



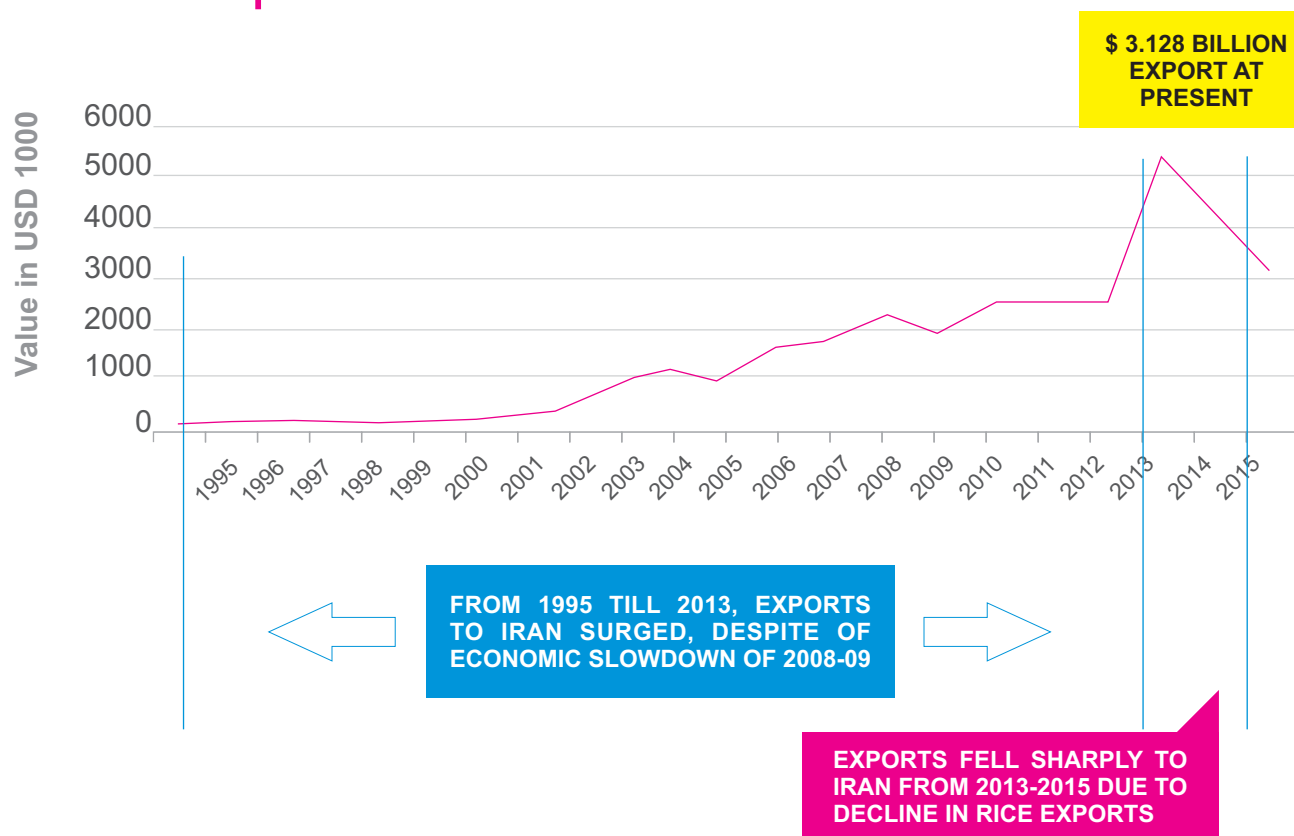
Report by TPCI research desk

Imports by Iran - India's Perspective

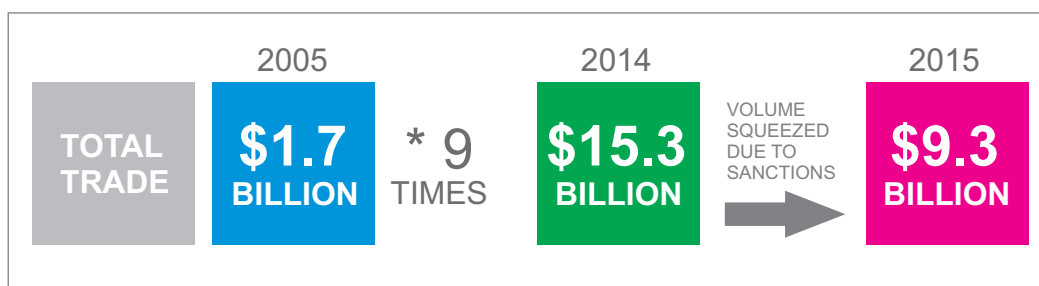
A glimpse

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India's Export To Iran



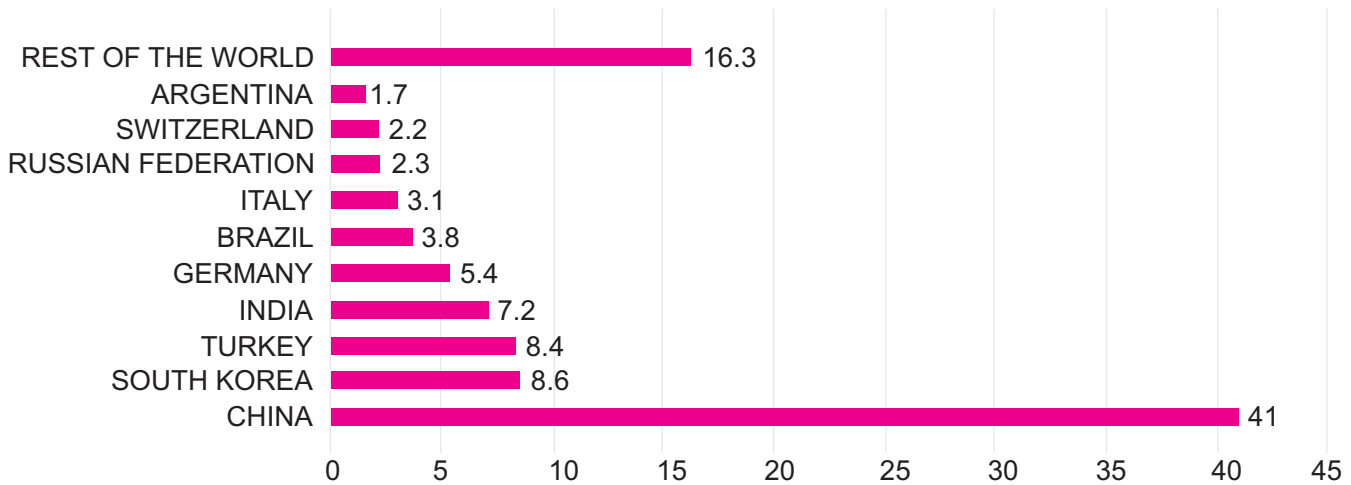
Snapshot Of India Iran Trade



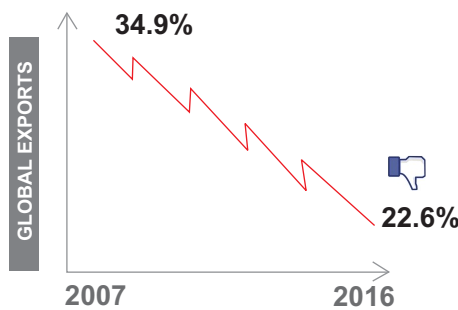
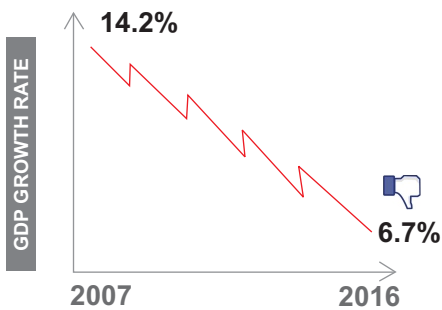
