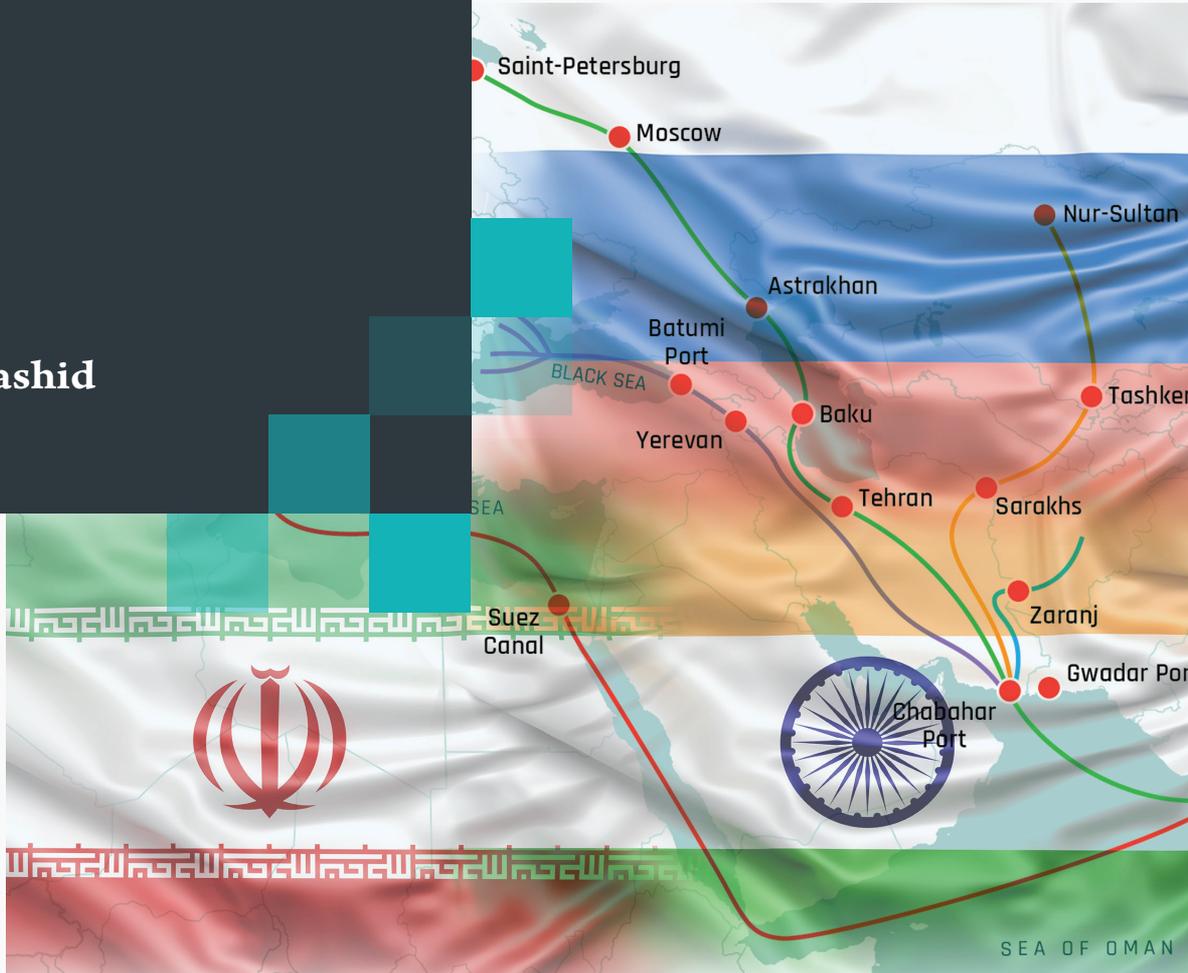


**RUSSIA-IRAN-INDIA
TRIANGLE: INSTC**

Yasir Rashid





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IRAM

Center for Iranian Studies

Russia-Iran-India Triangle: INSTC

Rusya, İran ve Hindistan Üçgeni: INSTC

مثلث روسیه، ایران و هند: کریدور شمال-جنوب

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IRAM

YAYINLARI
ANALYSIS

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Summary

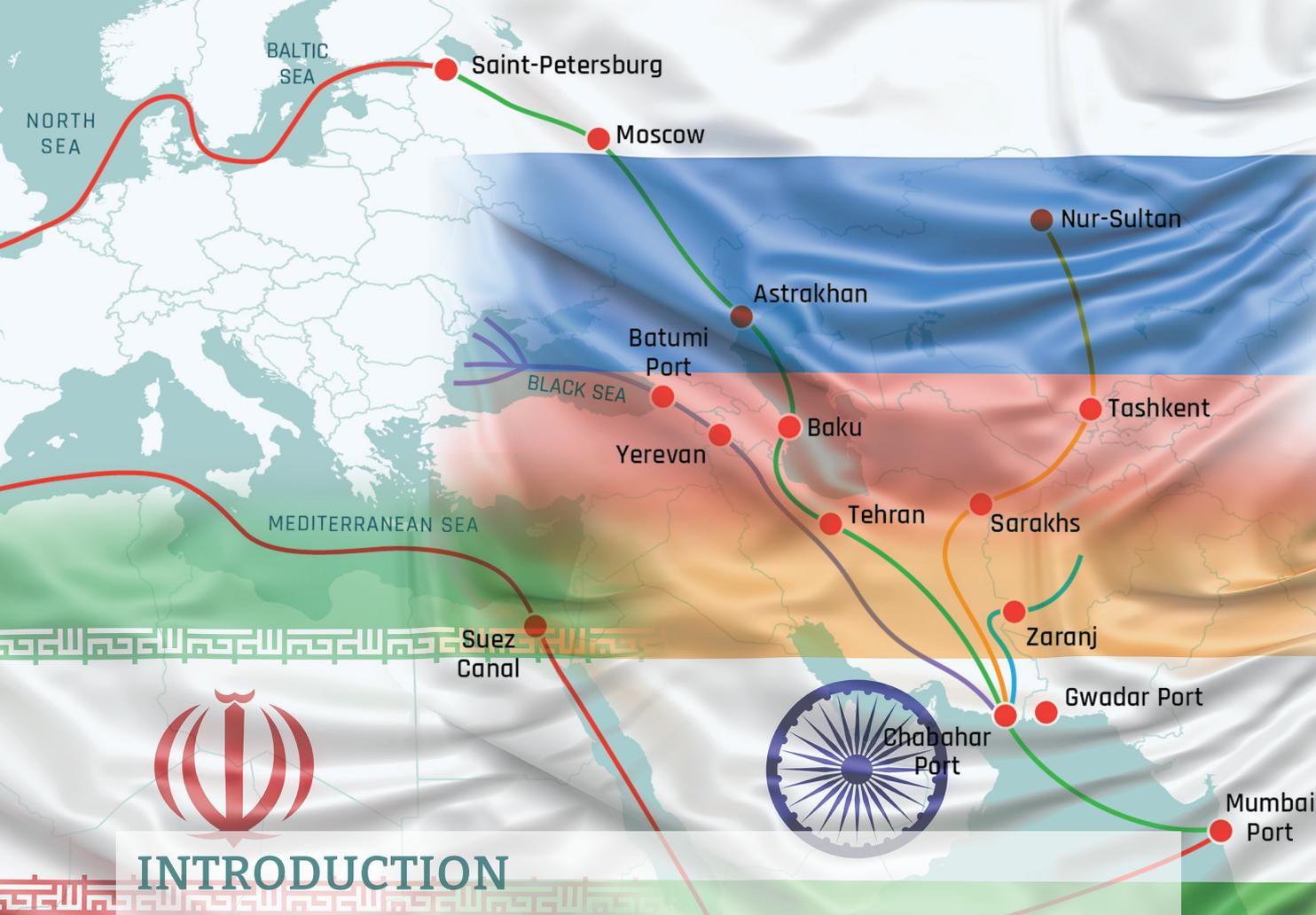
- Connecting South Asia to Eurasia and Northern Europe, INSTC has commercial, transit, and logistical benefits with geopolitical and geoeconomic consequences.
- INSTC creates opportunities to increase the transit importance of Iran and enables the country to take one step closer to its dream of becoming a transit hub in the region.
- INSTC paves the way for India to expand its regional trade and plays a crucial role in India's energy security policies, competition with China, and New Delhi's long-term geopolitical goals in the region.
- As an important economic and geopolitical tool, INSTC is of high importance for ensuring Russia's geopolitical interests in South Asia.
- With the increasing geopolitical rivalries between China-EU and China-India, INSTC has the potential to be a part of the EU project against China's ambitious geopolitical plans in the region.

Özet

- Güney Asya'yı Avrasya ve Kuzey Avrupa'ya bağlayan INSTC; ticari, transit ve lojistik faydalarının ötesinde önemli jeopolitik ve jeoekonomik sonuçlara sahiptir.
- INSTC; İran'a, transit önemini artırma ve bölgede bir transit merkezi olma fırsatı sunacaktır.
- INSTC, Hindistan'ın; bölge ile ticaretini genişletmesinin önünü açıp enerji güvenliği politikalarında, Çin ile rekabetinde ve Yeni Delhi'nin bölgedeki uzun vadeli jeopolitik hedeflerinde kilit rol oynamaktadır.
- Önemli bir ekonomik ve jeopolitik araç olarak INSTC, Rusya'nın Güney Asya'daki jeopolitik çıkarlarını sağlama konusunda yüksek bir öneme sahiptir.
- Çin-AB ve Çin-Hindistan arasındaki jeopolitik rekabetlerin artmasıyla birlikte INSTC, bölgede Çin'in iddialı jeopolitik planlarına karşı AB projesinin bir parçası olma potansiyeline de sahiptir.

چکیده

- کریدور شمال-جنوب که جنوب آسیا، اوراسیا و کشورهای شمال اروپا را به یکدیگر متصل می کند، علاوه بر مزایای تجاری، ترانزیت و لجستیکی، دارای پیامدهای ژئوپلیتیکی و ژئوآکونومیکی نیز می باشد.
