

India cooperated to implement UN-mandated sanctions against Iran: US Report

08/02/2017 20:43 by admin

Washington: India, a major buyer of oil from Iran, has implemented UN-mandated sanctions against it, a bipartisan Congressional report has said amid the Trump administration's efforts to muster international support against Tehran after conducting a missile test.

Ghadr-F missile is displayed next to Iran's Supreme Leader Ayatollah portrait

The independent Congressional Research Service (CRS) said in its latest report said that India began reducing economic relations with Iran in 2010 when India's central bank ceased using a Tehran-based regional body, the Asian Clearing Union, to handle transactions with Iran.

India implemented UN-mandated sanctions against Iran and generally cooperated with multilateral efforts to use sanctions to achieve a nuclear agreement with Iran, the report which was presented to lawmakers on Monday.

CRS is the independent research wing of the US Congress which prepares periodic report on issues of interest for lawmakers for them to make informed decisions. Its report are not considered as official report of the US Congress.

In its 42-page report CRS notes that during 2010-2016, India's private sector described Iran as a "controversial market" a term used by many international firms to describe markets that entail reputational and financial risks.

In January 2012, Iran agreed to accept India's currency rupee to settle 45% of its oil sales to India, which Iran mostly used to buy Indian wheat, pharmaceuticals, rice, sugar, soybeans, auto parts and other products.

India reduced its imports of Iranian oil substantially after 2011 - by the time of the JPA, Iran was only supplying about six per cent of India's oil imports, down from over 16% in 2008. India incurred significant costs to retrofit refineries that were handling Iranian crude. However, since the JCPOA, oil imports apparently have increased to close to 2011 levels, the report said.

Indian firms ended or slowed work on investments in Iranian oil and gas fields' work that is likely to resume now that sanctions have been lifted, CRS said, adding that India and Iran are considering using Turkey's Halkbank to transfer to Iran \$6.5 billion for oil purchased by India during 2012-2016.

In 2015, India and Iran agreed that India would help develop Iran's Chahbahar port that would enable it to trade with Afghanistan unimpeded by Pakistan.

With sanctions on Iran now lifted, that project no longer entails risk to Indian firms involved. In May 2016, Indian Prime Minister Narendra Modi visited Iran and signed an agreement to invest \$500 million to develop the port and related infrastructure, CRS said.

The report came as US President Donald Trump criticised Iran over its actions. The White House put Iran "on notice" over the move and vowed to take action, setting the stage for confrontation between the two nations.