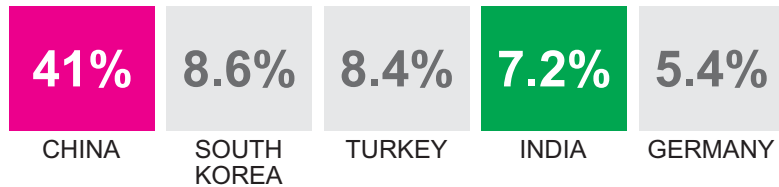
India - Iran Trade Flows

	2005	2015
EXPORTS	\$1.07 BILLION	\$ 3.126 BILLION
IMPORTS	\$0.775 BILLION	\$ 6.225 BILLION
NET EXPORTS 	\$0.296 BILLION	 \$ 3.099 BILLION

Share In Iran's Imports %



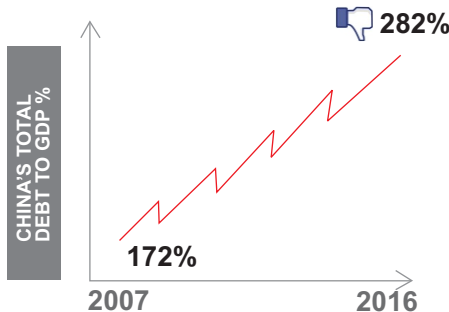
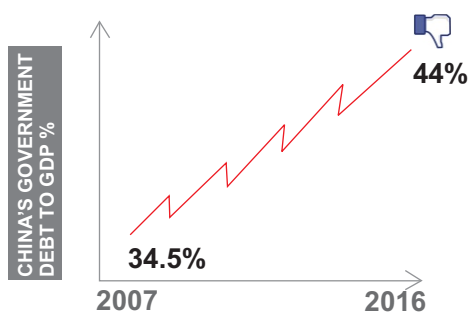
Will china continue to hold the market share to Iran?



