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Iranian Economic Minister in India, July 2010

By

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The India-Iran Joint Commission held its first meeting after a gap of sixteen months¹ as Iranian Minister of Economic Affairs and Finance Seyed Shamseddin Hosseini arrived in New Delhi on 8 July for a two day visit. The Iran-Pakistan-India (IPI) pipeline was a major issue on the agenda with the next round of talks expected to be held in Tehran.² This follows a request from Iran for the joint working group meeting in Tehran.³

Following the meeting of the Joint Commission a total of six Memorandums of Understanding (MoUs) were signed. These included cooperation in new and renewable Energy; cooperation in small scale industry between India's National Small Industries Corporation (NSIC) and Iranian Small Industries and Industrial Parks Organisation (ISIPO), cooperation in science and technology; and a MoU between Central Pulp and Paper Research Institute of India (CPPRI) and Gorgan University of Agricultural Science and Natural Resources (GUASNR).⁴ The sixth

¹ 'Iran seeks investment pact, doubling of trade with India', *Livemint*, 9 July 2010.

<http://www.livemint.com/2010/07/08203208/Iran-seeks-investment-pact-do.html?atype=tp>

² 'India, Iran to hold gas pipeline talks', *Livemint*,

<http://www.livemint.com/2010/07/11181639/India-Iran-to-hold-gas-pipeli.html?atype=tp>

³ 'IPI pipeline: India to resume talks with Iran', *The Times of India*, 12 July 2010.

<http://timesofindia.indiatimes.com/india/IPI-pipeline-India-to-resume-talks-with-Iran/articleshow/6159338.cms>

⁴ 'India, Iran sign aviation, 5 other pacts', *The Indian Express*, 10 July 2010.

<http://www.indianexpress.com/news/India--Iran-sign-aviation--5-other-pacts/644658>

agreement relates to Air Service and Agreement on Transfer of Sentenced Persons.⁵ This would lead to an increase in ‘capacity entitlement’ for the designated airlines of each country from 23 services per week to 31 per week.⁶ The meetings of the Joint Commission were chaired jointly by Hosseini and India’s External Affairs Minister S M Krishna.

Both the countries agreed to hold technical level meetings for the further development of the Chabahar port in Iran which India is developing.⁷ This would be a link to the Zaranj-Delaram road that is been built by India in Afghanistan and up an alternative trade route for India and Afghanistan to access each other’s markets—other than through Pakistan. This would also enable India to transport goods further to Central Asia.⁸

It was reported in April that India had proposed a meeting in New Delhi to discuss issues relating to the IPI pipeline but no confirmation was received from the other side. During the current visit, the Iranian side offered a fresh proposal for the meeting of the joint working group on IPI pipeline in Tehran and this was accepted by India.⁹ The three countries, namely, Iran, Pakistan and India, signed the pipeline deal in 2005 and subsequently entered into further negotiations. No progress has been made since then. The main sticking points were differences over tariff, transportation costs and security concerns in the Baluchistan area in Pakistan through which the proposed pipeline would pass through.

Following the imposition of sanctions by the UN Security Council, supplemented by separate sanctions by the US, Iran has been looking for partners elsewhere. The visiting Minister said he expected bilateral trade with India to ‘more than double to US\$30 billion in next four to five years’.¹⁰ The current figure stands at around US\$15 billion. Reports indicated that the Iranian Minister, who led a 30 member business delegation, encouraged Indian companies to invest in areas like infrastructure, oil, gas, petrochemicals, mining, automobiles, transport, machinery, chemicals, pharmaceuticals, textiles and agriculture.

⁵ ‘India-Iran Joint Commission Meeting’, *Ministry of External Affairs*, 9 July 2010
<http://meaindia.nic.in/pressrelease/2010/07/09pr01.htm>

⁶ ‘India, Iran sign 6 deals, MoUs to boost ties’, *The Times of India*, 10 July 2010.
<http://timesofindia.indiatimes.com/india/India-Iran-sign-6-deals-MoUs-to-boost-ties/articleshow/6149489.cms>

⁷ ‘India, Iran sign 6 deals, MoUs to boost ties’, *The Times of India*, 10 July 2010.
<http://timesofindia.indiatimes.com/india/India-Iran-sign-6-deals-MoUs-to-boost-ties/articleshow/6149489.cms>

⁸ ‘India moves closer to Iran over Afghan concerns’, *Livemint*,
<http://www.livemint.com/2010/07/11181557/India-moves-closer-to-Iran-ove.html?atype=tp>

⁹ IPI pipeline: India to resume talks with Iran, *The Times of India*, 12 July 2010.
<http://timesofindia.indiatimes.com/india/IPI-pipeline-India-to-resume-talks-with-Iran/articleshow/6159338.cms>

¹⁰ Iran says crude, agri output to help against sanctions, *Reuters*, 8 July 2010.
<http://af.reuters.com/article/energyOilNews/idAFSGE6670FB20100708>

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