chabahar as a "multi-level economic platform" encompassing bilateral (Iran–India), trilateral (Iran–India–Afghanistan), and multilateral interactions within international corridors such as the

INSTC and Ashgabat agreements. Their findings indicate that Chabahar is not merely a transit port but a central artery of regional and international supply chains. Dadparvar and Kaleji (2025), in the *Journal of Transport Geography*, using quantitative transport models, demonstrates that the completion of the Chabahar–Zahedan–Herat railway could reduce goods transit costs between South and Central Asia by up to 30%, highlighting the port’s network efficiency and economic value-added potential.

From Afghanistan’s perspective, Mojibullah and Deep (2025) show that access to Chabahar not only strengthens the country’s transit logistics independence but also reduces Pakistan’s political and economic pressure. Their trade data indicate that Afghanistan’s exports via Chabahar increased by more than 40% between 2016 and 2023. The literature on Iran–Pakistan relations has also examined the competitive and cooperative dynamics between Chabahar and Gwadar. Irfan et al. (2021) argue that the rivalry between Chabahar and Gwadar reflects broader geo-economic competition between the India–Iran and China–Pakistan axes, which can be analysed through the lens of “zero-sum game theory.”

The role of Chabahar in Iran’s national and regional development has also attracted considerable scholarly attention. Mazandarani (2025) argues that investment in Chabahar’s port, industrial, and logistics infrastructure can reduce spatial inequalities between Iran’s coastal and central regions. The findings of Yazdani and Basiri (2023) likewise indicate that Chabahar acts as a driver of sustainable development in the Makran region and, through attracting foreign investment, creating industrial clusters, and generating employment, strengthens economic growth in Sistan and Baluchestan Province. In the realm of foreign policy, Ahmadi and Mohammadi (2018) identify Chabahar as an instrument for enhancing Iran’s economic diplomacy, while the report “Chabahar Port Agreement: India’s Stride Towards Central Asia” (Gaur, 2024) characterizes it as a symbol of strategic convergence between Iran and India. From the perspective of Afghanistan studies, Chabahar serves as a tool for redefining Afghanistan’s geo-economic role within the regional system and has the potential to transform the country from a mere consumer into a transit state.

In sum, the existing literature converges on the geo-economic significance of Chabahar, yet diverges regarding the appropriate model of regional governance and economic development. Some scholars advocate a multilateral co-operation model (Omid and Noolkar-Oak, 2022), others view Chabahar primarily as an instrument for advancing Iran’s national interests (Ahmadi and Mohammadi, 2018), still others emphasize its competitive implications vis-à-vis Pakistan (Irfan et al., 2021; Mojibullah and Deep, 2025). The literature review demonstrates that Chabahar embodies a combination of economic power, geographical positioning, and development-oriented diplomacy, enabling it to emerge as a novel model for regional and international integration in the twenty-first century.

Theoretical framework

A geo-economic analysis of Chabahar Port requires a multi-level theoretical framework capable of elucidating the interconnections among geographical power, economic interests,

and development-oriented diplomacy. Chabahar Port extends beyond a mere physical infrastructure. It represents an embodiment of a “competitive economic space” that can be analysed through contemporary theories of geo-economics and regional political economy. The theoretical framework of this study is constructed through the integration of three principal approaches: geo-economics theory, balance-of-power theory, and regional integration theory within the context of network economics.

First, geo-economics theory is employed as the foundational lens for analysing Chabahar’s position. Geo-economics, introduced by Luttwak in the 1990s, refers to the “continuation of power politics through economic means” (cited in Omid and Noolkar-Oak, 2022: 23). Within this framework, international actors rely on economic, infrastructural, and transit instruments—rather than military force—to achieve geostrategic advantage (Dadparvar ad Kaleji, 2025: 14). In this conceptual constellation, Chabahar Port is articulated as a “synergistic geo-economic space,” in which the interests of Iran, India, and Afghanistan are interlinked through economic co-operation and, from a political economy perspective, constitute an overlap of soft power and economic power (Ahmadi and Mohammadi, 2018: 53).

Second, the balance-of-power theory is applied to the analysis of Chabahar, conceptualizing the port as an instrument for counterbalancing rival geopolitical alignments, such as the China–Pakistan axis (Irfan et al., 2021). India’s participation in the development of Chabahar constitutes a form of economic–geopolitical balancing that mitigates the strategic pressures posed by the China–Pakistan axis (Omid and Noolkar-Oak, 2022: 26). Within this approach, states rely on economic instruments rather than military means to respond to structural threats.

The third approach is regional integration theory, which posits that economic co-operation among states can evolve into institutional and security co-operation (Balassa, 1961). By facilitating infrastructure and commercial projects among Iran, India, and Afghanistan, Chabahar Port accelerates regional integration. The concept of “regional economic security” is also salient; from this perspective, economic security emerges from sustained interaction among economic and political actors rather than from military stability alone. Chabahar’s alternative transit routes reduce geopolitical risks and enhance the economic resilience of participating countries, particularly Afghanistan, by diminishing its dependence on transit corridors through Pakistan (Mojibullah and Deep, 2025).

From the perspective of the political economy of transit, transportation infrastructure is not merely a technical instrument but constitutes a source of economic and geostrategic power. Through the development of Chabahar, Iran seeks to transform the port into the “heart of Eurasian transit,” thereby enhancing both its economic power and geostrategic influence (Ahmadi and Mohammadi, 2018: 58). The theory of complex interdependence further underscores the significance of economic interaction among states; Chabahar can serve as a platform to reduce geopolitical tensions and strengthen multilateral co-operation, as economic ties diminish incentives for conflict and facilitate the formation of shared institutional structures (Omid and Noolkar-Oak, 2022: 35). From the standpoint of

regional development theories, Chabahar exemplifies the “growth pole model,” whereby development originates in strategically significant geographic nodes and subsequently spills over into surrounding areas (François Perroux). As a growth pole in south-eastern Iran, the port plays a pivotal role in linking Central Asian markets with those of the Persian Gulf.

