



# Delhi Policy Group

Advancing India's Rise as a Leading Power

## POLICY BRIEF

# A Strategic Dead End for India's Eurasian Connectivity

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**Delhi Policy Group**

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### Cover Images:

Aerial picture of the international port of Shahid Behesht in Chabahar, Iran. Source: [Maritime Gateway](#)  
India's Union Minister of Ports, Shipping & Waterways and Ayush, Sarbananda Sonowal paid a visit to the Shahid Beheshti port at Chabahar in Iran to review the progress in the development of the port, on August 22, 2022. Source: [PIB](#)

Iranian and Indian officials pose for a photograph as India signs a 10-year contract with Iran to develop and operate Chabahar on May 13, 2024. Source: [X/@IndianTechGuide](#)

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## A Strategic Dead End for India's Eurasian Connectivity

by

Phunchok Stobdan

The war in Iran, the suspension of the Chabahar project, and recurring aviation disruptions underscore an inescapable reality: geopolitics continues to obstruct India's access to Eurasia.

For decades, reconnecting India with Central Asia has carried both historical resonance and strategic appeal. Merchants and empires once traversed routes linking the Indian subcontinent with cities such as Samarkand and Bukhara. Today, however, political rivalries and regional conflicts have severed these linkages. Notwithstanding its economic rise, India remains largely disconnected from Central Asia.

Pakistan's unrelenting hostility towards India, instability in Afghanistan, and now conflict in Iran have transformed what should be natural corridors into a geopolitical dead end. While engagement with the five Central Asian republics - Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan - offers clear complementarities, India's trade with them remains negligible at roughly \$1.2 billion, less than half a percent of its global trade.

The core constraint is access. Without a direct land border, the most efficient route runs through Pakistan and Afghanistan - both being politically constrained. Pakistan's refusal to allow transit trade effectively blocks the shortest route. As a result, Indian goods must travel over 5,000 kilometres via Iran, increasing both costs and delivery times.

A northern alternative via China is equally problematic, as it intersects with the Belt and Road Initiative, limiting India's strategic autonomy.

To circumvent these barriers, India has invested in initiatives such as the Chabahar port and the International North-South Transport Corridor (INSTC). These projects were designed to bypass Pakistan and provide a viable link to Central Asia and beyond. However, U.S. sanctions on Iran and the ongoing conflict have undermined their viability.

Chabahar, in particular, has now reached a complete standstill. More fundamentally, the project reflects a longer pattern in which India may have

overestimated the reliability of its partnership with Tehran, while underestimating shifting geopolitical constraints.

India's engagement dates back to the 1990s, when it supported Iran in developing the Mashhad-Sarakhs railway link, which was then seen as a diplomatic success, though one whose long-term implications were not fully anticipated. The link became a key node in China's Belt and Road Initiative and shortened cargo transit time from China to Iran from over 50 days to less than 20 days. Over time, Chabahar came to be viewed in New Delhi as a strategic gateway to Afghanistan and Central Asia.

The project evolved across successive governments - from the 2003 framework agreement under PM Atal Bihari Vajpayee and Iran's President Seyyed Mohammad Khatami, to its expansion under PM Manmohan Singh, and its acceleration during PM Narendra Modi's 2016 visit to Tehran. That visit produced a trilateral transit agreement with Iran and Afghanistan, along with a \$500 million commitment toward port development.

For India, Chabahar was more than an infrastructure project: it was a strategic counterweight to Pakistan and a response to China's expanding footprint through the Belt and Road Initiative and the China-Pakistan Economic Corridor.

In 2017, India supported the development of the Shahid Beheshti terminal, enabling the movement of humanitarian supplies to Afghanistan, including during the COVID-19 period. Yet, Iran's broader strategic posture soon became evident. Its outreach to Pakistan and openness to Chinese participation signalled that Chabahar was never intended as an exclusive partnership with India.

Meanwhile, India sought to integrate Chabahar into wider connectivity frameworks, including the INSTC and the Ashgabat Agreement. These efforts, however, were constrained by U.S. sanctions and inconsistent regional support. Although the United States granted a limited waiver in 2018 to support Afghanistan's stability, the exemption remained politically contingent.

Despite these uncertainties, India continued to invest. In May 2024, a \$370 million agreement was signed, with India Ports Global Limited to manage the terminal. However, the strategic environment shifted again when the United States withdrew its waiver in September 2025, exposing Indian entities to potential sanctions.

Subsequent U.S. trade measures in early 2026 further increased the risks associated with engagement in Iran. Under these conditions, continued investment in Chabahar became increasingly difficult to sustain.

India's eventual disengagement reflects not only immediate pressures but also deeper structural miscalculations. Across successive governments, the project appears to have been driven as much by strategic aspiration as by economic realism.

The consequences are visible. India's trade with Iran has declined sharply since 2019, while the viability of the 7,200-kilometre INSTC corridor remains uncertain. In contrast, Pakistan's Gwadar port - backed by China - may benefit from Chabahar's stagnation.

More broadly, the episode highlights the limits of relying on political goodwill in a competitive geopolitical environment. Central Asian states increasingly favour routes linked to China, Turkey, or Russia - reflecting both efficiency and strategic alignment.

India's challenges are particularly evident in the energy sector. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, once envisioned as a major source of natural gas, remains incomplete after decades due to regional instability and economic unviability. In contrast, Turkmenistan has expanded exports to China, whose trade with Central Asia has grown significantly in recent years.

This divergence underscores a structural gap. Through sustained investments in infrastructure, pipelines and logistics networks, China has consolidated its economic presence in Central Asia. India, despite historical ties and diplomatic outreach, remains a secondary player.

The connectivity deficit also constrains India's diplomacy. In forums such as the Shanghai Cooperation Organisation, New Delhi often finds its engagement shaped by tensions with Pakistan, limiting its ability to deepen regional partnerships.

At the same time, India retains important strengths. Its pharmaceutical sector, educational exchanges, and technological expertise are valued across Central Asia. Countries such as Kazakhstan have also engaged India in long-term energy cooperation, demonstrating that partnerships can succeed where connectivity exists.

However, security cooperation faces logistical hurdles. Military exchanges and joint exercises require circuitous routes, increasing costs and complexity. India's reduced role in projects such as the Ayni airbase in Tajikistan reflects these constraints.

Recent aviation disruptions further illustrate the problem. Airspace closures linked to tensions between India and Pakistan, as well as instability in West Asia, have forced costly rerouting of flights. In some cases, connections to Central Asian cities have been suspended altogether due to operational constraints.

These developments point to a broader reality: Eurasian connectivity is shaped more by politics than geography. For India, even temporary disruptions can have disproportionate strategic and economic consequences.

Ultimately, India's limited access to Central Asia is not merely a geographic challenge but a political one. The Himalayas form a natural barrier; the India-Pakistan border is a political one.

There is a certain historical irony in this outcome. Regions once connected through trade, culture, and movement of people are now divided by borders and geopolitical rivalries.

For India, Central Asia appears likely to remain a region of unrealised potential: geographically proximate, yet strategically distant.

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