

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3366  
ANSWERED ON:13.08.2010  
INDO-IRAN TRADE RELATION  
Sule Supriya

**Will the Minister of FINANCE be pleased to state:**

- (a) whether Iran has offered to sign bilateral investment protection treaty with India and invited Indian corporate to invest in refineries and power plants that are likely to be disinvested;
- (b) if so, whether the visiting Iranian Minister for Economic Affairs and Finance Minister had discussed the prospect for treaty with Indian counterpart;
- (c) if so, whether any agreement in this regard was reached and signed; and
- (d) if so, to what extent investment protection treaty with Iran will help both countries to invest in each other country and improve trade between two and to what extent these measures will also help increasing Iran's relations with India?

**Answer**

Minister of State in the Ministry of Finance(SHRI S.S.PALANIMANICKAM)

- (a): Yes, Madam. Both India and Iran have expressed desire to sign the Bilateral Investment Promotion and Protection agreement (BIPA) post completion of legal formalities.As regards investments in Iranian refineries and power plants, some Indian corporates have been taken steps in this regard.
- (b) & (c): During a meeting between the Indian Finance Minister and Dr. Seyed Shamsodin Hosseini, Minister of Economic Affairs and Finance, Islamic Republic of Iran on July 8, 2010, the issue of BIPA between the two countries was discussed. The draft text of the Agreement has been finalised. However, BIPA with Iran has not yet been signed.
- (d) The objective of BIPA is to promote and protect the interests of investors of either country in the territory of the other country. Such Agreements increase the comfort level and boost the confidence of the investors by assuring a minimum standard of treatment and non-discrimination in all matters while providing for justiciability of disputes with the host country. It is perceived that such Agreements serve as a major catalyst for investment flows from India to these countries and vice versa.