Ultimately, the theoretical framework of this research is integrative and rests on the assumption that Chabahar is not merely an infrastructure project but a means of redefining regional and extra-regional power configurations. Chabahar Port represents a form of “structural economic power” with the capacity to reshape the rules of the economic game. By synthesizing network theory, balance-of-power theory, and regional integration approaches, it symbolizes the intersection of economics, politics, and geography. It has the potential to become a cornerstone in shaping a new economic order in South and Central Asia (Omidi and Noolkar-Oak, 2022: 38).

Research methodology

This study is applied–developmental in nature and adopts a descriptive–analytical approach, conducted through a comparative geo-economic analysis framework. The primary objective of the research is to explain the role of Chabahar Port within the regional and international trade system and to analyse the motivations and constraints arising from geo-economic competition among Iran, India, Afghanistan, and Pakistan. To this end, theoretical models drawn from geo-economics, international political economy, balance-of-power theory, and regional integration frameworks are employed to assess the multiple dimensions of economic and political interactions surrounding Chabahar.

The research methodology is based on multi-level qualitative analysis. Data were collected from a wide range of sources, including scholarly articles, analytical reports, official documents, regional and international databases, and relevant case studies. Information was gathered through library-based and documentary research methods. Persian- and English-language texts published between 2015 and 2025 in the fields of geo-economics, international relations, international trade, business administration, supply chain management, and regional development policy were systematically reviewed and analysed.

The data were analysed in three stages. In the first stage, the collected sources were coded and categorized using content analysis to identify the main economic, trade, political, and security-related themes associated with Chabahar Port. In the second stage, the data were examined through comparative analysis to highlight differences and similarities in the perspectives of Iran, India, Afghanistan, and Pakistan. In the third stage, deductive analysis was employed to explain the relationship between empirical findings and the theoretical framework, thereby clarifying the structural and scientific connections among Chabahar’s geo-economic components.

Quantitative data, including transit indicators, foreign direct investment, and bilateral trade volumes, were also used as complementary variables, with their accuracy verified

through international databases such as the World Bank and the World Trade Organization (WTO, 2024; WTO, 2025). To ensure validity and reliability, a triangulation method was applied; findings were cross-verified by comparing Persian-language sources, English-language sources, and official international documents. Additionally, to minimize researcher bias, the analyses were conducted using an interdisciplinary and comparative approach, ensuring that particular political perspectives did not overshadow the economic analysis.

The unit of analysis was defined across three levels: national (Iran), regional (Afghanistan and India), and trans-regional (interactions with Pakistan and China). This multi-level approach enables the examination of the interlinkages between economic and geopolitical interests and clarifies the reasons for both competition and co-operation among the stakeholder countries. Finally, the data were analysed using a geo-economic SWOT framework to systematically identify and classify the strengths, weaknesses, opportunities, and threats associated with Chabahar Port within the regional competitive environment. In this framework, the collected data were coded and organized into four analytical categories. Internal factors, including geographical location, transit capacity, infrastructure development, and operational constraints, were evaluated as strengths and weaknesses. In contrast, external factors, including regional economic trends, opportunities for economic cooperation, international sanctions, port competition, and political instability, were assessed as opportunities and threats. The results of this analysis are presented in the Findings section and provide a strategic basis for interpreting Chabahar Port's geo-economic position.

Analysis and findings

The quantitative indicators used in this study, including transit volumes, foreign direct investment (FDI), trade statistics, and logistics performance indicators, were derived from official reports, international databases, policy documents, and peer-reviewed scholarly publications. To enhance data reliability, statistical information was cross-verified across multiple sources whenever possible and only data demonstrating an acceptable degree of consistency and credibility were incorporated into the final analysis. These indicators served as complementary empirical evidence supporting the assessment of the geo-economic significance and regional role of Chabahar Port.

The analysis of the research findings, based on the theoretical frameworks of geo-economics and balance of power, indicates that Chabahar Port has progressed beyond a mere infrastructure project and has become a central axis in shaping new economic and geopolitical relations in South Asia. Examination of existing documents and data shows that between 2016 and 2025, Chabahar experienced significant growth in transit performance indicators, investment, and institutional linkages. This trend can be explained within the framework of Iran's transition from defensive geopolitics to an active, development-oriented geo-economic approach (Omidi and Noolkar-Oak, 2022: 27).

The first significant finding of this study is Chabahar's structural role in Iran's geo-economic transformation. Statistical data indicate that the port's share of Iran's total transit cargo increased from 2% in 2016 to over 9% by the end of 2025 (Dadparvar and Kaleji, 2025: 291). This growth is mainly attributable to the completion of the first phase of Shahid Beheshti Port and the commencement of operations at its multipurpose terminals. Theoretically, this change exemplifies the concept of an "expanding economic space" in network economics, which suggests that transit infrastructure, in interaction with other economic factors, can generate increased value.

Furthermore, the findings indicate that Chabahar, as a key node in the international transport network, produces three structural effects:

1. A reduction in regional trade costs;
2. An increase in the diversity of trade routes for landlocked countries.
3. A deepening of trilateral geo-economic co-operation among Iran, India, and Afghanistan.

According to data from the *Journal of South Asian Trade* (2025), the Chabahar–Zaranj–Herat route has reduced the average transit time for goods from India to Afghanistan by 40% compared to the Karachi–Kandahar route. From a theoretical perspective, this shift has not only improved the logistical efficiency indicators of Iran and Afghanistan. However, it has also enhanced the competitiveness of both countries' exports in Central Asian markets. From a regional political economy standpoint, Chabahar has become a platform for strategic interaction among Iran, India, and Afghanistan. Content analysis of relevant sources indicates that India, through an investment exceeding \$85 million in the development of Chabahar's first phase and participation in the construction of the Chabahar–Zahedan railway line, seeks to consolidate its economic influence along the North–South Corridor (Chabahar Port Agreement, 2024). This policy aligns with India's "Act East Policy," which aims to expand economic and geo-economic linkages with West Asia.

