

India-Iran Relations

Political Relations:

India-Iran relations span centuries marked by meaningful interactions. The two countries shared a border till 1947 and share several common features in their language, culture and traditions. Both South Asia and the Persian Gulf have strong commercial, energy, cultural and people-to-people links.

Independent India and Iran established diplomatic links on 15 March 1950. In addition to the Embassy in Tehran, India currently has two Consulates in Iran - Bandar Abbas and Zahedan. The Shah visited India in February/March 1956 and Prime Minister Pandit Jawaharlal Nehru visited Iran in September 1959. Prime Minister Smt. Indira Gandhi visited Iran in April 1974 and Prime Minister Shri Morarji Desai visited in June 1977. The Shah, in turn, visited India in February 1978.

The Iranian Revolution in 1979 introduced a new phase of engagement between India and Iran marked by exchange of high level visits of Indian Prime Minister Shri Narasimha Rao in September 1993, Iranian President Akbar Hashemi Rafsanjani in April 1995 and Indian Vice President Shri K. R. Narayanan in October 1996. The trend was consolidated and enhanced at the turn of the millennium with visits by Prime Minister Shri Atal Behari Vajpayee in 2001 and a return visit by President Mohammad Khatami in 2003, when he was also the Chief Guest at the Republic Day function. The Iranian President Dr. Mahmoud Ahmadinejad visited India on 29 April 2008.

Prime Minister Dr. Manmohan Singh visited Iran to attend the 16th Non-aligned Movement (NAM) summit held in Tehran on 26-30 August 2012. Iran assumed the presidency of NAM in 2012. On the sidelines, Hon'ble Prime Minister met Supreme leader Ayatollah Ali Khamenei and President Dr. Mahmoud Ahmadinejad. Both sides reviewed the entire gamut of bilateral relations and called for further strengthening the centuries old relationship between India and Iran. In May 2012, Iranian Foreign minister Dr. Ali Akbar Salehi visited India, as president's special envoy, to invite Prime Minister for the 16th NAM summit.

In November 2011 Hon'ble Speaker of Lok Sabha Smt. Meira Kumar paid an official visit to Iran leading a multi-party Parliamentary delegation on the invitation of Majlis Speaker Dr. Ali Larijani. She inaugurated a tableau of Gurudev Rabindranath's poem on Iran in the Majlis museum and a bust of Acharya J. C. Bose at Pardis Technology Park near Tehran. Apart from Majlis Speaker Dr. Ali Larijani she also called on President Dr. Mahmoud Ahmadinejad. Dr. Larijani made a return bilateral visit to India on 24-28 February 2013. He called on Hon'ble President, Vice president, Prime Minister and External Affairs Minister in New Delhi. Earlier in December 2012, Senior Advisor to Supreme Leader on International Affairs and Former Foreign Minister Dr. Ali Akbar Velayati visited India. He called on the Vice President and Prime Minister.

In March 2012, Minister of New and Renewable Energy Dr. Farooq Abdullah visited Iran on the invitation of Minister of Energy Eng. Majid Namjoo. He was

accompanied by a business delegation comprising of Indian companies active in the domain of renewable energy. H.E. Eng. Namjoo in turn visited India in October 2012 to attend the Global Ministerial level “International Seminar on Energy Access” held in New Delhi. In September 2012, Hon’ble Minister of State (MoS) for Water resources and Minority Affairs Shri. Vincent H. Pala visited Tehran to attend the 8th Governing Board of Meeting (GBM-8) of Regional Center on Urban Water Management (RCUWM). In November 2012, Iranian vice president and head of department of Environment H.E. Dr. Mohammad Javad Mohammadzadeh visited Hyderabad to attend the 11th Conference of Parties (CoP) of UN Convention on Biodiversity.