TOTAL DEBT
\$28
TRILLION

ie

37%
WORLD'S of
GDP



Iran's Import Profile from India & China

IRAN'S IMPORT FROM CHINA

18.1 USD BILLION

41% SHARE IN IRAN'S TOTAL IMPORT

VEHICLES OTHER THAN RAILWAY TRAMWAY 63%	ARTICLE OF LEATHER 98.4%	CERAMIC PRODUCTS 91%	PLASTICS & ARTICLES 51.5%
MACHINERY & INSTRUMENT 45.2%	ELECTRICAL & ELECTRONIC EQUIPMENT 14.7%		

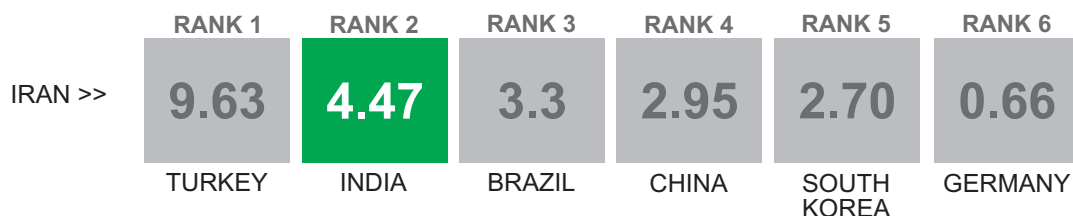
IRAN'S IMPORT FROM INDIA

3.21 USD BILLION

7.2% SHARE IN IRAN'S TOTAL IMPORT

ORES, SLAGS AND ASH 75%	LEAD AND ARTICLES THEREOF 63.4%	VEGETABLE TEXTILES FIBRES NES PAPER YARN, WOVEN FABRIC 59.1%	NICKLE AND ARTICLES THEREOF 42.8%
WADDING, FELT, NON-WOVENS, YARNS, TWINE, CORDAGE, ETC. 39.7%	CEREALS 28.7%	ORGANIC CHEMICALS 27.3%	COPPER AND ARTICLES THEREOF 23%
IRON AND STEEL 18.2%	MANMADE STAPLE FIBRES 22.2%	MACHINERY 2.5%	COTTON 21.4%
COFFEE, TEA MATE & SPICES 47.6%	MILLING PRODUCTS, MALT, STARCHES, INULIN, WHEAT GLUTEN 75.8%		

Trade intensity index



3 MAIN REASONS FOR TURKEY'S HIGH TRADE INTENSITY INDEX

- 1
TURKEY'S SHARE IN IRAN'S IMPORTS OF **EXPLOSIVES** IS 99.8%
- 2
TURKEY'S SHARE IN IRAN'S IMPORTS OF **ARMS & AMMUNITION** IS 63%
- 3
TURKEY'S SHARE IN IRAN'S IMPORTS OF **PEARLS, STONES, METALS AND COINS** IS 62%

ALL % VALUE WISE

6 PRODUCTS DRIVING INDIA'S RELATIVELY HIGHER TRADE INTENSITY INDEX

- 1
RICE
RCA 19.36
- 2
TEA
RCA 7.12
- 3
ORGANIC COMPOUNDS NES
RCA 41.3
- 4
SOYA BEAN OIL CAKES ETC
RCA 1
- 5
COTTON YARN
RCA 18.23
- 6
OILSEEDS
RCA 6.6

ALL % VALUE WISE

SO, WILL TURKEY BE THE MOST IMPORTANT TRADING PARTNER FOR IRAN??

MAYBE BUT, INDIA IS NOT COMPETING WITH TURKEY ON ALL THE THREE PRODUCTS, HENCE NO COMPETITION

INDIA'S TRADE INTENSITY INDEX BEING NEXT TO TURKEY (AND TURKEY'S EXPORT NOT INTERFERING WITH INDIA'S TRADE STRATEGY FOR IRAN) SIGNIFIES OUR POTENTIAL TO HAVE A MAJOR MARKET SHARE IN IRAN.

FOR MORE THAN 80% OF MOST OF THE MANUFACTURED COMMODITIES AT 6 DIGIT HS CODE

Export from India- Priority list 1

CONSISTS THOSE COMMODITIES WHICH HAS PRESENCE IN IRANIAN MARKET BUT IT NEEDS FURTHER ESCALATION IN THOSE MARKETS TO GRAB THE MAXIMUM OPPORTUNITY.

Rice, semi-milled or wholly milled, whether or not polished or glazed	Soya-bean oil-cake&others solid residues, whether or not ground or pellet	Hot roll iron/ steel nes, coil >600mm x <3mm	Maize (corn) seed	Antibiotics nes, in bulk
Medicaments nes, in dosage	Bovine cuts boneless, frozen	Sunflower-seed or safflower oil, crude	Barley (excl. seed for sowing)	Insecticides
Parts of refrigerating or freezing equipment, nes	Carbon or graphite electrodes, of a kind used for furnaces	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg	Raw sugar, cane	Shovels and excavators with a 360 revolving superstructure
Uncoated paper and paperboard, of a kind used for writing, printing or	Pneumatic tires new of rubber for buses or lorries	Staple fibres of acrylic or modacrylic, not carded or combed	Machines & mechanical appliances nes having individual functions	Other petroleum oils and preparations
Flat rolled prod,i/nas,plated or coated with zinc,>/=600mm wide, nes	Uncoated paper and paperboard, of a kind used for writing, printing or			

Above listed commodities are in top hundred commodities imported by Iran and India has presence in Iranian market but share in not significant apart from Rice, semi-milled or wholly milled, whether or not polished or glazed.

As all these products are fairly exported by us to the world which means we have export capacity but unable to export significantly to Iran. Escalation in exports of these commodities will bolster our trade balance with Iran.