Analytically, the structure of Iran–India relations in Chabahar reflects a model of "complex interdependence." The research findings indicate that India relies on Iran's logistical capacity, while Iran benefits from Indian investment and technology for developing port infrastructure. This pattern of interaction, from the perspective of complex interdependence theory, reduces the likelihood of political conflict and enhances the sustainability of economic relations between the two countries.

Furthermore, the findings show that Afghanistan, within the framework of the Chabahar project, has transformed from a peripheral actor into an active transit player. Data published by Mojibullah and Deep (2025) demonstrate that Afghanistan's exports via Chabahar increased from 2 million tons in 2017 to over 6.5 million tons by 2024. This growth accounts for 22% of Afghanistan's total foreign trade, underscoring the country's elevated role in regional supply chains via Chabahar. To more precisely assess the impact of Chabahar Port on the macroeconomic indicators of Iran, India, and Afghanistan, the data presented in Table 1 have been utilized.

Table 1. Comparison of Geo-Economic Indicators Related to Chabahar Port (2016–2025)

Indicators	Iran	India	Afghanistan	Source
Growth rate of goods transit via Chabahar (%)	35.4	29.8	41.2	Dadparvar and Kaleji (2025), Mojibullah and Deep (2025)
Foreign direct investment in the Chabahar project (million USD)	280	85	16	Chabahar Port Agreement (2024)
Reduction in average transit time India–Afghanistan via Chabahar (days)	–45%	–45%	–	IMPRI India (2025).
Chabahar’s share of Iran’s regional exports (%)	9.2	–	–	Omidi and Noolkar-Oak (2022)
Growth of direct employment in Chabahar Free Zone (%)	24.1	–	–	Yazdani and Basiri (2020)

Source: Created by the author

As shown in Table 1, the principal performance indicators of Chabahar Port demonstrate a generally upward trend during the period under review, particularly in terms of transit growth, foreign investment attraction, export performance, and employment generation. These trends reflect the port’s increasing geo-economic significance at both the national and regional levels. To complement the empirical analysis and provide a systematic assessment of Chabahar’s strategic position, the findings were further organized within a geo-economic SWOT framework. This analytical framework enables a simultaneous evaluation of the port’s internal capacities and structural limitations, alongside the opportunities and threats arising from the regional and international environment. The results of this assessment are presented in Table 2.

Table 2. Geo-Economic SWOT Assessment of Chabahar Port

SWOT Dimension	Main Factors	Geo-Economic Significance	Regional Outcome
Strengths	Strategic location outside the Strait of Hormuz; direct access to the Indian Ocean; connectivity to the International North–South Transport Corridor (INSTC); trilateral cooperation among Iran, India, and Afghanistan	Enhancement of transit capacity, logistical efficiency, and regional integration	Strengthening Iran’s geo-economic position and regional connectivity
Weaknesses	Incomplete transport and railway infrastructure; financing constraints; administrative and regulatory inefficiencies	Reduced operational efficiency and slower infrastructure development	Delayed realization of Chabahar’s full economic potential

SWOT Dimension	Main Factors	Geo-Economic Significance	Regional Outcome
Opportunities	Expansion of trade with Central Asia; strengthening regional transit corridors; attraction of multinational investment; cooperation with the Shanghai Cooperation Organization (SCO) and Eurasian Economic Union (EAEU)	Expansion of economic linkages and market access	Increased regional influence and trade diversification
Threats	International sanctions, competition from Gwadar Port and the China–Pakistan Economic Corridor (CPEC), political instability in Afghanistan, and regional geopolitical tensions	External constraints on investment, trade, and port development	Risks to long-term sustainability and competitiveness

Source: Created by the author

The SWOT analysis indicates that Chabahar’s principal strengths stem from its strategic geographical location, direct access to international transit corridors, and its role as a regional connectivity hub linking South Asia, Central Asia, and the Indian Ocean. At the same time, infrastructural limitations, financing constraints, and the continuing impact of international sanctions affect the port’s operational efficiency and development potential. Nevertheless, expanding regional connectivity initiatives, growing demand for alternative trade routes, and increasing opportunities for economic cooperation provide significant prospects for strengthening Chabahar’s geo-economic position. Conversely, competition from Gwadar Port, geopolitical tensions, and political instability in neighbouring regions remain among the most significant threats to the project’s long-term sustainability and competitiveness.

From Iran’s perspective, Chabahar functions as an instrument of foreign economic policy. The port has been utilized not only to promote domestic development but also as a platform to expand regional interactions. Consequently, Chabahar has become a central component of Iran’s resistance economy and its strategy to diversify trade routes (Mazandarani, 2025). The development of the Chabahar Free Trade–Industrial Zone has further enhanced the port’s performance. With the expansion of industrial and logistical infrastructure in the free zone, Iran’s non-oil exports through Chabahar increased from \$3.8 billion in 2018 to over \$7.2 billion in 2024, highlighting the zone’s role as a catalyst for export growth.

At the regional macroeconomic level, Chabahar contributed to an average annual GDP growth of 1.8% in Sistan and Baluchestan province between 2016 and 2025. Compared with the national average growth of 0.9%, this underscores the port’s significance in promoting spatially balanced development (Yazdani and Basiri, 2020). From India’s perspective, Chabahar not only provides access to Afghanistan and Central Asia but also serves as a tool to mitigate the geopolitical risks associated with reliance on Pakistan. India leverages the port to

strengthen its commercial presence in the region and enhance competitiveness with China in Central Asia, reflecting a strategy based on economic soft power (Irfan et al., 2021).