- کریدور شمال-جنوب با افزایش اهمیت ترانزیتی ایران، این فرصت را برای تهران فراهم می سازد تا یک گام به رویای خود برای تبدیل شدن به هاب ترانزیتی در منطقه نزدیکتر شود.
- این کریدور برای هند نیز از اهمیت بسیاری برخوردار است، چراکه علاوه بر فراهم کردن شرایط برای گسترش تجارت دهلی نو با کشورهای منطقه، نقش مهمی در سیاستهای امنیت انرژی آن کشور، رقابت با چین و اهداف بلندمدت ژئوپلیتیک دهلی نو در منطقه ایفا می کند.
- این کریدور به عنوان یک ابزار مهم اقتصادی و ژئوپلیتیکی از اهمیت ویژه ای در جهت تأمین منافع ژئوپلیتیکی روسیه در جنوب آسیا نیز برخوردار است.
- با افزایش رقابتهای ژئوپلیتیکی بین چین- اتحادیه اروپا و چین- هند، کریدور شمال-جنوب این پتانسیل را دارد که به بخشی از پروژه اتحادیه اروپا برای مقابله با پروژه های جاه طلبانه ژئوپلیتیکی چین در منطقه تبدیل شود.



INTRODUCTION

While the world economic power dynamics have shifted from the West to the East and created some fundamental consequences on a global and regional scale, the secondary effects of this shift are becoming more important day by day. It seems that this shift takes place in a multi-layered and multidimensional manner and covers a wide range of areas (technology, reconstruction of the global financial system, defense strategy, and military strategy, international joint defense agreements, international organizations, etc.) instead of being just an economic or commercial shift. Both direct and indirect effects lead nearly all countries in the Asia-Europe axis to reconsider their positions strategically. There has been a crucial transformation in global logistics and maritime trade due to the shift of the global economy to Asia, and numerous infrastructure projects regarding ports and land corridors have been initiated in the last decade. In this context, Iran has tried to intensify its transit corridor diplomacy through its geopolitical and geo-economic position within the framework of its “Look to the East” policy. In this scope, Iran has put an effort into initiating and implementing many transit and logistics projects through multilateral cooperation with

different countries. It launched the International North-South Transport Corridor (INSTC) in 2000 when it signed a multilateral agreement with Russia and India. Currently, the INSTC agreement has been ratified by 13 countries, including Azerbaijan, Belarus, Bulgaria, Armenia, India, Iran, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Türkiye, Ukraine, and Oman.

