Iran Seeks Preferential Trade Pact With India To Promote Agro Business

*Iran seeks preferential tariff treatment from India for agro products, including relaxation of stringent food safety standards norms, said Benham Tajaddini, President of Agriculture and Food Industries Commission of Iran, on Tuesday.*

While leading an agriculture trade delegation from Urmia Province of Iran here in Mumbai, Tajaddini also sought the removal of a ban by India on the import of some fresh fruits from Iran.

Speaking at an interactive meeting organised by MVIRDC World Trade Centre Mumbai—an international trade promotion organisation and the All India Association of Industries (AIAI), Tajaddini said, "Urmia Province produces 60 per cent of processed and concentrated food products in Iran and is the largest producer of apples, with an annual output of 1.5 million tons, along with other fruits such as grapes, pears, and apricots. The province has a world-class cold storage system to increase the shelf life of these fruits as they are exported to Europe and CIS countries."

Earlier, in his welcome remarks, Vijay Kalantri, Chairman, MVIRDC WTC Mumbai, suggested that Iran and India can contribute to the food security of both nations by promoting bilateral trade in agro-products.

"India needs to regain the lost growth momentum in the export of agro products to Iran by expediting cargo clearance at Chabahar Port, signing preferential trade agreements with Iran and addressing high shipping costs. Today, Iran is the ninth largest destination for India’s agricultural products, compared to the third largest destination before the pandemic. "Our agro exports to Iran declined from USD 1.3 billion in FY20 to USD 980 million by 2021-22," Kalantri said.

Indian importers and exporters can reduce the cost of trade by transacting directly with Iranian companies in local currency rather than routing the trade through other territories such as Dubai or Singapore, Kalantri suggested.

Highlighting the potential goods for promoting bilateral trade, Kalantri mentioned that India is already a major exporter of basmati and non-basmati rice, fresh fruits, juices, nuts, groundnuts, pulses, and processed food items. Similarly, we can import fresh fruits and vegetables from Iran to control inflation in these commodities in the domestic market.

Speaking on this occasion, Jafar Nikzad, President of West Azerbaijan Union of Agro Products, Iran remarked, "We are keen to import bananas, apples, and other fresh fruits from India. Similarly, Iran can supply apples, kiwifruit, saffron, grapes, and other agro-products to India. Currently, we are holding discussions with the Government of India to resolve the shipping, logistics, and food safety standards issues that are affecting our two-way trade."