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# **Enhancing India-Iran Trade Engagement: Potential Opportunities**

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# Presentation Outline

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1. Iran : Trade and Economic Environment
2. Iran's Import Trends
3. Import flows from Major Trading Partners
4. Assessment of Potential Trade Opportunities for India
5. Identification of Potential Exportables from India

# Iran : Trade and Economic Environment

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- Iran is a large concerning state but trade with world declining (Trade to GDP ratio decreased from 59.4% in 2007/08 to 50.6% in 2009/10)
- Economic sanction by UN, USA & EU intensified from 2010 which altered trade structure
- Macroeconomic reform and economic restructuring underway
- Exchange rate developments

# Iran's Import Trends

## (April – November)

(US\$ million)

		2008	2009	2010	2011
1.	World	37270.1	31888.4	39453.4	36888.8
2.	EU	10884.5 (29.2)	9033.8 (28.3)	8873.2 (22.5)	8210.2 (22.3)
3.	Japan	865.6 (2.3)	927 (2.9)	1058.1 (2.7)	915.2 (2.5)
4.	India	1275.1 (3.42)	806.7 (2.53)	828.4 (2.10)	781.8 (2.12)

- In 2011, relative decline in Iran's imports from EU, Japan higher than from India
- EU's share falling from 2009 while India's share increased from 2010

Figures in brackets are share to total imports

# Iran's Major Imports

	Products with Share over 5%	Product with Share below 5%
1.	<p>Increasing share (2008 to 2011)</p> <ul style="list-style-type: none"> <li>• Electrical Machinery (84)</li> <li>• Electrical Equipment (85)</li> </ul>	<p>Increasing share (2008 to 2011)</p> <ul style="list-style-type: none"> <li>• Meat (<u>02</u>)</li> <li>• Dairy (<u>04</u>)</li> <li>• Edible fruit (<u>08</u>)</li> <li>• Vegetable fats (<u>15</u>)</li> <li>• Sugar (<u>17</u>)</li> <li>• Pharmaceuticals (<u>30</u>)</li> <li>• Rubber (<u>40</u>)</li> <li>• Paper products (<u>48</u>)</li> <li>• Staple Fibres (<u>55</u>)</li> <li>• Vehicles (<u>87</u>)</li> </ul>
2.	<p>Decreasing share (2008 to 2011)</p> <ul style="list-style-type: none"> <li>• Iron and steel (72)</li> <li>• Mineral fuels (27)</li> <li>• Cereals (<u>10</u>)</li> </ul>	<p>Decreasing share (2008 to 2011)</p> <ul style="list-style-type: none"> <li>• Optical, Photographic (<u>90</u>)</li> <li>• Oilseeds (<u>12</u>)</li> <li>• Tobacco (<u>24</u>)</li> <li>• Fertilizers (<u>31</u>)</li> <li>• Articles of Iron &amp; Steel (<u>73</u>)</li> <li>• Aluminum Articles (<u>76</u>)</li> </ul>

# Iran's Rising Imports : Relative Position of EU, India

(HS 4 digit)

	EU	India
1.	<b>Rising Imports</b> <ul style="list-style-type: none"> <li>• Human and Animal Blood (3002)</li> <li>• Medicaments (3003)</li> <li>• Medicaments (3004)</li> <li>• Ferroalloys (7202)</li> <li>• Parts for Spark-Ignition (8409)</li> <li>• Air or Vacuum Pumps (8414)</li> <li>• Industrial or Laboratory Furnaces (8417)</li> <li>• Machinery, Nesoi (8438)</li> <li>• Automatic Data Proessing Machines (8471)</li> <li>• Machinery for Working Rubber (8477)</li> <li>• Instruments and Appliances used in Medical (9018)</li> </ul>	<b>Rising Imports</b> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
2.	<b>Declining Imports</b> <ul style="list-style-type: none"> <li>• Corn (Maize) (1005)</li> <li>• Soybeans (1201)</li> <li>• Soybean Oilcake (2304)</li> <li>• Mineral (3105)</li> <li>• Amino-Resins (3909)</li> <li>• Paper and Paperboard (4802)</li> <li>• Iron &amp; Nonalloy Steel Products (7206)</li> <li>• Flat-Rolled Iron (7209)</li> <li>• Bars and Rods of Iron (7213)</li> <li>• Railway or Tramway Track Construction Material (7302)</li> <li>• Aluminium (7601)</li> <li>• Turbojets (8411)</li> <li>• Machinery or Equipment (8419)</li> <li>• Machines, for Dishwashing ((8422)</li> <li>• Printing Machinery (8443)</li> <li>• Electrical Transformers (8504)</li> <li>• Carbon Electrodes (8545)</li> <li>• Parts &amp; Accessories for Tractors (8708)</li> </ul>	<b>Declining Imports</b> <ul style="list-style-type: none"> <li>• Ferroalloys (7202)</li> <li>• Iron and Nonalloy Steel Products (7206)</li> <li>• Flat-Rolled Iron or Nonalloy Steel Products (7210)</li> </ul>

# Iran's Rising Imports : Relative Position of China, India

(HS 4 digit)