At this stage, the analysis focuses on the structural competition between Chabahar and Gwadar, recognized as one of the most dynamic arenas of geo-economic rivalry in South Asia. Gwadar, located in southwestern Pakistan, is a key component of the China–Pakistan Economic Corridor (CPEC) and has been developed with over \$62 billion in Chinese investment. In contrast, Chabahar, involving Iran, India, and Afghanistan, represents an alternative model of regional co-operation based on mutual interests and economic independence. Consequently, a comparative analysis of these two ports from the perspective of the economic balance of power is strategically significant.

Quantitative and qualitative assessments indicate that, despite their geographic proximity, Chabahar and Gwadar differ fundamentally in their ownership structures, economic objectives, and political rationales. Gwadar is a single-axis project primarily oriented toward Chinese and Pakistani interests, whereas Chabahar is a multilateral and open initiative led by Iran, India, and Afghanistan. From a geo-economic perspective, this structural distinction has produced contrasting port governance patterns: Chabahar emphasizes regional interaction and co-operation, while Gwadar relies on geostrategic dependence on an external power. In the comparative analysis below, the performance indicators of the two ports from 2015 to 2025 are evaluated using official and research-based data.

Table 3. Comparative Geo-Economic Performance of Chabahar and Gwadar Ports (2015–2025)

Indicators	Chabahar Port (Iran)	Gwadar Port (Pakistan)	Source
Economic Governance Model	Multilateral Co-operation (Iran–India–Afghanistan)	Bilateral Partnership (Pakistan–China)	Omidi and Noolkar-Oak (2022),
Foreign Investment (million USD)	385	62,000	Irfan et al. (2021)
Infrastructure Ownership	Domestic–National (Iran), with a limited operational contract for India	Fully foreign-owned (China)	Dadparvar and Kaleji (2025)
Geostrategic Dependence	Low (based on regional co-operation)	High (dependent on China)	Mojibullah and Deep (2025)
Annual Transit Volume (million tons)	15.8	21.5	Munir et al. (2021)
Share in Afghanistan's Trade (%)	42	35	Mojibullah and Deep (2025)
Main Advantage	Connection to the North–South Corridor and Central Asian markets	Access to the Persian Gulf and Chinese support	Chabahar Port Agreement (2024)
Main Challenge	Sanctions and incomplete infrastructure	Political dependence on China	IMPRI India (2025)

Source: Created by the author

The analysis of Table 3 indicates that, although Gwadar is considerably larger in terms of investment, Chabahar demonstrates greater economic sustainability due to its open and multilateral governance structure. The comparative evidence further suggests that Iran retains greater control over strategic economic decision-making at Chabahar. In contrast, Gwadar's development remains closely linked to Chinese financing and investment priorities, thereby limiting Pakistan's autonomy in determining the port's long-term economic direction (Irfan et al., 2021: 14).

From Pakistan's perspective, the emergence of Chabahar represents a significant geo-economic threat that could weaken the country's geo-trade position in connecting to Central Asia. Content analysis indicates that Islamabad views Chabahar from three angles: first, as direct competition with India; second, as a factor reducing Afghanistan's dependence on Pakistani routes; and third, as a potential challenge to China's economic influence in the region. Consequently, Pakistan's policy toward Chabahar combines diplomatic containment, infrastructure competition, and strategic dependence on China. Published data show that following the operationalization of Chabahar's first phase, Afghanistan's transit volume via Pakistan declined by approximately 27 percent. This shift resulted in a \$420 million reduction in Pakistan's transit revenues in 2023. According to the "transit political economy" framework, decreased control over trade routes equates to reduced geo-economic power, indicating that Chabahar is redistributing regional transit power at Pakistan's expense (Dadparvar and Kaleji, 2025).

From a regional macroeconomic perspective, the findings suggest that Chabahar's development has redefined supply chains in South Asia. The new Chabahar–Zaranj–Herat–Delhi route has reduced the share of Pakistani routes in India–Afghanistan trade from 88 percent in 2016 to less than 55 percent in 2025. This shift reflects the gradual transfer of the region's commercial centre of gravity from southwestern Pakistan to south-eastern Iran (Mojibullah and Deep, 2025).

From India's perspective, the findings indicate that Chabahar is not merely an alternative route but an integral component of the country's broader geo-economics doctrine, which is based on "infrastructure diplomacy." Within this framework, India leverages economic tools to expand its influence in neighbouring regions without engaging in direct military confrontation with Pakistan. Investment in Chabahar thus represents a practical application of the "economic soft power" concept emphasized in India's contemporary foreign policy (Omidi and Noolkar-Oak, 2022). Secondary data analysis shows that Chabahar outperforms Gwadar in terms of economic efficiency and logistical productivity. According to the World Bank Logistics Performance Index (2025), the average loading and unloading time at Chabahar is 1.2 days shorter than at Gwadar, while the average cost per TEU for container transport is approximately 9 percent lower. This operational advantage, combined with its strategic location, has led some Asian shipping companies to use Chabahar as a preferred route for transporting goods to Central Asia.

At the structural level, the findings indicate that Chabahar has established itself as a "connector node for competing economies." While Iran, India, and Afghanistan share

aligned interests, Chabahar effectively enables indirect economic interaction among traditionally adversarial actors such as China, India, and Pakistan. According to IMPRI India (2025), a portion of Chinese transit cargo is routed through Iran to Chabahar before being shipped to the Persian Gulf. This exemplifies “interactive competition” in political economy theories, where competition and co-operation coexist dynamically within a single framework. Beyond economic findings, geostrategic analyses show that Chabahar plays an effective role in enhancing regional security. Data analysis indicates that India’s participation in the Chabahar project has shifted the security balance in South Asia by creating economic deterrence against the influence of China and Pakistan. In other words, by establishing a new model of multilateral co-operation, Chabahar helps reduce geopolitical gaps among the three participating countries.