Export from India- Priority list 2

CONSISTS THOSE COMMODITIES WHICH WE EXPORT TO REST OF THE WORLD AND HAS COMPETITIVENESS BUT MEAGERLY EXPORT IN IRANIAN MARKET. SINCE THE CURRENT EXPORTS OF THESE COMMODITIES ARE NEGLIGIBLE, SURGE IN INITIAL EXPORTS OF THESE COMMODITIES IN IRANIAN MARKET WILL BOLSTER OUR REVENUE WITH A SIGNIFICANT INTENSITY AS MAJOR SECTORS HAVE UNREALIZED EXPORTS.

1. Automobiles w reciprocating piston engine displacing > 1500 cc to 3000 cc	2. Maize (corn) nes	3. Parts suitable for use solely/princ w the app of headings 85.25 to 85.28	4. Parts of pumps for liquid whether or not fitted with a measuring device	5. Light petroleum oils and preparations
6. Machines for the reception, conversion and transmission or regeneration	7. Iron ores & concentrates, other than roasted iron pyrites, agglomerated	8. Telephones for cellular networks mobile telephones or for other wireless	9. Portable digital computers <10kg	10. Dump trucks designed for off-highway use
11. Drive axles with differential for motor vehicles	12. Antibiotics nes, i'n dosage	13. Air conditioning machines window or wall types, self-contained	14. Cold rolled iron/steel, coils >600mm x 0.5-1mm	15. Line pipe of a kind used for oil or gas pipelines, seamless, of iron
16. Food preparations nes	17. Brakes and servo-brakes and their parts, for tractors, motor vehicles	18. Taps, cocks, valves and similar appliances, nes	19. Parts of sorting /screening/mixing /crushing/grinding /washing/ agglomerating machines etc	20. Cotton, not carded or combed
21. Centrifugal pumps nes	22. Front end shovel loaders	23. Insecticides	24. Woven fabrics, >/=85% of textured polyester filaments, dyed, nes	25. Parts of air conditioning machines

Export from India- Priority list 3

CONSISTS THOSE TOP COMMODITIES IN TERMS OF VALUES IMPORTED BY IRAN FROM WORLD BUT INDIA NEITHER EXPORTS TO IRAN NOR TO WORLD.

If we start focusing to produce these commodities primarily to export, initially with the support of government's initiative like flagship scheme "Make in India" or "Startup India" in medium and long run we can be competitive in exporting these commodities and perceptibly this will help in increasing our employment as well.

1. Durum wheat (excl. seed for sowing):	2. Base stations of apparatus for the transmission or reception of voice,	3. Soya-bean oil crude, whether or not degummed	4. Plantains	5. Road tractors for semi-trailers (truck tractors)
6. Palm kernel/ babassu oil their fract.refind but not chemically modified	7. Durum wheat seed for sowing	8. Parts of household or laundry-type washing machines, including comb machinery	9. Sorting/screening/ separating or washing machines for stone/ ores or other min etc	10. Vacuum pumps
11. Butter	12. Transmission apparatus for radio-broadcasting or television, incorporate	13. Dump trucks designed for off-highway use	14. Air conditioning machines window or wall types, self-contained	15. Hot or combination hot & cold metal rolling mills

LONG TERM PERSPECTIVE

6 HIGH EXPORT POTENTIAL PRODUCTS FOR INDIA TO IRAN CONSIDERING LOW PRESENCE OF INDIA IN SUPPLY OF THESE COMMODITIES, INDIA MAY GRAB THE MARKET SHARE FROM CHINA

84

2 DIGIT (HS)

MACHINERY & INSTRUMENT

INDIA'S RCA - 0.45
IRAN'S IMPORT - \$ 7.1 BILLION
CHINA'S SHARE - 45.2%

87

2 DIGIT (HS)

VEHICLES OTHER THAN RAILWAY & TRAMWAY

INDIA'S RCA - 0.45
IRAN'S IMPORT - \$ 3.19 BILLION
CHINA'S SHARE - 63%

72

2 DIGIT (HS)

IRON & STEEL

INDIA'S RCA - 0.30
IRAN'S IMPORT - \$ 2.62 BILLION
CHINA'S SHARE - 34.7%

85

2 DIGIT (HS)

ELECTRICAL EQUIPMENTS

INDIA'S RCA - 0.45
IRAN'S IMPORT - \$ 3.94 BILLION
CHINA'S SHARE - 14.7%

39

2 DIGIT (HS)

PLASTICS & ARTICLES

INDIA'S RCA - 0.45
IRAN'S IMPORT - \$ 1.80 BILLION
CHINA'S SHARE - 51.1%

10

2 DIGIT (HS)

CEREALS

INDIA'S RCA - 19.36
IRAN'S IMPORT - \$ 2.58 BILLION
INDIA'S SHARE - 28.7%

IF WE START FOCUSING TO PRODUCE THESE COMMODITIES PRIMARILY TO EXPORT, INITIALLY WITH THE SUPPORT OF GOVERNMENTS INITIATIVES LIKE FLAGSHIP SCHEMES, MAKE IN INDIA OR STARTUP INDIA, IN MEDIUM AND LONG RUN, WE CAN BE COMPETITIVE IN EXPORTING THESE COMMODITIES AND PERCEPTIBLY THIS WILL HELP IN INCREASING OUR EMPLOYMENT AS WELL.