In addition to improving Iran's transit position, INSTC is also of particular importance in interregional trade between Asia and Europe. After the revival of world trade thanks to the discovery of the Coronavirus vaccine, the cost of shipping containers from Asia to Europe has increased in the global maritime trade. For instance, the Suez Canal Authority announced that it will increase the toll for vessels transiting through the canal by 6% after February 2022 (Bloomberg, 2021). In addition to increasing costs, the Suez Canal obstruction for one week at the end of May 2021 (Stevens, 2021) has prompted European and Asian economic powers to seek alternatives to remove logistical barriers to the global supply chain (Stevens, 2021; Chalikyán and Tashjian, 2021). Furthermore, Russia's invasion of Ukraine and the imposition of severe Western sanctions on Moscow led to major changes in Russia's foreign policy and caused the country to have a significant interest in trade with South and Southeast Asian countries. Russia has tried to expand its relations with these countries by publishing a list of "friendly countries". Russia's friends, including Iran and India, are located in Asia, the Middle East, Africa, and Latin America. Strengthening relations with these countries in various fields is considered one of the main priorities in the new Russian foreign policy doctrine (Octagon, 2022).

INSTC, one of the bilateral and multilateral cooperation between Russia, Iran, and India, has become a tripartite cooperation platform between these countries in recent years.

Following the major geopolitical and geo-economic developments in the region, nearly 20 years later, INSTC has attracted special attention from Moscow. Recent developments have forced Moscow to decide to invest millions of dollars in the improvement of this corridor. INSTC has been one of the examples of infrastructure projects that have had a significant impact on the political economy of the beneficiary states by providing the opportunity to facilitate interregional trade between Asia and Europe.

1. The Features of INSTC

INSTC, known as the trade nexus among Asia, Europe, Central Asia, and South Asia, is a geopolitical and geo-economic network consisting of 7,200 km of sea routes, railways, and roads. INSTC is a route that provides to carry cargo from Mumbai, India to Helsinki, Finland. This multidimensional project will connect the Baltic region and the Central Asian countries to India via Iran's railway and port infrastructure (see Map 1). Beyond its commercial, transit, and logistical benefits, the multinational project, which connects South Asia (India) to Eurasia (Russia and Central Asia) and Northern Europe (Baltic countries), has significant geopolitical and geo-economic consequences. Indeed, this project has been called India's "game-changer" in Eurasia.

By bypassing the Suez Canal, INSTC reduces shipping costs by up to 30% and shipping time by up to 40% between South Asia and Northern Europe. In other words, INSTC reduces the cost of transporting goods on this route by approximately 2,500 dollars per 15 tons of cargo. While it normally takes nearly 45 days to travel from New Delhi to Helsinki (16,129 km), INSTC would take only 21 days (9,389 km) (Sarma and Menezes, 2018). Moreover, it is estimated that INSTC will facilitate carrying 20-30 million tonnes of goods per year (Jha, 2017).

Figure 1: The Main Objectives of the INSTC



It should be noted that there are generally three interpretations (three different routes) of the INSTC. The first or the main route, initiated in 2000 by Moscow, New Delhi, and Tehran, connects Finland in Europe to India in South Asia via Russia, Azerbaijan, and Iran. The second route connects India to Eastern Europe via Iran, Armenia, Georgia, and the Black Sea. The first route has the necessary railway and road infrastructures to operate, and the first road transport from Finland to India reached its destination by passing this route at the end of June 2021 (Rashid, 2021a). The second route has been mostly suggested and highlighted by Iran, and it is an alternative project to the first route, which forms the basis of cooperation between Iran, India, the European Union (EU), and Armenia.

In addition to these two routes, the eastern route of this corridor passes through Central Asian countries (Kazakhstan and Turkmenistan) and Iran and connects North Asia to South Asia. On July 12, 2022, the first train carrying Russian goods departed for India after passing Iran through the eastern route of INSTC (Fars News, 2022). It was the

first transit train to use INSTC's eastern route to transport Russian goods to India.

INSTC is known as a multinational project having various parts, which are funded by different institutions. India is the main financial backer of the project. New Delhi invested approximately 500 million USD in the port project through the Export-Import Bank of India in order to make Chabahar Port the central axis of INSTC (Aslan and Rashid, 2021). Furthermore, Asian Development Bank (ADB) provided a loan worth approximately 400 million dollars to Azerbaijan for the development of the Sumgayit-Yalama railway line (441 km) (ADB, 2017). The ADB and the Islamic Development Bank (IDB) also provided loans to finance the Kazakhstan-Turkmenistan-Iran railway (Passi, 2017).

European Union (EU) intends to invest approximately 600 million euros in the development of the North-South Corridor passing through Armenia within the framework of the "Post 2020 Eastern Partnership" (EEAS, 2021). In addition, there are reports suggesting that Japan International Cooperation Agency (JICA) and Japan Bank for International Cooperation (JBIC) are also

interested in financing INSTC and investing in the “Chabahar Free Trade-Industrial Zone” (Sarma and Menezes, 2018). Deutsche Bahn, a leading German railway company, has also expressed interest in using INSTC and delivering goods from Europe to Iran via Azerbaijan (The Economic Time, 2016). However, it is noteworthy that the German and Japanese institutions have not invested in this corridor yet.

2. The Importance of INSTC for Iran

INSTC has a unique place in Iran’s relations with India and Russia in addition to its significance in the macroeconomic and transit policies of the country. This corridor is one of the

most important Indian-backed geopolitical and geoeconomic projects in the region on the axis of Iran’s Chabahar Port. Chabahar Port is located about 1400 km away from Mumbai Port, the most important port in India, and 340 km away from Muscat Port, which is at the other end of the Gulf. In 2016, Indian Ports Global Limited (IPGL) and Aria Bandar Iranian Port & Marine Services Company of Iran (ABI) signed an agreement for ten years for the expansion of Chabahar Port. According to the agreement, India will transfer ownership of the equipment to Iran without any payment at the end of the tenth year (Aslan and Rashid, 2020). With this agreement between India and Iran, the Indians and the public company IPGL assume the responsibility for operating the Chabahar Port (Chabahar Port, 2018).