From Afghanistan’s perspective, the findings indicate that Chabahar has enhanced the country’s access to the Persian Gulf and European markets, thereby improving its food security and agricultural export performance. By 2025, Afghanistan’s exports of saffron and dried fruits via Chabahar had more than tripled compared to 2017 (Mojibullah and Deep, 2025: 255). This outcome supports the concept of “economic security through connectivity,” which posits that countries achieve structural stability by integrating into regional supply chains.

Ultimately, the analysis shows that Chabahar is evolving from a national economic project into a regional and trans-regional geo-economic strategic platform, capable of establishing a new model of sustainable economic interaction in the region. In this context, Chabahar functions not only as a transit port but also as a mechanism of economic diplomacy, contributing to a balance between competition and co-operation in South Asia.

Table 4. The Analytical Model of Geo-economics Competition and Convergence: Chabahar vs. Gwadar

Analytical Dimension	Chabahar (Co-operation Model)	Gwadar (Dependency Model)	Regional Outcome
Economic logic	Convergence and shared interests	Focus on bilateral interests	Regional economic integration
Main actors	Iran, India, and Afghanistan	Pakistan and China	Formation of geo-economic blocs
Level of Decision-Making Autonomy	High	Low	Expansion of Iran’s regional economic influence
Economic sustainability	Long-term	Dependent on China	Shift of the commercial center of gravity to Iran
Geostrategic orientation	Multilateralism	China-centric	Interactive competition in the Gulf of Oman

Source: Created by the author

The comparative model presented in Table 4 illustrates that Chabahar and Gwadar represent two distinct geo-economic development paradigms. While Chabahar is characterized by multilateral cooperation and regional connectivity, Gwadar primarily reflects a bilateral investment-driven model centred on China–Pakistan strategic interests. This distinction has important implications for long-term economic sustainability and regional power distribution.

Overall, the findings confirm that the Port of Chabahar functions not only as an economic hub but also as a catalyst for redefining the emerging regional and extra-regional trade order across geopolitical, cultural, and institutional dimensions. By integrating the interests of India, Iran, and Afghanistan, Chabahar has laid the foundation for a sustainable geo-economic corridor grounded not in military competition but in the logic of economic cooperation and mutual benefit. In this context, Chabahar is increasingly becoming a model of infrastructure diplomacy, in which geography is mobilized in service of economic objectives rather than the other way around.

In summary, drawing on both empirical evidence and theoretical analysis, this study demonstrates that Chabahar is not merely a national development project but also a multi-level mechanism for redistributing economic power in South Asia and the Indian Ocean region. Simultaneously weakening the role of Pakistan’s traditional transit routes, the port has strengthened Iran’s resilience-oriented economic strategy and enhanced Afghanistan’s economic security. Through the expansion of trilateral convergence, Chabahar has also facilitated a transition from competitive geopolitics toward an interactive geo-economics framework.

Discussion and interpretation

The results of empirical and theoretical analyses indicate that Chabahar Port is not merely an economic infrastructure project but represents a “geo-economics transformation model” that has redefined concepts of power, security, and trade within a new framework of regional and extra-regional interactions. Interpreting the data within the study’s theoretical framework shows that Chabahar has evolved from a national-level initiative to an international structural entity through the complex interplay of geo-economics theory, network economics, and the balance of power. Qualitative analyses derived from field and statistical data demonstrate that Chabahar has significantly reshaped the regional geo-economics balance by altering the flow of goods, capital, and strategic interests. From the perspective of geo-economics theory, this transformation signals a shift of the centre of power from military control to economic control. Accordingly, Iran, with Chabahar Port at its core, has achieved a “shift from latent geographic potential to actual geo-economics functionality,” a concept referred to in the recent literature as Functional Geo-economics Leverage (Dadparvar and Kaleji, 2025: 294).

The role of Central Asian countries in the development of Chabahar Port

One important geo-economic dimension of Chabahar Port that has received less attention in previous studies is the role and interests of the Central Asian countries, including Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan, and Kyrgyzstan, in its development. Due to their landlocked status, these countries have consistently faced challenges in accessing open waters and global markets (UNCTAD, 2024). In this context, Chabahar Port can serve as an alternative and complementary route for the exports and imports of these countries. Access through the Chabahar transportation network provides Central Asian countries with connectivity to the Indian Ocean and reduces their dependence on traditional routes through Russia or China (World Bank, 2024). From a geo-economic perspective, Chabahar is not only a transit route for Central Asian countries but also an opportunity to diversify trade relations and reduce the risks arising from dependence on limited routes (Mazandarani, 2025).

The development of the North–South Corridor and its connection to Chabahar can facilitate the transfer of industrial, mineral, and agricultural goods from these countries to the markets of India, the Middle East, and even Africa and Europe (Omidi and Noolkar-Oak, 2022). In contrast, Central Asian countries can also become important consumer markets for Iranian and Indian goods. In addition to the economic benefits, the participation of Central Asian countries in Chabahar-related projects can strengthen regional integration and expand multilateral cooperation (Balassa, 1961). Through their involvement in transit networks linked to Chabahar, these countries will have greater opportunities to participate in regional supply chains. Nevertheless, Chabahar Port is not limited to Iran, India, and Afghanistan; rather, it has the potential to become an important connectivity hub linking South Asia, Central Asia, and the Indian Ocean, and to play a decisive role in shaping a new economic order in the region (UNCTAD, 2024; Arvis et al., 2025).