Objective and Methodology

Objective: To identify the potential commodities at six digit HS Code in different strata which can be exported to Iran

Methodology



- **Step A:** Imports by Iran from India and other major economies (India's potential competitors) – product wise identification.
- **Step B:** Revealed comparative advantage evaluated to bring out the difference between the products we export to Iran and the top products imported by Iran- Intended to show India's enervated export scenario with respect to Iran.
- **Step C:** Trade Intensity Index evaluated to bring out the importance of Iran as India's partnerso far as Iranian imports from India is concerned
- **Step D:** Trade complementarity Index calculated to emphasize the future potential of exporting those products for which Iran is a major importer.

Executive summary of India-Iran Trade Opportunities and Challenges

- Iran's economy shrank by 9% in the two years that ended in March 2014, before stabilized in 2015 as a result of modest sanctions relief under an interim nuclear agreement that went into effect on January 20, 2014 and total sanctions relief came in mid-2015.
- As per ITC data, in 2015 India exported USD 3.128 billion worth of merchandise goods to Iran. Annual growth rate of exports to Iran during 2011-2015 was 11.2% while the same figures with respect to world was -2%, which shows though our exports visa viz world declined, with Iran it aggrandized.
- India exports mainly agricultural and processed foods, Vehicles other than railway, tramway, organic compounds, Textiles (Cotton yarn), Soya bean oil cakes, Pharmaceuticals, Natural rubber, Iron and Steel, Petroleum oils, Electrical and electronic equipment's, Animal & vegetables fats and oils, manmade staple fibers
- Iranian's imports from world, Machinery, nuclear reactors, boilers e.t.c has a share of 16.31% followed by Electrical, electronic equipment, Vehicles other than railway, tramway, Iron and steel, Cereals, Plastics and articles thereof, Optical, photo, technical, medical, etc apparatus, Pearls, precious stones, metals, coins, etc, Pharmaceutical products, Articles of iron or steel, Paper and paperboard, articles of pulp, paper and board, Organic chemicals.
 - Most of the commodities we exports to Iran are those in which we have comparative advantage (as per RCA values).
 - Only Flat-rolled products of other alloy steel, Twine, cordge & cable, with rubber/plastic,

Organo-sulphur compounds, centrifugal dryers; filtering/purifying machinery, Insulated wire/cable, Industrial/laboratory electrical furnaces & ovens, Electric transformer, static converter are in the list of top 50 products which we export to Iran but we are not competitive and our major competitor is China. We export these commodities because Iran's requirement is colossal and we export to a few nations including Iran.

- Also Equivalent ad valorem tariff applied by Iran to India is higher for few commodities in which India has comparative advantage which are: Rice (44.4%), Tea (33.6%), Motorcycles, side cars (65%), cotton yarns (32.6%), Woven fabrics of synthetic staple fibers (70%) and the same concern need to be discussed at apposite level.
- India lacks in exporting manufactured commodities mainly Machinery, nuclear reactors, boilers, etc, Electrical electronic equipment, Iron and steel, Plastics and articles thereof, Optical, photo, technical, medical, etc apparatus Pearls, precious stones, metals, coins
- To fetch the benefit from Iran's import India needs to develop primarily her manufactured sector as Machinery, electronic, electrical equipment, Vehicles other than railways and tramways and Iron and steel tops the list of Iran's import together consisting of 40% of Iran's import.

- Indian products which are exported to Iran are mainly primary commodities with low Gross Value attached which ameliorates in making our exports values truncated. Turkey, South Korea and China exports manufactures commodities making their exports cherished. Machinery and Instrument tops in Iran's import list but our share of export in Iran's import of Machinery and Instrument is merely 2.5%.

India-Iran Trade Opportunities & Challenges

Brief on Iran's international sanctions:

Extensive international sanctions imposed on Iran from past appreciable time period maltreated Iran's economy and contributed to Iran's acceptance of agreements that exchange limitations on its nuclear program for sanctions liberation. The sanctions and related diplomatic stress, at least in part, caused or contributed to the following:

- Iran's crude oil exports plummeted from about 2.5 million barrels per day (mbd) in 2011 to about 1.1 mbd by mid-2013. The effect of that export volume lessening was further compounded by a fall in oil prices since mid-2014. Sanctions also made isolated about \$120 billion in Iranian reserves held in banks abroad.
- Iran's economy shrank by 9% in the two years that ended in March 2014, before stabilized in 2015 as a result of modest sanctions relief under an interim nuclear agreement that went into effect on January 20, 2014 and total sanctions relief came in mid 2015.

Brief on Iran's Economy:

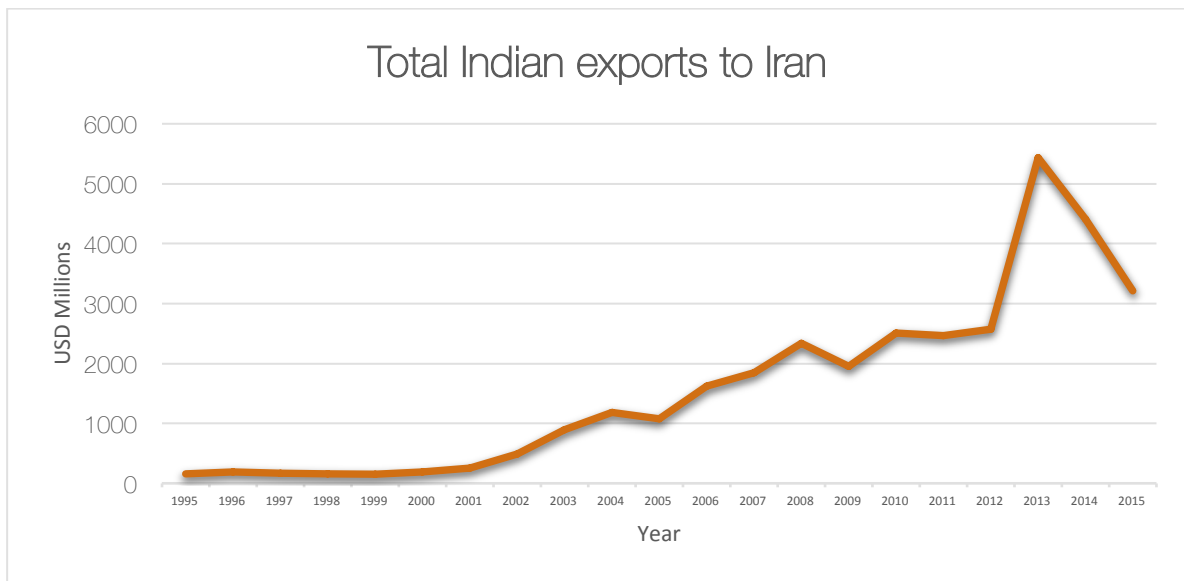
Iran has a strategically important location bordering Pakistan and Afghanistan and sitting atop the Persian Gulf and Hormuz Straits. Its rich deposits of oil and gas as well as other mineral resources, bolsters its important regional role. India's core interest in the bilateral relationship with Iran includes its need for steady and undisrupted supply of crude oil and gas as well as acquisition. Being the second largest economy of Middle East and North Africa Iran's GDP (nominal) stands at \$416.5 Billion in 2015. Iran possesses 10% of the world's proven oil reserves and 15% of its gas reserves making it the nucleus of energy. Relatively Iran is an isolated economy with most of its financial market not linked with global financial markets. Its merchandise trade to GDP is 33.61%, indicating relatively moderate magnitude of openness.

Economic Profile of Iran

• Nominal GDP	\$416.5 Billion (World rank 29)
• GDP at PPP	\$1.357 Trillion (World rank 18)
• GDP Per Capita	\$4, 769 Nominal Price (World rank 96)
• GDP at PPP	\$17,402 (World rank 71)
• Growth rate of GDP in 2015	4.3% (as per IMF estimates)
• HDI rank	69 th as per 2015 UNDP Report with score of 0.766
• Population in 2015	78.8 Million
• Contribution of agriculture in GDP	9.1%
• Contribution of Industries in GDP	40.6%
• Contribution of Services in GDP	50.3%
• Ease of doing business rank (2016)	118 th

Source: World Bank Data

India's export to Iran – A time guide

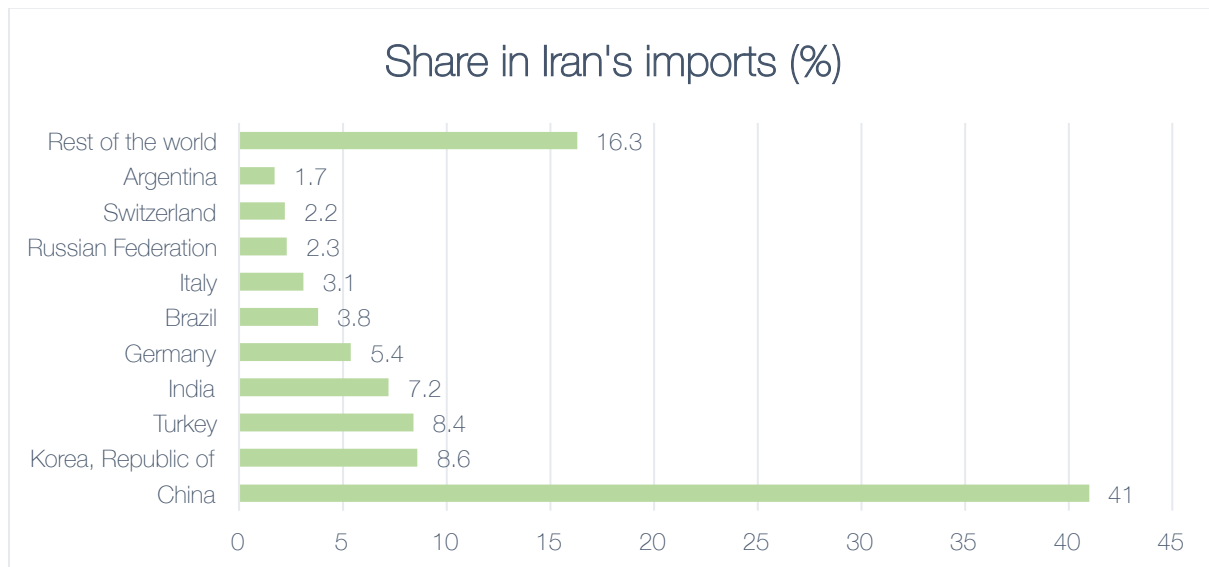


Source: UNCTAD Dataset, 2016

As per the above figure it can be easily captured that India's exports to Iran has surged appreciably post economic slowdown of 2008-09 till 2013-14. For the last two years our exports to Iran has fallen sharply mainly because of declines in rice exports as Iran raised the import duties on rice and we could not able to export at higher costs. As per ITC data, in 2015 India exported USD 3.128 billion worth of merchandise goods to Iran. Annual growth rate of exports to Iran during 2011-2015 was 11.2% while the same figures with respect to world was -2%, which shows though our exports visa viz world declined, with Iran it aggrandized.