Map 1: Main and Alternative Routes of INSTC

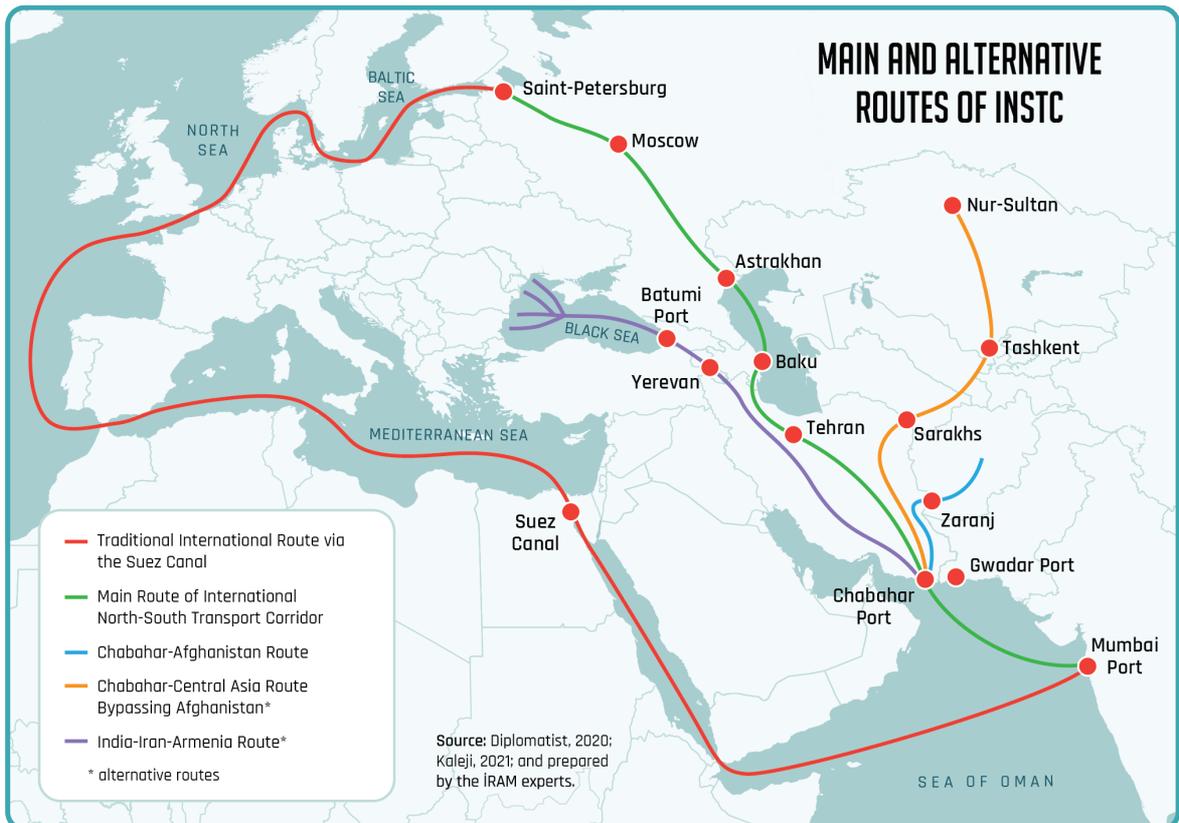


Table 1: Details of the Shahid Kalantari and Shahid Beheshti Ports

	Shahid Beheshti Port	Shahid Kalantari Port
Total Area*	254	30
Open Storage Area	16 *	35.000**
Storerooms**	30.000	3.000
Container Area**	-	40.000

Source: AISS, 2018

* hectare ** square meter

Chabahar Port Project covers two ports named Shahid Kalantari and Shahid Beheshti. In the early 1980s, Iran built four medium-sized landing stages each for the Shahid Kalantari and Shahid Beheshti ports. Later, two longer landing stages were added. As of 2016, the annual capacity of Chabahar Port was recorded as approximately five million tons and the tonnage capacity per ship was recorded as 25,000 tons (SB Portal, 2016).

Chabahar Port is closely followed by major global actors since it will provide geopolitical and geo-economic opportunities in addition to its economic and direct contributions to Iran. Eighty-five percent of Iran's foreign trade is carried out from Bandar Abbas Port which means that the port has a very heavy workload. Due to this excessive workload, ships always face the problem of extension for their wait time. In comparison to the other ports, Chabahar Port is a deep water port. Hence it allows ships over 100 thousand tons to load and unload. In light of the fact that both Bandar Abbas and other ports are located on the shallow waters of the Persian Gulf, they require small tonnage ships to load and unload, which is a problem that can be eliminated by the Chabahar Port. (Aslan and Rashid, 2020; AISS, 2018).

Chabahar Port is predicted to be a "flagship" that will help Iran to become an increasingly

important player in international transport and logistics services. The geopolitical location of the port offers great opportunities for the region's integration into the global economy. On the international ground, it is located on the route of the three largest transit corridors of the region:

1. *International North-South Transport Corridor (INSTC)*: The corridor, which starts from Northern Europe, passes through Iran to the Indian Ocean (Mumbai Port), and from there to South and Southeast Asian countries.
2. *East-West Corridor*: Starting from the Chinese city of Xian, the corridor passes through the Caucasus, West Asia, and the Mediterranean. The southern branch of the corridor reaches South Asia and the Persian Gulf via the Chabahar Port.
3. *South Asian Corridor*: The corridor starts from Southeast Asia and India and extends to Europe and the Mediterranean region through Iran, Türkiye and Iraq. Chabahar Port is one of the most important axes of the corridor in this route.

Among these corridors, INSTC is one of the most important geoeconomic projects in the axis of Chabahar Port.

INSTC has a strategically unique place in the context of Tehran's Look to the East policy and the country's efforts to transform itself into a crossroad between North and South and West and East. In other words, the corridor, which puts forward Iran's transit position, has significant geoeconomic and geopolitical consequences for the country. This project provides an opportunity to invest in infrastructure projects to pave the way for multilateral cooperation between Iran and different countries. With the help of the exemption from the US sanctions, Iran can expand the Chabahar Port and diversify its foreign trade. The improvement of the port will lead to diversity in Iran's economic and political partners in the long run.

