

Eurasia's Infrastructure— An Indian Perspective

RPS Bhadauria

RPS Bhadauria, Major General (Ret.), PhM

Centre for Land Warfare Studies, New Delhi, India

Additional Director General;

Centre for Strategic Studies and Simulation, United Service Institution of India, New Delhi

Former Director

E-mail: rpsbhadauria99@yahoo.com

Tel: +91 8473989673

Address: CLAWS, RPSO Complex, Parade Road, New Delhi 110010, India

This article is an edited version of the paper written for the Valdai Discussion Club,
<https://valdaiclub.com/a/highlights/eurasia-s-infrastructure-an-indian-perspective>.

DOI: 10.31278/1810-6374-2026-24-1-128-133

India's engagement with Eurasia through connectivity projects represents one of the most significant strategic recalibrations in contemporary international relations. As global trade routes face unprecedented disruptions and geopolitical tensions reshape the world order, India's approach to Eurasian connectivity has evolved from tentative economic engagement to assertive strategic positioning. The Indian perspective on these projects reflects a complex interplay of historical connections, contemporary geopolitical pressures, and future economic aspirations.

STRATEGIC FOUNDATION: FROM EXTENDED NEIGHBOURHOOD TO CONTINENTAL POWER

After the Cold War, India began to more clearly see Eurasia, especially Central Asia, as part of its extended neighborhood. This shift gained momentum when the region started being described as the arena of a

'New Great Game', drawing renewed global attention. For India, this marked a significant change in foreign policy: from a traditional focus on sea-based trade to a stronger interest in the continental heart of Asia. Theoretically, the Indian perspective on Eurasia can be better understood through the lens of Halford Mackinder's Heartland theory, which suggests that whoever controls the continent's center can shape global power dynamics.

The launch of India's "Connect Central Asia" policy in 2012 represented the formalization of this strategic vision. Unlike China's Belt and Road Initiative (BRI), which India perceives as a policy of state capitalism with "hegemonic designs," (the Indian approach emphasizes sovereignty-respecting connectivity that fosters mutual development based on "universally recognized international norms, good governance, rule of law, transparency, and equality." This philosophical divergence reflects India's broader strategic autonomy doctrine, wherein connectivity projects not only serve merely economic purposes but also function as instruments of geopolitical balance.

THE INSTC: INDIA'S STRATEGIC CORRIDOR TO EURASIA

The International North-South Transport Corridor (INSTC) represents the cornerstone of India's Eurasian connectivity strategy. This 7,200-kilometer multimodal network, which connects Mumbai to St. Petersburg via Iran and the Caspian Sea, exemplifies India's vision of alternative trade architecture that reduces dependence on Western-controlled maritime passages. From the Indian perspective, the INSTC offers multiple strategic advantages: reducing transit time by 40% and costs by 30%, compared to traditional Suez Canal routes, whilst counterbalancing Chinese dominance in Central Asia.

Recent developments have significantly enhanced the INSTC's viability. The completion of the Rasht-Astara railway line in Iran, funded by a \$1.7 billion Russian loan, would complete a crucial "missing link" in the corridor. In 2024, the INSTC's volume grew by 19% to about 26.9 million tons (per the Russian Ministry of Transport and the Directorate of International Transport Corridors), demonstrating its potential.

CHABAHAR PORT: GATEWAY TO CENTRAL ASIA

Pakistan essentially severs India from inner Eurasia. New Delhi's development of Iran's Chabahar Port, through a recently signed \$45 million 10-year agreement, is thus pivotal to India's Eurasian strategy. India sees Chabahar not merely as a commercial venture, but as a strategic asset, enabling access to Afghanistan and Central Asia that bypasses Pakistan, providing alternative energy access routes, and countering China's Gwadar Port in Pakistan.

Chabahar, located on the Indian Ocean rather than beyond the Strait of Hormuz, offers significant advantages over Bandar Abbas. The port's operational success validates India's approach. Between 2018 and 2024, Chabahar handled over 450 vessels, 134,082 standard cargo containers, and more than 8.7 million tons of bulk cargo. The 43% and 34% increases in vessel and container traffic, in 2023-2024, demonstrate growing commercial viability.

ECONOMIC REALITIES AND TRADE DYNAMICS

Despite strategic ambitions, India's economic engagement with Central Asia faces significant challenges. Bilateral trade between India and Central Asia reached approximately \$2 billion in 2024—a substantial increase over \$500 million in 2010, but modest compared to China's \$66 billion. This disparity reflects fundamental structural constraints that Indian policymakers must address.