Trade associations between India and Iran have viewed a significant rise during the last decade, with India's trade (exports + imports) with Iran escalating more than nine-fold, from US\$ 1.7 billion in 2005 to US\$ 15.7 billion in 2014. This buoyant inclination has been bolstered by rise in India's exports to and imports from Iran, with India's imports from Iran surpassing India's exports. India normally maintains a trade deficit with Iran which rose from US\$ 4.3 billion in 2006 to US\$ 10.8 billion in 2012, before contracting to US\$ 6.8 billion in 2014 (Due to Sacntions). India's exports to Iran include rice, machinery & instruments, metals, primary and semi-finished iron & steel, pharmaceuticals and fine chemicals, processed minerals, manmade yarn & fabrics, tea, organic/inorganic/agro chemicals, rubber manufactured products, etc.

Iran's import composition



Source: ITC Trade Map, 2016

From the graph it is lucid that China is the biggest destination for Iranian's import with 41% of its total import followed by South Korea, Turkey and India. Degree of concentration is extremely high signaling that the bilateral trade relation of Iran-China overshadows Iranian trade with rest of the world. India being one of the major exporting economies to Iran has an unrealized potential, which will bolster to escalate our exports to Iran.

Also Chinese economy is going through the major turmoil because of slowing down the Chinese exports to the world, increasing freight costs, ponderous bad loans as the total debt has aggrandized to 260% of the Chinese annual output which further exacerbates the potential to surge their global exports. Exports, which accounted for 34.9% of the economy in 2007 but merely 22.6% as of 2014, according to the World Bank, aren't likely to generate a boost, given slack demand from developed economies. [China claims that their economy in 2015-16 grew by 6.7% slowest in past two decades but economists and credit rating agencies like moody said the real growth of GDP of China is around 3.5%. Overall scenario is relatively pessimistic for Chinese economy thus India has prospect to increase her share of exports to Iran.](#)

Trade Intensity Index (TII)

The Trade Intensity Index determines the value of trade between two countries based on its relative importance in world trade. In other words, it determines whether a region exports more, (as a percentage), to a given destination as compared to the exports of the world to that destination. In essence, it is the share of one country’s exports going to a partner divided by the share of world exports going to that partner.

$$TII_{ij} = \frac{X_{ij}/X_{it}}{X_{wj}/X_{wt}}$$

Where X_{ij} and X_{wj} are the country I and world exports to country j respectively. X_{it} and X_{wt} are the total exports of country I and world.

TII/ Year	Trade Intensity Index of economies with whom Iran is a major importer		
	2013	2014	2015
TII (India-Iran)	5.54	4.31	5.47
TII (China-Iran)	2.22	3.68	2.95
TII (Turkey-Iran)	9.65	8.74	9.63
TII (South Korea-Iran)	2.79	2.57	2.70
TII (Germany-Iran)	0.60	0.76	0.66
TII (Brazil-Iran)	2.23	2.26	3.30

Source: Calculated from ITC Trade Map

From the values of trade intensity index we can capture the importance of India-Iran bilateral trade as it significant relatively w.r.t. to India-World trade. Our exports to Iran have surged continuously in past two decades and India has immense potential to burgeon our exports exponentially to Iran after identifying the potential commodities and facilitate it judiciously via appropriate platforms. Also, if we look through the export basket of India-Iran and import basket of India-world we can observe minimal overlap, which is computed by Trade Complementarity Index as well.

This is a lucid signal that India has caliber to expand the base of exports for Iran for manufactured commodities like Machinery, nuclear reactors, boilers, etc, Electrical, electronic equipment, Vehicles other than railway, tramway, Iron and steel which are also in the top list of major products imported by Iran worldwide.

For more than 80% of these manufacturing commodities at six digit HS code the value of Trade complementarity index¹ was very close to 100 signaling export potential.

Top 40 commodities exported from World to Iran in 2014 & 2015 in values, units USD Thousands

Product code	Product label	Iran, Islamic Republic of's imports from world			
		Value in 2014	Value in 2015	Share in 2014 (%)	Share in 2015 (%)
TOTAL	All products	53649618	43532385	100	100
'84	Machinery, nuclear reactors, boilers, etc	9766071	7101750	18.203	16.314
'85	Electrical, electronic equipment	4627908	3941564	8.626	9.054
'87	Vehicles other than railway, tramway	3760257	3196884	7.009	7.344
'72	Iron and steel	3214837	2625051	5.992	6.030
'10	Cereals	6376579	2580552	11.886	5.928
'39	Plastics and articles thereof	1956764	1800535	3.647	4.136
'90	Optical, photo, technical, medical, etc apparatus	1198460	1506142	2.234	3.460
'71	Pearls, precious stones, metals, coins, etc	11875	1438446	0.022	3.304
'30	Pharmaceutical products	1780024	1220966	3.318	2.805
'73	Articles of iron or steel	1054198	1199605	1.965	2.756
'48	Paper and paperboard, articles of pulp, paper and board	1304812	903926	2.432	2.076
'29	Organic chemicals	1390292	868734	2.591	1.996
'12	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes	481706	701723	0.898	1.612
'15	Animal,vegetable fats and oils, cleavage products, etc	1551252	675392	2.891	1.551
'40	Rubber and articles thereof	970450	660108	1.809	1.516
'94	Furniture, lighting, signs, prefabricated buildings	83394	654428	0.155	1.503
'23	Residues, wastes of food industry, animal fodder	1669981	616266	3.113	1.416
'55	Manmade staple fibres	448137	573150	0.835	1.317

