



Iran ready to meet India's oil and gas requirements in rupee-rial trade

Iran's ambassador to India sees bilateral trade grow to \$30 bn in rupee-rial trade

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Dr. Ali Chegeni, Ambassador of the Islamic Republic of Iran, being felicitated by Dr. Vijay Kalantri, Chairman, MVIRDC World Trade Center Mumbai

Iran is ready to meet India's energy security needs by launching rupee-rial trade for export of oil and gas said Dr. Ali Chegeni, Ambassador, Islamic Republic of Iran to India. Iran is also willing to work closely with India to revive and find alternative routes for the stalled IranPakistan-India pipeline project for transporting natural gas to India.

"Rupee-rial trade mechanism can help companies from both the countries to deal with each other directly and avoid third party intermediation costs," the ambassador said on Thursday speaking at an interactive meeting organized by MVIRDC World Trade Center—a trade facilitating body and All India Association of Industries (AIAD).

India-Iran trade has declined sharply due to sanctions from \$17 billion in 2018-19 (Apr-Mar) to less than \$2 billion so far in the current financial year (April-January). However, the ambassador said that actual trade could be at least six times more than what is reflected in the official data, as several transactions went unreported.

"If both countries launch rupee-rial trade mechanisms, the bilateral trade could grow to \$30 billion," Dr. Chegeni said.

India is import dependent on several products like urea, petrochemicals, organic fruits, which are produced by Iran while India is a major producer of agro commodities, pharmaceuticals, iron & steel and automobiles, clinkers, cement etc. which are imported by Iran.

Iran has introduced a paper-less, electronic multiple visa issuance system for Indians to promote exchange of businessmen, tourists and students, the Ambassador pointed out.

“In this post COVID world when the global supply chain is reshaping, India should rework its traderelation with Iran for the benefit of business communities on both sides. The Chabahar port can be a golden gateway for Indian trade to Eurasian countries and Europe. Both the countries should facilitate seamless movement of cargoes through Chabahar port,” said Dr. Vijay Kalantri, Chairman, MVIRDC World Trade Center Mumbai.

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India

Iran ready to meet India's energy needs, Tehran envoy tells New Delhi

Reuters

2 minute read



NEW DELHI, March 18 (Reuters) - Iran is ready to meet India's energy security needs, its ambassador to India was quoted as saying on Friday, as negotiations continue between the world powers and Tehran on the lifting of sanctions against the OPEC-member.

Iran used to be the second largest oil supplier to India but New Delhi had to halt imports from Tehran after former U.S. President Donald Trump withdrew from the nuclear deal with Iran and re-imposed sanctions on its oil exports.

"Rupee-rial trade mechanism can help companies from both the countries to deal with each other directly and avoid third party intermediation costs," Ali Chegeni was quoted as saying by Indian facilitation body MVIRDC World Trade Center.

India, the world's third biggest oil importer and consumer, covers over 80% of its crude oil needs with imports.

India and Iran had devised a barter-like mechanism to settle trade where Indian refiners were paying for Iranian oil in rupees to a local bank and the funds were used by Tehran to pay for imports from India.

Due to sanctions, the India-Iran trade declined sharply from \$17 billion in the fiscal year to March 2019 to less

than \$2 billion in April-January, the first 10 months of this fiscal year.

Chegeni said, "If both countries launch rupee-rial trade mechanisms, the bilateral trade could grow to \$30

billion".

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Iran ready to launch rupee-rial trade to supply oil and gas to India, says envoy

Dr Chegani was speaking at an interactive meeting organised jointly by the World Trade Center, Mumbai and All India Association of Industries (AIAI)



Mrityunjay Bose, DHNS, Mumbai, MAR 18 2022, 14:14 IST | UPDATED: MAR 18 2022, 14:14 IST



Representative Image. Credit: Reuters File Photo

Amid the critical emerging geopolitical condition, Iran is ready to meet the energy security of India by launching rupee-rial trade for the export of oil and gas to India.

According to Dr Ali Chegani, Ambassador of the Islamic Republic of Iran in New Delhi, the two countries share a cordial relationship and a Rupee-Rial trade mechanism can help companies from both countries to deal with each other directly and avoid third-party intermediation costs.

“Iran is also willing to work closely with India to revive and find alternative routes for the stalled land pipeline project for transporting natural gas to India. India could not go ahead with the proposed Iran-Pakistan-India gas pipeline project because of security reasons,” Dr Chegani was quoted saying in a press statement.

Dr Chegani was speaking at an interactive meeting organised jointly by the World Trade Center, Mumbai and All India Association of Industries (AIAI), on Thursday.

Also read: [India's February oil imports surge as refiners boost runs](#)

In his welcome remarks, Dr Vijay Kalantri, Chairman, MVIRDC World Trade Center Mumbai said, “In this post-Covid-19 world when the global supply chain is reshaping, India should rework its trade relation with Iran for the benefit of business communities on both sides. The Chabahar port can be a golden gateway for Indian trade to Eurasian countries and Europe. Both the countries should facilitate seamless movement of cargoes through Chabahar port.”

Speaking about bilateral trade, Dr Ali Chegeni said, “Official record shows that trade between India and Iran has declined sharply from US \$17 billion in 2018-19 to less than US \$2 billion in the current financial year because of sanctions.”

However, actual trade could be at least six times more than what is reflected in the official number, as a lot of transactions are not reported officially. If both countries launch a rupee-rial trade mechanism, our bilateral trade volume could grow to US \$30 billion, the Iranian envoy said.

Dr Chegeni informed that India and Iran have many complementarities as Iran is a major producer of urea, petrochemicals, organic fruits, which are generally imported by India.

According to him, Iran can meet the import needs of more than 260 products, right from urea to petrochemicals where India is import-dependent. Similarly, India is a major producer of agro commodities, pharmaceuticals, iron and steel, and automobiles, clinkers, cement, etc. which are imported by Iran. To promote the exchange of businessmen, tourists, and students, Iran has introduced a paperless, electronic multiple visa issuance system for Indians, the Ambassador pointed out.

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World | Reuters | Updated: March 18, 2022 2:28 pm IST



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Business Standard

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