The two countries have in place several bilateral consultative mechanisms at various levels which meet regularly. Foreign Offices of both countries also hold regular consultations on bilateral and regional issues. Foreign Secretary of India Smt. Nirupama Rao visited Tehran in July 2011 for the 9th round of Foreign Office Consultations at the invitation of her counterpart, Dr. Mohammad Ali Fathollahi, Deputy Foreign Minister for Asia & Oceania Affairs. Besides holding the Foreign Office Consultations, she called on Foreign Minister Dr. Ali Akbar Salehi and Secretary of the Supreme National Security Council, Dr. Saeed Jalili. During the meetings views were exchanged on combating global terrorism, energy security, North South Transport Corridor, developments in Afghanistan and regional security and stability. During the visit, both sides exchanged the Instrument of Ratification for the Agreement on Transfer of Sentenced Prisoners signed in July 2010 thereby operationalizing the Agreement. In October 2012 Deputy Foreign Minister for Asia and Oceania Dr. Seyed Abbas Aragchi visited India for the 10th round of FoC. In June 2012, Comptroller and Auditor General of India, Shri Vinod Rai visited Iran on the invitation of Supreme Audit Court of Iran (SAC). He also called on Dr. Ali Larijani, Speaker, Majlis of Iran. In November 2012, Iran’s deputy Minister for International and legal Affairs H.E. Dr. Mehdi Akhoundzadeh visited India to attend the 12th Council of Ministers (CoM) meeting of IOR-ARC member countries in Gurgaon, Haryana.

Commercial Relations:

India-Iran enjoys economic and commercial ties covering many sectors. However, the trade relations have traditionally been buoyed by Indian import of Iranian crude oil resulting in overall trade balance in favour of Iran.

India-Iran bilateral trade registered a healthy 18.77% growth during the fiscal 2011-12. The total value of the bilateral trade for the period stood at US\$ 15.94 billion. India imported US\$ 10.93 billion worth of goods mainly crude oil and exported commodities worth US\$ 2.40 billion. India’s export to Iran registered a decrease of 3.77% during the fiscal 2011-12 compared to the period 2010-11, mainly due to problems with the banking channels. The recent economic sanctions imposed on Iran have had an adverse effect on the bilateral trade as the international banking channels have gradually become non-existent. A table showing trends in the India-Iran bilateral trade is presented below:

Trends in India-Iran Bilateral Trade (figures in Million US\$):

<u>Year</u>	<u>Exports from India</u>	<u>Imports by India</u>	<u>Trade Balance</u>	<u>Total Bilateral Trade</u>	<u>Growth Rate (%)</u>
2005-2006	1188.35	4822.65	-3634.30	6011.00	43.70
2006-2007	1446.48	7818.55	-6372.07	9065.03	379.43
2007-2008	1943.92	10943.61	-8999.69	12887.53	42.17
2008-2009	2534.01	12376.77	-9842.76	14910.78	15.70
2009-2010	1853.17	11540.85	-9687.68	13394.02	-10.17
2010-2011	2492.95	10928.21	-8435.26	13421.16	0.20
2011-2012	2411.35	13556.73	-11145.38	15968.08	18.98
2012- 2013	3351.21	11603.79	-8252.58	14955.00	-6.34

Source: Ministry of Commerce, GOI

India and Iran hold regular bilateral discussions on economic and trade issues within the framework of India-Iran Joint Commission Meeting (JCM). The 17th India-Iran Joint Commission was held in Tehran on May 4, 2013. The Session was co-chaired by Shri. Salman Khurshid, External Affairs Minister of India and H.E. Dr. Ali Akbar Salehi, Foreign Minister of Islamic Republic of Iran. During the visit, the two sides signed the following Memorandum of Understanding (MoUs): (i) MOU between Institute of Standards and Industrial Research of Islamic Republic of Iran (ISIRI) and Bureau of Indian Standards (BIS). (ii) MOU between the Foreign Service Institute, Ministry of External Affairs, Republic of India and School of International Relations, Ministry of Foreign Affairs, Islamic Republic of Iran. (iii) MOU between the Government of Republic of India and the Government of Islamic Republic of Iran on cooperation in the field of water resources management. During his visit EAM also met H.E. Dr. Mahmoud Ahmadinejad, President of Iran, H.E. Dr. Ali Akbar Velayati, Advisor to the Supreme Leader and H.E. Dr. Ali Larijani, Speaker of the Iranian Majlis and discussed issues of bilateral, regional and international importance.