INSTC and the Chabahar Port project create a strategic partnership triangle between Russia, Iran, and India. This cooperation has deepened after the Russian invasion of Ukraine in February 2022 and the imposition of Western sanctions on Russia. Considering the strategic importance of INSTC, it is possible to say that this multinational project can make Iran the main axis of economic, commercial, and energy cooperation between Russia and India.

The investment of Russia and India in different parts of this project is considered a special advantage for Iran. Earlier, Tehran tried to implement this project as soon as possible in the last 20 years, but due to Russia's reluctance, the project was stuck in its early phases and remained on paper. However, Russia's desire to expand its relations with South and Southeast Asian countries has made this project a priority for Moscow's geopolitical plans. Thus, the investment of India and Russia in the project offers Iran an opportunity to get one step closer to its dream of becoming a transit hub in the region. Taking into consideration that projects such as INSTC create unique consequences for the political

economy of the beneficiary countries, it can be said that the full implementation of this project can create a basis for cooperation in various political and economic fields between these countries.

3. The Importance of INSTC for India

India's economic, political, and security policies regarding other countries have significantly changed over the past 30 years. These developments are mostly the results of global developments and the balance of power in Asia, as well as the intensification of global solidarity, improvements in the field of engineering, and the rise of new trends in the regional economy. Moreover, India has successfully transformed its economy from a local economy to a global one. As a result of these new economic policies, the Indian economy has become one of the fastest-growing economies in the world. Along with these developments, implementing the "Extended Neighborhood" policy in recent years paved the way for the country's economy to become more integrated with the Asian economy (Subba, 2016). Within the framework of this policy, it is seen that India's trade with Eurasian and Central Asian countries has been growing rapidly. In light of these developments, India is trying to adapt to the globalization of its economy and the balance of power simultaneously (AISS, 2018).

Eurasia region, especially Central Asia, is significant for Indian geostrategy and geopolitics in the context of the Extended Neighborhood policy (Jha, 2017). In line with this policy, India has been trying to deepen its political and economic relations with the Eurasian countries in recent years. The creation of a free trade zone (FTZ) with the Eurasian Economic Union (EAEU) is an example of India's efforts to expand its economic relations with the countries of Eurasia. In the case of the establishment of

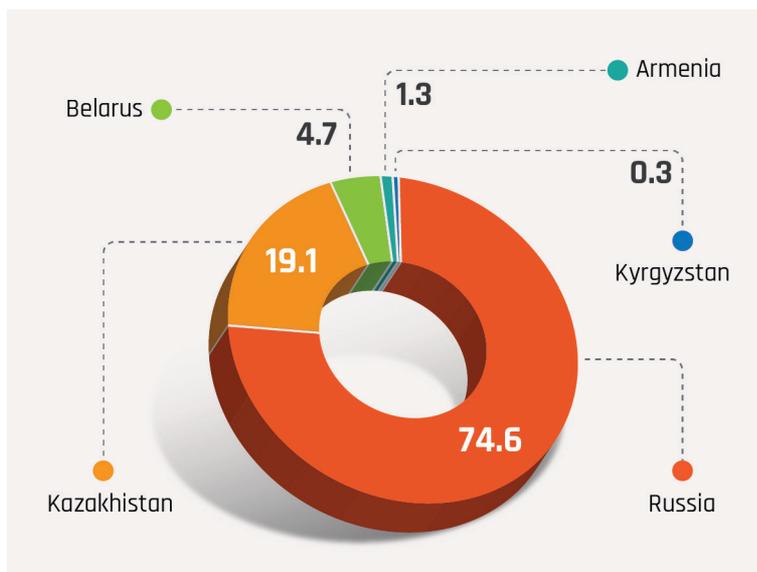
an FTZ between India and the EAEU, the trade and economic cooperation between the two parties could expand, especially thanks to the central role of INSTC. In the long run, the bilateral trade volume could increase up to 170 billion dollars per year (Stobdan, 2018). In 2020, the trade volume between India and the EAEU was 12.4 billion USD. It is noteworthy that 8.3 billion of this figure came from exports while 4.1 billion dollars have been recorded for imports (EEC, 2021).

INSTC is also particularly important for the energy security policy of India, the world's second-largest energy importer after China. Access to energy resources (oil and gas) of Central Asian countries is one of the main objectives of India's strategy to reach this region. In this context, INSTC has been helpful for India to diversify its energy resources beyond the Gulf. INSTC will also help India to become a major player in Eurasia and expand its geopolitical influence in the region (Chalikyan and Tashjian, 2021).

It is remarkable that India has signed security-military agreements with various Central Asian countries while it has been also advancing its political, economic, and security-military relations with Russia in order to expand its geopolitical influence in the region. India has made major investments in the energy and military sector of Uzbekistan, and in return, Uzbekistan repairs and manufactures MAR78-11 transport aircraft for the Indian army. India invested 70 million dollars in the reconstruction of the Ayni airbase in Tajikistan and signed an anti-terrorism agreement with Kazakhstan as a part of the security agreements with Central Asian countries (Rashid, 2021b, p. 109). According to Aydın Güven, a researcher on the region, the importance of INSTC for India is as follows:

“India considers INSTC as an economic corridor that bypasses Pakistan (due to security and political conflicts) and as an opportunity that can provide developing relations with Russia, Central Asia, and Europe. It also helps India to reach new markets and

Graph 1: India's Trade Volume with EAEU Countries (2020)



Source: EEC, 2021

facilitates access to energy resources in the region. In this regard, INSTC can be seen as a geopolitical and geo-economic tool for India to diversify its export destinations via shorter routes, also by avoiding regional problems.”

Therefore, considering the expansion of political, economic, and security relations between India and Central Asian countries, INSTC, as a geopolitical tool, will provide an opportunity for India to expand its geopolitical influence in the region and strengthen its strategic relations with these countries.

4. The Importance of INSTC for Russia

It is worth mentioning that INSTC has strategic importance for Russia along with India and Iran. Following the Russian invasion of Ukraine and the severe Western sanctions against Moscow, the country's export and import logistics chains have changed their directions toward Asian and Middle Eastern countries, and Moscow is trying to increase its influence in the East (RZD-Partner, 2022). In this context, INSTC is crucial for ensuring Russia's geopolitical interests in the East.