Kazakhstan provides 65% of India's imports from Central Asia (which are mostly mineral fuels and oil (35%), fertilizers (21%), and inorganic chemicals (13%)), while Uzbekistan purchases 45% of Indian exports to the region (which are mostly pharmaceuticals (38%), electrical machinery (12%), and mechanical appliances (10%)).

India's exports to Central Asia comprise primarily pharmaceuticals (37.9%), electrical machinery (12.1%), and mechanical appliances (10.4%), while imports focus on mineral fuels and oil (35.3%), fertilizers (21.3%), and inorganic chemicals (13%).

A report from the India Exim Bank and the Eurasian Development Bank identifies untapped potential worth an additional \$2 billion in trade, contingent upon resolving connectivity bottlenecks and

enhancing trade finance mechanisms. Indian investment in Central Asia, totaling approximately \$1.5 billion between 2010 and 2023, has become concentrated in the energy, mining, and textiles sectors.

India is in talks with the Eurasian Economic Union (EAEU) to formalize a Free Trade Agreement as part of a strategy to diversify trade, reduce dependence on the U.S. market, and strengthen India's economic presence in Eurasia. This is particularly prompted by the U.S.'s immense tariffs on Indian goods, introduced in retaliation for New Delhi's decision to keep purchasing Russian oil.

THE CHENNAI-VLADIVOSTOK MARITIME CORRIDOR AND INDIA'S STRATEGIC ENGAGEMENT IN RUSSIA'S FAR EAST

The Chennai-Vladivostok Maritime Corridor (CVMC), officially launched in November 2024, is a transformative 10,300 km maritime link from India's east coast to Russia's Far East. The route, first conceptualized during Prime Minister Narendra Modi's September 2019 visit to Vladivostok's Eastern Economic Forum, cuts transit time by 40% compared to the Suez, from 40 days to just 24. It is already conveying crucial commodities like crude oil (up 48% this year), liquefied natural gas, fertilizers, machine parts, textiles, coal (up 87%), and metals.

The investment relationship was significantly strengthened in 2019, when Modi announced a \$1 billion line of credit for the development of Russia's Far East, India's first such foreign-region-specific program.

The corridor's strategic relevance extends beyond economic benefits, as it aligns with India's Act East Policy, enhancing energy security by diversifying import sources and reducing dependence on volatile West Asian markets. It also serves as a crucial alternative to traditional shipping routes (e.g., the Red Sea) that have been disrupted by geopolitical tensions, strengthens India's presence in the Indo-Pacific region, forwards the goal of reaching \$100 billion in trade with Russia by 2030, and positions both nations to benefit from the resource-rich Russian Far East as a strategic economic hub connecting the Atlantic and Pacific trade networks.

CHALLENGES AND CONSTRAINTS

India's ambitions of Eurasian connectivity face significant obstacles.

Geographically, India has no direct land route to Central Asia and is dependent on third countries. One of them, Afghanistan, suffers from a poor security situation.

Financially, India's financial resources are outmatched by those that China devotes to the BRI for large-scale infrastructure development. The slow pace of the INSTC's completion—despite agreements dating back to 2000—reflects these resource limitations and the difficulties of complex multilateral coordination.

Sanctions pose additional complications. U.S. sanctions on Iran create uncertainties for Indian businesses engaged in Chabahar's development, despite American recognition of the port's humanitarian significance. The U.S.'s recent withdrawal of its sanctions waiver for Chabahar creates new compliance challenges for Indian entities.

FUTURE PROSPECTS AND STRATEGIC VISION

For India, Eurasian connectivity reflects a long-term strategic vision extending beyond immediate economic returns. The INSTC's launch, and Chabahar's development and potential integration with emerging corridors, could transform India's capabilities for continental engagement. India's approach emphasizes the creation of 'rules-based connectivity' that respects sovereignty whilst fostering mutual development. This vision contrasts with perceived Chinese state-capitalist models, offering regional partners alternative engagement frameworks. A focus on digital connectivity, renewable energy cooperation, and people-to-people exchanges supplements traditional infrastructure development.

* * *

India's perspective on Eurasian connectivity projects reflects a sophisticated understanding of contemporary geopolitical realities, Eurasia's evolving balance of power, and pragmatic economic calculations. Russia's role in Indian calculations remains particularly significant.

Despite serious challenges like financial constraints, geopolitical tensions, and operational complexities, India is determined to shape Eurasian integration and committed to alternative connectivity frameworks.

The success of these initiatives will ultimately depend upon India's ability to translate strategic vision into reality. As global trade patterns shift and traditional routes face disruption, India's Eurasian connectivity projects may prove to be prescient investments in future economic and strategic influence. The Indian perspective, emphasizing sovereignty in an emerging multi-polar world, offers an alternative model for 21st-century connectivity that could reshape continental integration dynamics.