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India News | India, Iran Exploring Settling Trade in Rupee, Establishing Banking Mechanism: Iranian Foreign Minister

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Mumbai, Jun 9 (PTI) India and Iran have "surveyed" the possibilities of settling trade transactions in rupee or through barter system, along with discussing a need to establish a banking mechanism, foreign minister of the Middle Eastern country, Hossein Amir-Abdollahian, said on

Thursday.

New Delhi and Tehran have also agreed to "precipitate" investment in the Chabahar Port which is being developed with the help of India, the visiting minister said.

"Yesterday, we discussed with Indian high officials as a special need with my colleague the external (affairs) minister on the need to establish a banking mechanism," Abdollahian said at an event organised by the World Trade Centre here.

The two sides "surveyed" the possibility of trade in local currency, including rupee, or otherwise barter, he added.

He said there are existing mechanisms within the framework of international law which can help in reviving the "banking and financial interaction", pointing out that Tehran has implemented such a mechanism with a dozen countries already.

Abdollahian, who is on a three-day visit to India, addressed industry representatives in the financial capital. His arrival was delayed due to another round of meeting with Indian Minister for External Affairs S Jaishankar on Thursday morning, as per organisers.

"As we speak, we've in mind recognised legal mechanisms that can be conducive for development of trade between india and Iran," the Iranian foreign minister said.

There are "ample opportunities" for India and Iran irrespective of the "unilateral sanctions" imposed by the US, which will not last for long, he added.

Abdollahian, who met Prime Minister Narendra Modi and National Security Advisor Ajit Doval on Wednesday, said New Delhi and Tehran have agreed to "delineate a long term roadmap".

He further said Modi is "way forward" on such thinking about a long-term partnership, and stressed during the meeting that both the countries are already implementing the roadmap even before formalising it.

The foreign minister said there were detailed and forward looking discussions on economic and trade aspects, adding that Indo-Iranian trade was centuries old.

He also said Chabahar Port is a very reliable infrastructure asset and added that it is already functional with help from Indian investment.

"We agreed to precipitate the investment in this port," he said, adding that discussions were also held on energy.

A "special heed" was paid to the capacities in oil, petroleum and gas that exists within Iran, he said.

Iran has kept the domestic trade routes across the country ready and active to help the cause of trade, especially amid the war triggered by Russian invasion of Ukraine, he added.

Iran explores alternative banking mechanism to promote trade with India

MUMBAI, June 9 (Xinhua) -- Iran is exploring an alternative banking mechanism within the framework of the international law to promote two-way trade with India, said visiting Iranian Foreign Minister Hossein Amir-Abdollahian here Thursday.

"I had a fruitful discussion with senior ministers of the Indian government to establish such a banking mechanism," the foreign minister told an interactive meeting organized by MVIRDC World Trade Center Mumbai, an international trade promotion organisation, and All India Association of Industries, an industry body.

Both sides discussed the possibility of rupee-rial trade and agreed on a conducive legal mechanism to promote two-way commerce, said the minister, who is on a three-day visit to India.

Apart from establishing a banking mechanism, the two countries have also explored the possibilities of settling trade transaction in rupee or through barter system, he said.

Within the framework of the international law, there are existing banking mechanisms which Iran has already implemented with a dozen countries, the minister said.

Earlier in his welcome remarks, Vijay Kalantri, chairman of MVIRDC World Trade Center Mumbai, said bilateral trade between Indian and Iran is less than 2 billion U.S. dollars.

There is "untapped potential to raise it to as much as 50 billion dollars if both the countries launch rupee-rial trade or barter trade that can reduce transaction cost and increase volume of trade," Kalantri said. ■