As an important economic and geopolitical instrument, this corridor connects Russia with the Persian Gulf region, the Indian Ocean, and Europe. In addition to transforming Russia's strategic ports such as Astrakhan into a transport hub in Eurasia, INSTC offers Moscow an opportunity to further strengthen its trade with the EAEU member states (Chalikyan and Tashjian, 2021). Furthermore, after the developments in the global energy market caused by the Ukraine crisis and the expansion of energy relations between New Delhi and Moscow, INSTC has become a platform for multilateral cooperation between Russia and India. Therefore, if the crisis between Russia and the West continues, this corridor will be increasingly useful for Russia

to expand its commercial relations with South Asia and especially with India. In other words, INSTC will present an opportunity for Russia to bypass Western sanctions against Moscow by expanding its trade and economic ties with Asian countries.

Following the geopolitical developments caused by the war in Ukraine, Moscow will allocate approximately 1.5 billion dollars for the development of INSTC by 2030. In this scope, the reports suggest that Russian Railways will participate in the construction of the Astara-Rasht Railway line between Azerbaijan and Iran (164 km), and the electrification of the Garmsar-Incheboron line (495 km) in Iran (Gazeta, 2022). Russia's investment in INSTC represents a major change in the economy and politics of the country. Russia is disappointed with the re-establishment of relations with the West, and it tries to develop multilateral political, economic, geopolitical, and even security relations with Asian countries by changing its foreign policy doctrine. Among the Eastern countries, India represents the most important ally of Russia. Therefore, the development of the INSTC infrastructure project will help these two countries to expand their geoeconomic and economic relations as well as their political and security relations.

5. INSTC, The India-China Rivalry, and Iran

Considering the increasing geopolitical and geo-economic significance of Central Asia and the competition of global powers over the region, INSTC provides an opportunity for India to balance China's strong presence in the region. Central Asia is of particular importance for India's INSTC project and China's Belt and Road Initiative (BRI), and these two countries are competing with each other to expand their influence in the

regional market and economy (Rashid, 2021b, p. 110). In this regard, experts believe that the INSTC and Chabahar Port projects have been initiated to compete with the CPEC (China-Pakistan Economic Corridor) and the Gwadar Project initiated by China (Aslan and Rashid, 2020). Therefore, it can be said that INSTC has a significant potential to balance Chinese influence in Central Asia and beyond. Moreover, Aydın Güven believes that:

“INSTC is seen as an alternative to China’s BRI. Although there are various factors in conceptualizing and guiding the corridor, including the rebalancing of regional powers, the sustainability and success of INSTC are based on its economic feasibility along with the parties’ commercial benefits. It is mainly because of the equality-based approach of the project, which provides the same level of activity for all members, especially when it is compared to its equivalent BRI. This feature of the project leads New Delhi to see it as a vital initiative for diversifying export destinations and increasing regional/global influence.”

In addition to India, INSTC can be seen as a geopolitical tool for Russia to confront China. While Russia and China are acknowledged as strategic partners, it is obvious that the two countries are in an undeclared rivalry in the Eurasian region and especially in Central Asia. Considering the complex geopolitical and geo-economic rivalry between the two countries in the Eurasian region, in the long run, INSTC will provide an opportunity for Moscow to challenge Beijing’s geopolitical influence in the region (Chalikyan and Tashjian, 2021).

In the context of the geopolitical and geo-economic rivalry of global and regional powers in the Eurasia region (India-China and EU-China rivalries), INSTC also has the potential to be a part of the EU project against China’s BRI in Eurasia. The European Commission, the EU, and the European Investment Bank

have announced a 300 billion euro plan to invest in public and private infrastructure projects worldwide by 2027. The plan of the EU seems to be a response to China’s BRI strategy. According to this plan, the EU will invest in the infrastructure of developing countries to boost their technology and public services (Rankin, 2021). Nevertheless, since it is a new initiative, the details of the project have not been announced yet. If the prominent sponsors of INSTC are taken into consideration, it can be said that INSTC can become a platform for geopolitical and geo-economic cooperation between India and the EU in the future against China’s ambitious projects such as BRI. The prominent supporters of INSTC include almost every country that has geopolitical, political, and economic problems with China’s projects.

Due to the confrontation between Russia and the EU after the developments in Ukraine, Moscow may oppose the EU to prevent INSTC from being a part of the EU project against China’s BRI strategy. Nevertheless, New Delhi has the power to persuade Moscow if it wishes. In other words, it is possible to say that this issue depends entirely on the will of India.

It is noteworthy that the USA has exempted Chabahar Port, the main component of INSTC, from the sanctions that it reimposed on Iran following its withdrawal from the Joint Comprehensive Plan of Action (JCPOA, Nuclear Deal) in 2018 (RFERL, 2018). Even though it was announced to support Afghanistan at the time, it is believed that the reason behind the US decision to exempt Chabahar Port from sanctions is a part of its policy to support India against China’s plans (Aslan and Rashid, 2020).

If INSTC transforms into a cooperation platform between India and the EU against China, it will have various consequences for Iran as one of the leading partners of this project. If this scenario comes true and if the

2015 Nuclear Deal is revived, Iran will have an excellent opportunity to attract foreign investment (mainly from EU countries) in its infrastructure projects and transport systems with the help of the increasing importance of its transit logistics. Despite the advantages of the project, it constitutes an issue of competition between China and India which can potentially create some other serious consequences for Iran. It is possible to say that both India and China have a strategic perspective on Iran. Its logistics and transit perspectives along with its relations with the Eurasian region and Northern Europe make Iran strategically important for India. On the other hand, it is a fact that China is significantly dependent on the energy of the Gulf countries. Nevertheless, when it considers the widespread US influence in the Gulf countries from a political-security perspective, China sees Iran as the only option to balance against the USA in the Gulf region. Moreover, the 400 billion dollars worth of Chinese investment in Iran's infrastructure projects in the scope of the Iran-China 25-Year Comprehensive Cooperation Agreement (Fassihi and Myers, 2021) shows that Iran occupies a strategic place in China's long-term plans in the Gulf and Middle East regions. The opening of a Chinese consulate in Bandar-Abbas (IRNA, 2021a) on the Gulf coast also demonstrates the particular importance of Iran to China's long-term plans in the region. Therefore, in the light of the strategic perspectives of both China and India towards Iran, it is possible to argue that the competition between China and India over Iran will significantly affect the stability of the region in the long run and it may lead to new rivalries between the countries in the region and beyond.