In the year 2012, India and Iran had a regular exchange of business delegations covering a wide range of sectors. In March 2012, a delegation from Federation of Indian Exports Organization (FIEO) visited Iran. The delegation held Buyer Seller Meet (BSM) in Tehran and other industrial cities viz., Isfahan and Tabriz. In return, President of Tehran Chamber of Commerce, Industries and Mines (TCCIM), H.E. Dr. Yahya Ale-Eshaq visited New Delhi and held BSM in May 2012. Another business delegation led by Shri. Anil Agarwal, Chairman, ASSOCHAM visited Iran in October 2012. Further, a five member Iranian delegation led by H.E. Dr. Mohamad Reza Bakhtiari, Vice President for International Affairs, TCCIM visited India in June 2012 for participating in the Investor Summit on Afghanistan.

In July 2012, Smt. Roshni Sen, Deputy Chairman, Tea Board of India, led a delegation of major Indian tea exporting companies to Iran. The delegation held a BSM in Tehran. Towards the end of the year, in November 2012, Shri. MGVK Bhanu, Chairman Tea Board of India, led a delegation of Indian tea companies to participate in the 10th Seminar and Exhibition of Tea producing and exporting countries held in Tehran. He again led a twenty member delegation to Iran on 03-07 March 2013 for buyer seller meets held in Tehran and Isfahan. In December 2012, a

weeklong India Tea Festival was also organized in Tehran to sensitize the Iranian public about the specialties of Indian tea.

In July 2012, a Pharmaceutical delegation under the aegis of India-Iran Business Chamber (IIBC) visited Tehran and held a BSM in Tehran. Another 27 member Pharmaceutical delegation under the aegis of PHARMEXIL visited Iran in December 2012. The delegation held BSM in Tehran and Isfahan. India and Iran are also engaged in discussions on various projects in Iran including the Chabahar Port and Rail Project.

On 20-23 April 2013, Shri S.R. Rao, Secretary (Commerce), Department of Commerce, Government of India led a high level delegation to Iran. Apart from his meetings in Tehran, he also met the members of Isfahan Chamber of Commerce, Industries and Mines.

Cultural Relations:

On 03 May 2013 Shri. Salman Khurshid, Hon'ble External Affairs Minister of India, officially inaugurated the India Cultural Center in Tehran, when he visited Iran for the 17th India-Iran Joint Commission Meeting (JCM). A week long India-Iran cultural festival from 7-12 June, 2012 was organized in collaboration with 'Iranian Artists Forum' in Tehran. During the festival, with an objective of presenting various facets of Indian culture to the Iranian audience, live 'Sarod' performances by Pandit Rajesh Prasanna and his team (sponsored by ICCR), Indian handicrafts exhibition sponsored by Ministry of Textiles, Indian Tourism exhibition (sponsored by India Tourism Office, Dubai), Indian documentary film show and a Seminar on India-Iran Literary, Cultural and Civilizational Heritage were organized. The Tea Board of India also participated in the festival. Apart from the cultural festival a number of seminars were held both in the Embassy premises and other venues in Tehran and Mashhad to explore the shared linguistic and cultural heritage of the two countries. Embassy has also been bringing out a bi-monthly magazine named "Ain-e-Hind" (Mirror of India) taking India to the drawing rooms of the general Iranian public.

Indian community:

The Indian community in Iran, which was sizeable earlier, has dwindled and now it is a small one consisting of about 100 families in Tehran and about 20 in Zahedan. There are a number of Indian students in Iran, approximately 800, a large number of whom pursue theological studies in Qom. There is an Indian school run by the Kendriya Vidyalaya Sangathan in Tehran and another in Zahedan.

There are about 8,000 Iranian students studying in India. India provides 67 scholarships every year to Iranian students under ITEC, ICCR, Colombo Plan and IOR-ARC schemes.

India over the years has emerged as one of the favourite tourist destinations for Iranian tourists and every year around 40,000 Iranians visit India for various purposes. In February 2011, India successfully outsourced the tourist visa collection in Tehran to facilitate the visa services for Iranian tourists visiting India.

Regular meetings of the Joint Consular Committee is held to discuss consular and other related issues aimed at facilitating people to people exchanges between the two countries and addressing the concerns of Indians resident in Iran and

Iranians resident in India. The latest round of Consular Committee meeting was held in New Delhi in May 2012.

July 2013