

Topic: India's Relationship with Iran: Revival

India–Iran relations are the bilateral relations between India and Iran. Independent India and Iran established **diplomatic relations on 15 March 1950**. During much of the Cold War period, relations between the Republic of India and the erstwhile Imperial State of Iran suffered due to different political interests. Following the **1979 revolution**, relations between **Iran and India strengthened** momentarily. However, **Iran's continued support for Pakistan and India's close relations with Iraq** during the Iran–Iraq War impeded further development of Indo–Iranian ties. In the **1990s, India and Iran supported the Northern Alliance in Afghanistan against the Taliban regime**. They continue to collaborate in supporting the broad-based anti-Taliban government led by Ashraf Ghani and backed by the United States. The two countries signed a **defence cooperation agreement in December 2002**. Even though the two countries share some common strategic interests, India and Iran differ significantly on key foreign policy issues. India has expressed **strong opposition against Iran's nuclear programme** and whilst both the nations continue to oppose the Taliban, India supports the presence of NATO forces in Afghanistan unlike Iran. Iran is the **second largest supplier of crude oil to India**, supplying more **than 425,000 barrels of oil per day**, and consequently India is one of the largest foreign investors in Iran's oil and gas industry.

In 2011, **the US\$12 billion annual oil trade between India and Iran** was halted due to extensive economic sanctions against Iran, forcing the Indian oil ministry to pay off the debt through a banking system through Turkey. **In August 2013, while carrying oil in the Persian Gulf, Iran detained India's largest ocean liner Shipping Corporation (SCI)'s vessel MT Desh Shanti** carrying crude from Iraq. Significant improvements in relations did not materialize until the end of the Cold War. One of the most consequential events in their shared recent history was Indian Prime Minister Narasimha Rao's 1993 state visit to Iran. **Rao became the first Indian Prime Minister** to visit Iran since the revolution, and his state visit was declared a "turning point" in bilateral relations by **Iran's then-President Ali Akbar Hashemi Rafsanjani**. In **1995, Rafsanjani** made a reciprocal visit to India. While high-level visits continued after 1995--which did much to solidify in some measure their mutual economic interests in key technological sectors--the next state visit did not occur until 2001, when **Prime Minister Atal Bihar Vajpayee visited Tehran**. This visit culminated in the 2001 Tehran Declaration, signed by Prime Minister Vajpayee and Iran's **President Muhammad Khatami**. Two years later, in **January 2003, President Khatami** was welcomed as the "**Chief Guest**" at **India's 2003 Republic Day** celebrations.

Even before **India announced Prime Minister Narendra Modi's visit to Iran**, it was certain that the Centre was keen on taking ties with this "extended neighbour" to a higher level. The **removal of sanctions on Iran following the nuclear deal** has ended its isolation, and enabled its return to the economic and diplomatic mainstream. Over the last few months, Iran hosted several high-profile visitors, including **Chinese President Xi Jinping** and **Italian Prime Minister Matteo Renzi**. Three senior Ministers of the Modi government, including External Affairs Minister **Sushma Swaraj, have travelled to Tehran** in the past few months to step up engagement, revive some stalled joint projects as well as set the stage for the prime ministerial visit.

Topic
Introduction

Some Important Points from Modi's Visit to Iran on May (22-23):

1. **Chabahar port:** India will sign a contract to **develop Phase-1 of Iran's Chabahar port** during the current visit. **Indian Ports Global Pvt Ltd** will sign a contract with **Arya Bandar Company** of Iran for developing **two terminals and five multi-cargo berths in Phase-1**. Additionally, an agreement for a **\$150 million line of credit**, from the **Exim- Bank**, for the development of the port will also be signed. Indian investment in Phase-1 of the project would be **\$200 million**.
2. **Trilateral transit agreement:** Modi will witness the signing of a trilateral agreement on transport and transit corridor **between India, Afghanistan and Iran**. **Chabahar in southeast Iran will serve as a transit hub** and help open up a route to landlocked Afghanistan. From the Chabahar port, the **existing Iranian road network** can link up to **Zaranj** in Afghanistan, about 883 kilometers from the port. The **Zaranj-Delaram road constructed by India in 2009** can give access to **Afghanistan's garland highway**.
3. **Oil dues:** Ahead of the prime minister's visit, **Indian refiners cleared part (\$1.2 billion) of the Rs 44,890 crore (\$6.4 billion) owed to Iran** for crude oil imports through **Turkey's Halkbank**.
4. **Energy ties:** According to sources, during the visit, discussions on Indian state-run firms securing rights to **develop the offshore Farzad-B gas field will be held**. A consortium headed by **ONGC Videsh**, the overseas exploration unit of Oil and Natural Gas Corp (ONGC), discovered the **Farzad-B gas field** in the Farsi offshore block in **2008**, but was unable to get permission to develop it due to Western sanctions against Iran over its nuclear programme.
5. **Cultural ties:** The two nations also plan to **revive their age old friendship** by jointly organizing a **three-day long cultural festival** in conjunction with the prime minister's historic visit.

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<http://www.thehindu.com/news/national/live-narendra-modis-iran-visit/article8635900.ece>

<http://www.ndtv.com/cheat-sheet/pm-modi-goes-to-iran-today-chabahar-port-high-on-agenda-10-points-1408712>

http://www.business-standard.com/article/economy-policy/pm-modi-s-iran-visit-5-key-agreements-and-issues-in-focus-116052300132_1.html