6. The Impact of the Resurgence of the Taliban on the INSTC Project

The collapse of the western-backed Afghan government and the resurgence of the Taliban caused significant geopolitical and geo-economic developments in the region and affected a wide range of regional projects, including the Chabahar Port and the INSTC. For instance, after the Taliban's takeover of Kabul, Indian officials announced that the Afghan administration under the rule of the Taliban would not be a part of the Chabahar Agreement to use the Chabahar Port in Iran (IRNA, 2021b). Also, reports indicate that Afghanistan's exports via Chabahar Port have been halted, and the country exports most of its products via the ports of Karachi and Wagah in Pakistan (Tolo News, 2021). Furthermore, Uzbekistan, Afghanistan (Taliban administration), and Pakistan are discussing the creation of the Trans-Afghan Corridor, which connects Central Asian countries to Pakistan via Afghanistan. Due to the political and security situation in Afghanistan, it does not seem easy to create this corridor. However, politically, this action is considered a kind of cooperation between the Taliban and Pakistan against India. If the mentioned Trans-Afghan Corridor is established, it will be seen as a rival for INSTC.

Considering the latest developments in Afghanistan, it is envisaged that Afghanistan could be replaced by Turkmenistan in the Chabahar Port Project (see Map 1) (Kaleji, 2021). In addition, the fact that Turkmenistan is the only Central Asian country sharing a land border with Iran and that it can more easily provide the necessary infrastructure for this project increases the possibility of Turkmenistan replacing Afghanistan in the Chabahar Agreement. However, the Iran-Turkmenistan natural gas conflict and the restrictions on Iranian trucks crossing the

common border need to be resolved first for this plan to come true. The gas swap agreement between Iran, Turkmenistan, and Azerbaijan in November 2021 (Reuters, 2021) could be a start for resolving disputes among these countries.

Although Afghanistan is one of the leading partners in the Chabahar Port Project, the absence of Kabul will not seriously affect the importance of this port. It can be said that the reason behind this situation stems from the critical roles of these projects, such as Chabahar Port and INSTC, in India's long-term strategies. In other words, considering India's need to diversify its trade routes and access Eurasian and European markets, New Delhi will not let its investment in Chabahar Port and INSTC project go to waste. In summary, as long as the geopolitical and geo-economic rivalry between India and China continues, India needs the INSTC project to counterbalance Chinese influence and will not let the importance of this project diminish.

7. The Impact of the Ukraine War on the INSTC Project

Before the developments in Ukraine, Russia did not especially contribute to the development of infrastructure projects such as INSTC. However, following the recent geopolitical developments, the country has shown interest in investing millions of dollars in the development of railway infrastructure in different countries such as Kazakhstan, Mongolia, and China by 2030 (Kaztag, 2022). As stated before, Moscow has decided to invest in two major projects in Iran and Azerbaijan within the framework of INSTC. In the new geopolitical circumstances, these projects represent major changes in Russia's investments in the infrastructure sector in the region.

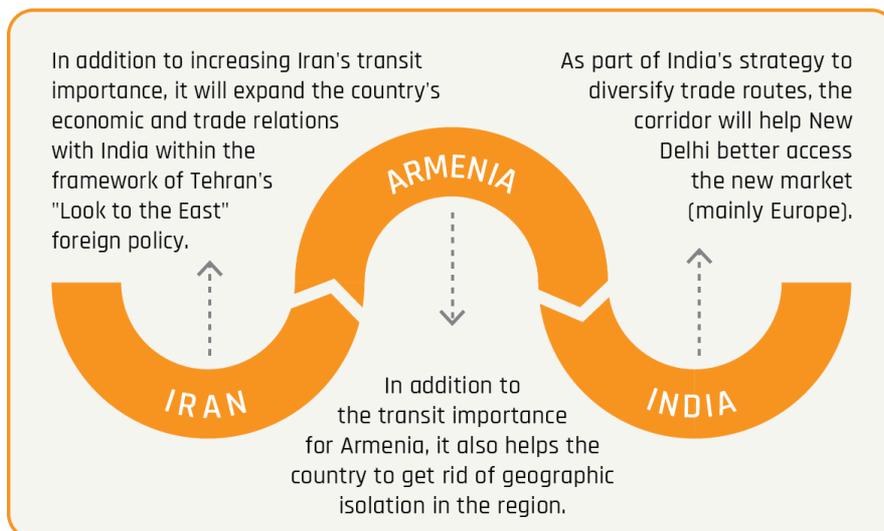
The Ukraine crisis and the deepening of Russia's policies towards the East paved the way for the revival of INSTC and the project has gained priority in the geopolitical policies of the relevant countries (especially Russia). To put it simply, the Ukraine crisis has had positive effects on this project. In case the crisis continues, the role of INSTC in Russia's foreign policy and especially in Moscow's relations with South and Southeast Asian countries will become more prominent. Accordingly, INSTC will play an important role in Russia's political economy, and the geopolitical and geoeconomic role of INSTC, as a transit corridor away from the influence of Western countries, will be greater than before.

8. The Efforts of India and Iran to Diversify the INSTC Corridor

During his visit to Armenia in early October 2021, Indian Foreign Minister Subrahmanyam Jaishankar discussed the use of Iranian ports (especially Chabahar Port) to expand trade relations between the two countries (Hindustan Times, 2021). Chabahar Port, in which India invests, has the potential to host a route that will connect the Indian Ocean to the Black Sea using the territories of Iran, Armenia, and Georgia (see Map 1). Armenia's interest in using the Chabahar Port was revealed in the negotiations between Jaishankar and his Armenian counterpart, Ararat Mirzoyan. India and Armenia are members of INSTC and this corridor has the potential to build a bridge between the two sides.