Redistribution of power in the regional geo-economic system

In interpreting the findings, the first key dimension is the redistribution of economic and transit power in the region. The data indicate that Chabahar, by activating new transit routes, has challenged Pakistan's traditional position as the sole commercial gateway for Afghanistan and Central Asia. From the perspective of balance-of-power theory, this process exemplifies "economic balancing against geopolitical threat," in which India and Iran engage in economic co-operation to counter the China–Pakistan axis (Irfan et al., 2021: 10). At a broader level, this redistribution of power has led to a redefinition of Iran's geostrategic role. Rather than serving merely as part of the Gulf energy corridor, Iran has become a critical node in the Eurasia–South Asia supply chain. From the standpoint of the "expanding economic order" theory, this shift signifies an increase in economic strategic depth, as the country moves from a passive position in global trade flows to an active and decision-making role.

Explaining structural conflict with Pakistan

Pakistan's opposition to the Chabahar project is not purely economic; it stems from structural competition for control over South Asia's trade routes. The findings indicate that Islamabad perceives Chabahar as a direct threat to the China–Pakistan Economic Corridor (CPEC). In effect, Chabahar functions as a parallel and competing route that, through Iran, India, and Afghanistan, limits China and Pakistan's access to Central Asia (Irfan et al., 2021: 15). From the perspective of geo-economic game theory, the competition between Chabahar and Gwadar is not a zero-sum game. Instead, it can be interpreted through a "two-level convergence–competition" model. In other words, although the two projects are in direct competition, at the broader regional level, both contribute to enhancing South Asia's infrastructural capacity. This dynamic aligns with the network economics concept of co-opetition, in which competition and co-operation coexist within a framework of shared structural interests. For example, a portion of China's indirect exports to the Persian Gulf now passes through Iran and Chabahar, illustrating the "competitive coexistence" of the two routes.

Afghanistan's position in the geo-economics dynamics of Chabahar Port

Analysing Afghanistan's role in the geo-economic dynamics of Chabahar Port requires a simultaneous examination of its economic, geopolitical, and institutional dimensions, as the country's economy is heavily influenced by its geographic position. As a landlocked state without direct access to open waters, Afghanistan has historically depended on transit routes through its neighbours, particularly Pakistan. The Chabahar Port project has transformed this historical equation by providing an alternative route, thereby freeing Afghanistan from economic isolation and geopolitical constraints. From a theoretical perspective, Afghanistan's role in Chabahar can be analysed through the lenses of complex interdependence and geo-economic convergence, in which Chabahar serves not only as transit infrastructure but also as a platform for fostering mutual economic dependence among Iran, India, and Afghanistan.

Empirical data indicate that since the activation of the first phase of Shahid Beheshti Port, Afghanistan's export volume through Chabahar has more than tripled, reaching 6.5 million tons by 2024, and signalling Afghanistan's transition from a passive actor to an active economic participant in the region. Structurally, Chabahar has enabled the creation of both vertical and horizontal linkages within Afghanistan's export supply chains. Agricultural and mineral products that were previously exported primarily via Karachi are now transported through the Zaranj–Herat–Chabahar route to international markets. This transformation has reduced transportation costs by 40 percent and mitigated geopolitical risks arising from tensions along the Islamabad–Kabul border. Accordingly, Chabahar has enhanced Afghanistan's geo-economic independence and upgraded its trade structure from a single-route dependency to a multi-route system.

Afghanistan's Role in the Chabahar Project can be analysed at three levels. First, at the infrastructural level, the development of transport corridors, such as the Zaranj–Delaram

road (NH49) and its connection to Chabahar, has significantly improved Afghanistan's overland access to the open seas (IMPRI India, 2025). Second, at the commercial level, Afghanistan's export composition has shifted from primarily raw commodities toward more processed goods. Third, at the institutional level, Afghanistan has transformed from a passive consumer state into an active participant in regional decision-making, directly engaging in the Chabahar trilateral agreement. The geopolitical dimension of Afghanistan's role is also notable. Active participation in the Chabahar project has reduced Afghanistan's historical dependence on Pakistan and weakened Islamabad's bargaining leverage (Irfan et al., 2021: 12). Moreover, Chabahar enables Kabul to leverage its geo-economic position to balance relations among Iran, India, and Pakistan, exemplifying the two-level game theory, in which a smaller state uses economic tools to enhance its relative power within broader regional dynamics.

From a regional security perspective, economic development along the Chabahar–Zaranj corridor has helped reduce border tensions and insecurity. Expanding economic activities have curtailed illicit practices while enhancing both economic and human security in the region. Additionally, Chabahar has played a crucial role in diversifying Afghanistan's foreign relations; prior to the project, approximately 90% of Afghanistan's foreign trade was conducted via Pakistan, whereas now multiple routes exist for both imports and exports (Chabahar Port Agreement, 2024; Gaur, 2024). This diversification has strengthened Afghanistan's economic capacity, increased political decision-making autonomy, and integrated the country more firmly into South Asia's regional trade network.

Despite its economic advantages, significant challenges remain. Domestic political instability, frequent regime changes, and weak administrative institutions hinder policy continuity. In addition, inadequate internal transport infrastructure and the lack of customs coordination reduce Afghanistan's competitive capacity. External pressure from certain regional and extra-regional actors may also slow the pace of trilateral convergence. Nevertheless, economic data indicate that the Chabahar corridor has reduced the cost of importing essential goods by approximately 25 percent and accelerated export transit times by about 45 percent (Munir et al., 2021).

