

## India, Iran pledge to maintain trade levels

Written by Administrator  
Tuesday, 17 July 2018 18:10

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**India, Iran pledge to maintain trade levels**      Suhasini Haidar      New Delhi strikes  
a defiant note against demands by the U.S. to cut oil imports from Tehran to 'zero'

Striking a defiant note against the U.S.'s demands to "zero" out oil imports and end engagement with Iran, Indian and Iranian officials said they would "maintain the momentum" of bilateral cooperation between them.

External Affairs Minister Sushma Swaraj will also travel to Tehran for the next Joint Commission meeting in November, an official statement said, which is the month U.S. sanctions on energy trade would go into effect.

"Both sides reviewed and positively assessed the progress in implementation of decisions taken during [President Rouhani's visit], especially for enhancing connectivity and strengthening cooperation in trade and economic issues and in the promotion of people-to-people exchanges. It was agreed to maintain the momentum of mutually beneficial multifaceted bilateral cooperation and exchanges between the two sides []" the Ministry of External Affairs said at the end of talks between visiting Iran deputy Foreign Minister Seyyed Abbas Araghchi and Foreign Secretary Vijay Gokhale, adding that both sides had discussed "issues that have arisen over the Joint Comprehensive Plan of Action (JCPOA)."

On May 8, the United States pulled out of the 6-nation JCPOA, and decided to reimpose sanctions on Iran, due to be implemented in two batches; on August 6 and November 4, with U.S. officials asking all countries including India to bring oil imports from Iran to zero.

Monday's meetings with Iranian diplomats came a day ahead of talks with a senior U.S. team including Assistant Secretary of the Treasury Marshall Billingslea and State Department official Andrew Peek where the U.S. will discuss its demand for compliance with sanctions to "isolate Iran." Speaking to a small group of journalists after the meeting, Mr. Araghchi said he "had a very good sense" from his meeting that India and Iran will continue their cooperation despite the U.S. threats.

"There are many routes by which Iran and India can cooperate in important fields for both sides especially energy and Chabahar. We know that there are pressures from outside but we count on the Indian government to make proper decisions in favour of the national interest of

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India,” Mr. Araghchi replied to a question from The Hindu.

Indian and Iranian officials have already indicated that they will use the Rupee-Rial mechanism initiated in 2012, which allows India to import oil and pay through a special fund that allows Iran to import food and other goods from India in return. Iranian diplomats are also hopeful that European countries who had taken part in the previous round of sanctions in 2012 will not enforce them this time around, freeing the way for Indian small and medium companies who are not dealing with the United States for now.

Iran is India's third-largest oil supplier after Iraq and Saudi Arabia, and India is Iran's second largest oil importer after China, taking about \$30 billion worth of crude last year. While officials concede that the U.S. sanctions, accompanied by a push from visiting U.S. U.N. envoy Nikki Haley to “revise” ties with Iran, will have some effect on India's capacity to continue energy trade with its traditional partner, but Indian officials are expected to tell the U.S. that “zeroing out” imports may not be an option. When asked, Mr. Araghchi denied reports that Indian refineries have already cut oil imports from Iran by 16% in June. “We don't have these reports yet. The current levels are still the same as previous months, but colleagues are talking about next month's purchases from Iran which is still an open issue,” he added.

Officials also discounted any impact of the U.S. sanctions on India's investment in Chabahar's Shahid Beheshti port, where it has committed \$85 million on current construction, and a total of \$500 million on the project including railway lines. In 2012 the U.S. had given Indian investment a “carve-out”, but has not yet indicated any waiver for the project in the current round of sanctions which including ports and shipping sectors.

“It is in the ultimate interest of India to continue this project. This has big political and strategic importance for both countries, and I am confident we can work together to take this project forward,” Mr. Araghchi told reporters before leaving for Tehran.

Source: The Hindu