Iran and Armenia are also looking for ways to bypass Azerbaijan for mutual trade. Iran plans to make an agreement with Armenia and complete the construction of the Tatev-Aghvani road as an alternative road that bypasses the Goris-Kapan line, which is under

Figure 2: The Importance of the Corridor for Iran, Armenia, and India



Source: Prepared by the author.

the control of Azerbaijan. In this context, in early October 2021, Iranian Deputy Minister of Roads and Urban Development Khayrollah Khademi announced an agreement on the construction of new transit routes between Iran and Armenia so that Iranian trucks can transport goods to Armenia without entering Azerbaijani territory (Fars News, 2021). Thanks to the route that Iran and Armenia will build, Armenia will be a part of the ring road that will connect Georgia from the north and Iran from the south. The northern part of this route from Yerevan to Georgia has been completed by Armenia. The southern part, on the other hand, is expected to be completed on the Norduz border in Iran.

India is expected to be the third largest economy in the world after China and the USA. Therefore, it seems likely that India will try to diversify its trade routes. In this context, INSTC occupies a unique place in India's foreign trade policy. Hence, India is trying to create a new transit corridor within the framework of INSTC by using the potential in the region through its cooperation with Iran,

Armenia, and finally Georgia. India was one of the first countries to recognize the independence of Armenia in 1992. Jaishankar, on the other hand, became India's first foreign minister to visit Armenia, nearly 30 years after diplomatic relations were established. Also, this trip was particularly important to discuss the creation of a new corridor, which is one of India's long-term plans.

The construction of the relevant corridor between Iran, Armenia, and India will provide significant benefits for all three countries (see Figure 2). This corridor will increase Iran's transit importance and expand the country's economic and commercial relations with India within the framework of Tehran's Look To the East policy. In addition to its importance for Armenia in terms of transit, it will help the country to get rid of the geographical isolation in the region. India will also benefit from a new route to Europe as a part of its strategy to diversify its trade routes. In other words, the corridor will help New Delhi to access the European market more easily by diversifying its trade routes.

Conclusion

Although INSTC has provided the basis for tripartite cooperation between Russia, Iran, and India, the Moscow-Tehran-New Delhi triangle also faces difficulties due to political and economic developments in the region and the world. India-Russia relations are also affected by global developments, especially by Moscow's tense relations with the West. Despite having good relations with Iran and Russia, India is one of the strategic allies of the USA in South Asia. Even though India has not complied with the Western sanctions against Russia, it certainly does not look for tension in its relations with the West (especially with the USA and the UK). Therefore, India may decrease the level of cooperation with Russia if there is pressure from the USA, as in the case of Iran. This will affect the INSTC project in the long run and ultimately damage the Russia- Iran-India triangle. While Iran and India are expanding their relations in the framework of INSTC, the relations are also facing a major challenge: The failure of the negotiations to revive the JCPOA. Relations between Tehran and New Delhi are affected by Iran's nuclear program and Tehran's anti-US policies. Washington has exempted Chabahar Port from US sanctions for the time being. Nevertheless, due to the Taliban's dominance over Afghanistan and the failure of the revival of the JCPOA, the USA is likely to impose an embargo on this port, and it will ultimately have a negative impact on the INSTC project.

Although the level of cooperation between Iran and Russia has increased in various sectors, it is noteworthy that the relations between the two countries are facing great difficulties. These difficulties have made the two countries rivals in some cases. For example, Moscow and Tehran compete in Syria due to their conflicting policies despite the establishment of a partnership in Syria (Askeroğlu, 2022). In addition, due to the latest developments in the world energy market, the two countries are faced with great competition in the field of energy. Hence, despite all the optimism in the relations between the two countries, there are also significant challenges. It makes joint projects like INSTC vulnerable in the long run. Still, the deepening of Tehran-Moscow, and Moscow-New Delhi strategic relations will make INSTC play a role beyond a transit corridor. It is seen that the countries participating in this geopolitical project are trying to get benefits in their foreign and economic policies as much as they can. INSTC offers other important benefits in addition to its importance in terms of logistics in line with the geopolitical goals of the countries. For instance, INSTC will increase the transit importance of Iran along with its geopolitical and geo-economic importance and will lead to diversity in Iran's foreign trade partners.

Besides paving the way for India to expand its trade with European and Eurasian countries, INSTC is also important for India in terms of its energy security policies, its competition with China, and its long-term goals in the Eurasia region. Within the framework of the extended neighborhood policies, it is seen that India is trying to ensure logistics security and diversify its supply chain by using the advantages of INSTC and Chabahar Port. In other words, the geo-strategic INSTC project will increase India's geopolitical power in Eurasia, especially in Central Asia and the Caucasus. As a game-changer, it will also expand India's geopolitical and geo-economic influence in the region against China.

In addition to expanding India's geopolitical and geo-economic influence in Eurasia and Central Asia, INSTC will also improve Iran-India relations. In this context, India is strengthening its strategic relations with Tehran by opening a new corridor with Iran and Armenia within the framework of INSTC. This situation highlights the importance of Iran in India's Eurasian policies.

If the Ukraine crisis continues and Western countries do not lift the sanctions against Russia, INSTC will play an important role in Russia's political economy. Also, as a transit corridor away from the influence of Western countries, it will occupy a special place in Russia's Look East policy.

Considering the strategic importance of this project for various countries and international organizations, the competition of global and regional powers over the project can be considered a new challenge for this project and other related projects. If India takes a part in Western sanctions against Russia, INSTC could become an arena where Russia competes with India and the EU.

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“Tanıtım nüshasıdır, para ile satılamaz.”

“Bandrol Uygulamasına İlişkin Usul ve Esaslar Hakkında Yönetmeliğin 5’inci maddesinin 2’nci fıkrası çerçevesinde bandrol taşıması zorunlu değildir.”

About İRAM

Due to its historical depth and material power, Iran is among the countries that have to be reckoned with in the domain of international relations. The deep-rooted historical relations between Iran and Türkiye, border-sharing, and comprehensive business relations make it necessary for Türkiye to understand Iran in a multitude of ways. Based on this necessity, the Center for Iranian Studies (İran Arařtırmaları Merkezi, İRAM) was established as an independent think tank in Ankara with the purpose of informing the Turkish public and interested parties about Iran. With this in mind, not only does İRAM produce field research, reports, and analyses based on primary resources, it also provides language courses, internships/scholarship programs, support for projects and graduate theses, workshops, and expert seminars in order to meet the need for experts and researchers on Iran in various disciplines in Türkiye. Offering a platform where academicians can share their research on Iran, İRAM also provides digital and printed publications on a wide variety of topics ranging from economy to domestic politics, international policy to security, and Shi'ism to society and culture.



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