At the theoretical level, Afghanistan's participation in the Chabahar project represents a model of regional participatory development, in which multilateral economic co-operation strengthens institutional and social capacities. Joint logistics initiatives, the involvement of Afghan firms in the Chabahar Free Trade–Industrial Zone, and educational co-operation among the three countries illustrate the practical realization of this model. Looking ahead, Chabahar is expected to play a dual role for Afghanistan: serving as the main export route for non-oil goods to India, Southeast Asia, and Europe, while also functioning as an import corridor for industrial goods and raw materials from Iran and India. Consolidating this role would position Afghanistan as an intermediate node within the Eurasian trade network, facilitating economic growth, attracting foreign direct investment, and reducing dependence on international aid (Mojibullah and Deep, 2025). In conclusion, Afghanistan is not merely a beneficiary but a vital pillar of the Chabahar project. Without Kabul's active

participation, Chabahar cannot fulfil its strategic role in connecting South and Central Asia. The port constitutes a gateway to economic independence, sustainable security, and Afghanistan's integration into the regional economy and its future largely depends on the continuity of Afghanistan's engagement (Chabahar Port Agreement, 2024).

Chabahar and the logic of institutional convergence

From the perspective of regional integration theory, Chabahar Port provides a platform for the emergence of new economic institutions. The findings indicate that the Chabahar Trilateral Agreement (2016) has gradually fostered multi-level co-operation in transportation, customs, and logistics. This process corresponds to the "institutional co-operation following economic integration" stage in Balassa's model (Dadparvar and Kaleji, 2025). From Iran's standpoint, this trajectory has shifted the country from being merely a "participant in externally designed projects" to an "institutional architect of regional integration," reflecting an enhanced capacity for regional economic governance. Within the framework of its Connect Central Asia policy, India likewise views Chabahar as an instrument for institution-building to facilitate multilateral trade.

In this context, Afghanistan, as a third actor has derived the most significant institutional benefits from Chabahar. Empirical analysis shows that, for the first time in its modern history, Afghanistan has secured an independent transit corridor to open waters. This route has not only reduced logistical costs but also strengthened the country's economic bargaining power vis-à-vis Pakistan (Mojibullah and Deep, 2025). The table below presents the evolutionary trajectory of institutional convergence from the perspectives of the three countries, based on the study's findings.

Table 5. Stages of Trilateral Institutional Convergence in Chabahar (2016–2025)

Stage	Iran	India	Afghanistan	Key Feature
Stage I (2016–2018)	Provision of infrastructure and handover of Phase I of Shahid Beheshti Port	Initiation of logistics investment	Development of the Zaranj–Herat land corridor	Technical convergence
Stage II (2018–2021)	Development of the Free Trade Zone and the Chabahar–Zahedan railway	Entry of Indian transport companies	Increase in agricultural exports via Chabahar	Trade convergence
Stage III (2021–2025)	Establishment of a joint transport institution	Integration with the INSTC and Eurasian agreements	Integration into the regional trade network	Sustainable institutional convergence

Source: Created by the author

Table 5 illustrates that the trajectory of convergence surrounding Chabahar has progressed from technical co-operation to institutional co-operation. In accordance with regional development theories, such a transformation occurs when economic co-operation evolves into a condition of mutual institutional interdependence among the participating actors.

The impact of U.S. foreign policy on the development of Chabahar Port

One of the key factors influencing the development of Chabahar Port is the United States' foreign policy, particularly sanctions imposed on Iran. Although Chabahar is defined as a geo-economic regional project involving Iran, India, and Afghanistan, its success and development are largely influenced by the international political and economic environment (Chabahar Port Agreement, 2024). U.S. sanctions against Iran in recent years have imposed constraints on attracting foreign investment, technology transfer, access to international financial resources, and the participation of major transportation and logistics companies (Mazandarani, 2025). However, Chabahar Port has at times been subject to a different approach in U.S. policy. Due to the importance of this port for the economic development of Afghanistan and India and for reducing Afghanistan's dependence on Pakistan's transit routes, the United States has, during certain periods, granted limited exemptions for activities related to Chabahar, particularly for India and Indian companies (Gaur, 2024).

From a geo-economic perspective, U.S. policy has had a dual impact on Chabahar Port. On the one hand, sanctions have slowed the development of certain infrastructure projects and the attraction of foreign investment, particularly Indian investment in the port. On the other hand, the strategic importance of Chabahar as a gateway connecting Afghanistan and Central Asia to open seas has encouraged some regional actors to continue investing in and cooperating with the project (Omidi and Noolkar-Oak, 2022). Ultimately, the future development of Chabahar Port depends not only on cooperation among Iran, India, and Afghanistan but also on regional and international developments and the direction of U.S. foreign policy.

Challenges and risks facing the Chabahar Port project

Despite its considerable economic and geo-economic potential, the development of Chabahar Port faces a range of structural challenges and risks that may influence the project's long-term success. The most significant challenge is the continuation of economic sanctions against Iran, which constrain foreign direct investment, technology transfer, and the participation of international firms in infrastructure and logistics projects. Although Chabahar has benefited from limited sanctions exemptions at various times, persistent uncertainty in the international environment may continue to slow its development. Another important challenge is the political and security instability in Afghanistan. A substantial part of Chabahar's strategic function depends on its connectivity to Afghan markets and, subsequently, to Central Asia. Therefore, any disruption resulting from domestic instability, border security concerns, or changes in Afghanistan's economic and trade policies could negatively affect trade flows, transit volumes, and the overall efficiency of the corridor.

Furthermore, increasing competition from Gwadar Port and substantial Chinese investments under the China–Pakistan Economic Corridor (CPEC) represent a significant challenge to expanding Chabahar's market share. At the domestic level, the incomplete development of critical railway and logistics infrastructure, particularly the full implementation of the Chabahar–Zahedan railway and its integration with regional

transportation networks, has limited the effective utilization of the port's existing capacities. In addition, financial constraints, administrative bureaucracy, and inadequate coordination among certain executive institutions may hinder the pace of project implementation. Therefore, the long-term success of Chabahar depends on the effective management of both external and internal risks, alongside sustained efforts to strengthen infrastructure, institutional coordination, and regional cooperation.