	China	India
1.	<b>Rising Imports</b> <ul style="list-style-type: none"> <li>• Articles of Plastics and Articles of Polymers (3926)</li> <li>• Fiberboard of Wood or other Ligneous Materials (4411)</li> <li>• Screws, Bolts, Nuts, Coach Screws (7318)</li> <li>• Spark-Ignition Reciprocating (8407)</li> <li>• Air or Vacuum Pumps (8414)</li> <li>• Air Conditioning Machines (8415)</li> <li>• Machinery or Equipment for the Treatment (8419)</li> <li>• Machinery for Working Rubber (8477)</li> <li>• Electrical Transformers (8504)</li> <li>• Electric Storage Batteries (8507)</li> <li>• Electrical Ignition or Starting Equipment (8511)</li> <li>• Rail Locomotives (8602)</li> <li>• Self-Propelled Railway (8603)</li> <li>• Tractors (8701)</li> <li>• Motor Vehicles for Transport of Goods (8704)</li> <li>• Parts &amp; Accessories for Tractors (8708)</li> <li>• Parts &amp; Accessories for Motorcycles(8714)</li> </ul>	<b>Rising Imports</b> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
2.	<b>Declining Imports</b> <ul style="list-style-type: none"> <li>• Coke and Semicoke of Coal (2704)</li> <li>• Polymers of Styrene (3903)</li> <li>• Acrylic Polymers (3906)</li> <li>• Ferroalloys (7202)</li> <li>• Iron and Nonalloy Steel Products (7206)</li> <li>• Flat-Rolled Iron or Nonalloy Steel Products (7210)</li> <li>• Tubes, Pipes and Hollow Profiles Nesoi (7306)</li> <li>• Aluminium Plates, Sheets and Strip (7606)</li> <li>• Parts for Spark-Ignition (8409)</li> <li>• Washing Machines (8450)</li> <li>• Automatic Data Processing Machines (8471)</li> <li>• Parts of Railway or Tramway (8607)</li> <li>• Motor Vehicles for the Transport of Ten (8702)</li> </ul>	<b>Declining Imports</b> <ul style="list-style-type: none"> <li>• Ferroalloys (7202)</li> <li>• Iron and Nonalloy Steel Products (7206)</li> <li>• Flat-Rolled Iron or Nonalloy Steel Products (7210)</li> </ul>

# Iran's Rising Imports : India's Potential Opportunities

(HS 4 digit)

	China	India's Export to the World
1.	<b>Rising Imports</b> <ul style="list-style-type: none"> <li>• Articles of Plastics and Articles of Polymers (3926)</li> <li>• Fiberboard of Wood or other Ligneous Materials (4411)</li> <li>• Screws, Bolts, Nuts, Coach Screws (7318)</li> <li>• Spark-Ignition Reciprocating (8407)</li> <li>• Air or Vacuum Pumps (8414)</li> <li>• Air Conditioning Machines (8415)</li> <li>• Machinery or Equipment for the Treatment (8419)</li> <li>• Machinery for Working Rubber (8477)</li> <li>• Electrical Transformers (8504)</li> <li>• Electric Storage Batteries (8507)</li> <li>• Electrical Ignition or Starting Equipment (8511)</li> <li>• Rail Locomotives (8602)</li> <li>• Self-Propelled Railway (8603)</li> <li>• Tractors (8701)</li> <li>• Motor Vehicles for Transport of Goods (8704)</li> <li>• Parts &amp; Accessories for Tractors (8708)</li> <li>• Parts &amp; Accessories for Motorcycles(8714)</li> </ul>	<ul style="list-style-type: none"> <li>• India is exporting all the products to the world for which Iran's imports from the world is showing a rising trend except Railway Or Tramway Sleepers (Cross-Ties) Of Wood (4406).</li> <li>• So far as Iran's import from China is concerned (both rising and declining), India has an export potential for all such products.</li> <li>• India is exhibiting a rising trend in exports to the world over the last three years for the products corresponding to HS codes:               <ul style="list-style-type: none"> <li>➤ 8419 (Rising imports from China)</li> <li>➤ 3906 (Declining imports from China)</li> <li>➤ 8471 (Declining imports from China)</li> </ul> </li> </ul>
2.	<b>Declining Imports</b> <ul style="list-style-type: none"> <li>• Coke and Semi-coke of Coal (2704)</li> <li>• Polymers of Styrene (3903)</li> <li>• Acrylic Polymers (3906)</li> <li>• Ferroalloys (7202)</li> <li>• Iron and Nonalloy Steel Products (7206)</li> <li>• Flat-Rolled Iron or Nonalloy Steel Products (7210)</li> <li>• Tubes, Pipes and Hollow Profiles Nesoi (7306)</li> <li>• Aluminum Plates, Sheets and Strip (7606)</li> <li>• Parts for Spark-Ignition (8409)</li> <li>• Washing Machines (8450)</li> <li>• Automatic Data Processing Machines (8471)</li> <li>• Parts of Railway or Tramway (8607)</li> <li>• Motor Vehicles for the Transport of Ten (8702)</li> </ul>	