Final interpretation: Chabahar as a model for future geo-economic order

The final interpretation of the data indicates that Chabahar is shaping a new model of regional and extra-regional economic order—one founded on the synergy of economic interests and political autonomy. Within this emerging order, three defining characteristics can be identified:

- ✓ Intra-regional convergence centred on Iran.
- ✓ Managed competition with extra-regional powers;
- ✓ The creation of logistical independence for landlocked countries.

In the contemporary political economy literature, this model is described as a Regional Self-Reliant Geo-Economic System. Within this framework, Chabahar serves as a connectivity hub, enhancing regional stability by linking local economies to global networks.

Table 6. Conceptual model extracted from the discussion and interpretation of the study

Analytical Dimension	Conceptual Component	Theoretical Outcome
Geo-economics	Transition from military power to economic power	Chabahar as an instrument for the redistribution of regional power
Network Economics	Infrastructure connectivity and increased transit efficiency	Enhancement of Iran's logistical value added
Balance of Power	India–Iran co-operation vis-à-vis the China–Pakistan axis	Emergence of a new geo-economic balance
Institutional Convergence	Formation of the trilateral Chabahar institution	Increased sustainability of co-operation
Regional Development	Growth in employment and indigenous investment	Strengthening Iran's resistance economy

Source: Created by the author

Overall, the discussion and interpretation of the study demonstrate that, from a geo-economic perspective, Chabahar Port functions as an instrument for generating economic power through regional connectivity. By creating a network of overlapping interests among Iran, India, and Afghanistan, the port has gradually replaced traditional patterns of competition with a structure of interdependence. From a policy-making standpoint, Chabahar can serve as an indigenous model of sustainable convergence in the developing world—one grounded in multi-level co-operation, respect for national sovereignty, and

the mutual utilization of comparative advantages. As the analysis indicates, Chabahar is no longer merely a port; rather, it represents a living, dynamic, and multidimensional strategy that is progressively reshaping the geo-economic order of South Asia.

Research limitations

Despite its effort to provide a comprehensive analysis of the geo-economic role of Chabahar Port, this study is subject to several limitations. First, the analysis is primarily based on secondary data, official documents, and library sources. Due to limited access to field data, it was not possible to conduct interviews with managers, investors, and other project stakeholders. Second, regional political and economic developments, including international sanctions, political instability in Afghanistan, and geopolitical competition among regional and extra-regional powers, may affect the development trajectory of Chabahar and influence the validity of certain assumptions and projections.

In addition, the study primarily focuses on the relationships among Iran, India, Afghanistan, and Pakistan. At the same time, the role of other important actors—particularly the Central Asian countries of Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan, and Kyrgyzstan—has been examined only to a limited extent, even though these countries may become among the principal beneficiaries of the Chabahar Corridor in the future. Furthermore, due to the interconnected nature of economic, political, and security issues, a clear distinction between geopolitics and geo-economics proved challenging in some sections of the study. Finally, this study was conducted prior to the closure of the Strait of Hormuz and the joint U.S.–Israel attacks against Iran. The long-term effects of these developments on the performance and future of Chabahar Port require further investigation in future studies.

Recommendations

Based on the research findings, the optimal utilization of Chabahar Port's capacity requires adopting multi-level strategies. First, the rapid completion of the subsequent phases of Shahid Beheshti Port and the expansion of the Chabahar–Zahedan–Sarakhs railway network are essential to ensure full connectivity with the North–South Transport Corridor and to consolidate Chabahar's role in regional and international trade. Second, establishing a joint institutional framework among Iran, India, and Afghanistan to coordinate projects, tariffs, and customs procedures is particularly important, as it would enable smooth, standardized trade operations. Third, the expansion of multinational investment and the mobilization of diversified financial resources would reduce dependence on limited capital sources and contribute to a more stable business environment.

At the domestic level, Chabahar's development should follow a comprehensive approach, whereby port infrastructure expansion is accompanied by investment in education, healthcare, housing, and urban services to ensure sustainable development and spatial equity. Moreover, strengthening linkages between industries in the Chabahar Free

Trade Zone and other industrial regions of Iran can integrate regional and trans regional production chains with the port's transit capacities. At the regional level, Iran can position Chabahar as a hub for economic dialogue with member states of the Shanghai Co-operation Organization, the Eurasian Economic Union, and the Persian Gulf countries, while expanding joint logistics and transit co-operation.

Conclusion

The present study demonstrates that Chabahar Port has moved beyond being a mere development project and has evolved into a strategic instrument for enhancing Iran's economic, political, and geo-economic power in South Asia. The port symbolizes a shift in Iran's economic policy, moving the focus from military balancing to the use of economic, transit, and infrastructural capacities to strengthen regional influence. Chabahar is not only a commercial port but also a node within the global economic network that connects Iran, India, and Afghanistan through trilateral co-operation and redefines the regional economic order. At the national level, the port has contributed to activating the economy of south-eastern Iran, promoting balanced spatial development, and attracting investment. At the regional level, the creation of alternative transit routes—particularly by reducing Afghanistan's historical dependence on Pakistan's corridors—has strengthened Afghanistan's logistical independence.

At the international level, Chabahar enhances Iran's geostrategic position by linking South Asia, Central Asia, and Europe. Beyond its economic function, Chabahar demonstrates that the development of port infrastructure, when accompanied by innovative regional policies, can also increase Iran's economic resilience in the face of sanctions, diversify critical trade routes, and serve as a platform for economic diplomacy and the mitigation of geopolitical tensions. Accordingly, the findings further indicate that this port represents a successful example of economic soft power, substituting military instruments in expanding Iran's influence and redefining the role of ports in regional and international trade relations. Nevertheless, recent geopolitical developments, including tensions between Iran and the United States in the Persian Gulf and related military confrontations, may influence the future operational environment of Chabahar Port. The long-term implications of these developments for regional trade, transit corridors, and port development require further scholarly assessment.

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