'44	Wood and articles of wood, wood charcoal	720594	544379	1.343	1.251
'54	Manmade filaments	359514	521040	0.670	1.197
'38	Miscellaneous chemical products	851747	515532	1.588	1.184
'61	Articles of apparel, accessories, knit or crochet	2779	467898	0.005	1.075
'69	Ceramic products	164060	418892	0.306	0.962
'02	Meat and edible meat offal	533521	410375	0.994	0.943
'83	Miscellaneous articles of base metal	160109	387054	0.298	0.889
'24	Tobacco and manufactured tobacco substitutes	245837	385451	0.458	0.885
'76	Aluminium and articles thereof	305821	380878	0.570	0.875
'62	Articles of apparel, accessories, not knit or crochet	2234	362772	0.004	0.833
'27	Mineral fuels, oils, distillation products, etc	718228	357164	1.339	0.820
'28	Inorganic chemicals, precious metal compound, isotopes	435694	324915	0.812	0.746
'82	Tools, implements, cutlery, etc of base metal	122685	314929	0.229	0.723
'32	Tanning, dyeing extracts, tannins, derivs, pigments etc	327902	314555	0.611	0.723
'33	Essential oils, perfumes, cosmetics, toiletries	274267	310682	0.511	0.714
'96	Miscellaneous manufactured articles	100443	308574	0.187	0.709
'64	Footwear, gaiters and the like, parts thereof	6003	297309	0.011	0.683
'09	Coffee, tea, mate and spices	313887	285625	0.585	0.656
'70	Glass and glassware	165455	280737	0.308	0.645
'86	Railway, tramway locomotives, rolling stock, equipment	433547	204508	0.808	0.470
'42	Articles of leather, animal gut, harness, travel goods	4924	198865	0.009	0.457
'68	Stone, plaster, cement, asbestos, mica, etc articles	111686	191792	0.208	0.441

Source: ITC Data, 2016

According to the table, Iranian's imports from world, Machinery, nuclear reactors, boilers e.t.c has a share of 16.31% followed by Electrical, electronic equipment, Vehicles other than railway, tramway, Iron and steel, Cereals, Plastics and articles thereof, Optical, photo, technical, medical, etc apparatus, Pearls, precious stones, metals, coins, etc, Pharmaceutical products, Articles of iron or steel, Paper and paperboard, articles of pulp, paper and board, Organic chemicals. All together their share is around 66% or near about two-third of world's total exports.

1. *Annexure A* –
Top 100 products imported by Iran at 6 digit HS Code
2. *Annexure B* -
Product wise analysis of commodities at 6 digit which India can export & avail the opportunity

*Top 50 products at HS four digit exported from India to Iran as per the values in USD
Thousands*

Product Code	Product Label	India's exports to Iran, Islamic Republic of				Equivalent ad valorem tariff applied by Iran, Islamic Republic of to India	Share in total exports to Iran in %	India's RCA ⁱⁱ in 2015
		Value in 2015, USD thousand	Annual growth in value between 2011-2015, %, p.a.	Share in India's exports, %	Share in total exports to Iran in %			
TOTAL	All products	3126869	11	1.2		100	-	
'1006	Rice	729711	9	11.4	44.4	23.33679	19.36	
'7208	Flat-rolled products of iron/non-al/s width >/=600mm, hr, not clad	286989	274	37.5	4	9.178159	1.07	
'0902	Tea	107967	17	15.9	33.6	3.452879	7.12	
'8711	Motorcycles, side-cars	55140	89	3.1	65	1.763425	6.02	
'2942	Organic compounds, nes	54707	10	4.2	27.3	1.749578	41.30	
'4802	Uncoated paper for writing, printing etc.	51019	45	16.9	7.9	1.631632	1.02	
'7225	Flat-rolled products of other alloy steel, of a width of 600mm or more	50383	169	39.7	4	1.611292	0.30	
'5607	Twine, cordage & cable, with rubber/plastic	49802	198	22.5	18.9	1.592711	0.32	
'7210	Flat-rolled prod of iron or non-al/s wd >/=600mm, clad, plated or coated	46541	7	3.6	8.4	1.488422	1.84	
'2304	Soya-bean oil-cake and other solid residues	45931	0	10.5	4	1.468913	0.99	
'7202	Ferro-alloys	42235	10	3.2	22.8	1.350712	3.33	

'3004	Medicament mixtures (not 3002, 3005, 3006), put in dosage	38944	5	0.3	21.3	1.245463	2.01
'5503	Synthetic staple fibres, not carded	38395	72	15.5	10.3	1.227906	2.13
'2710	Petroleum oils, not crude	33892	49	0.1	12.4	1.083896	3.40
'5205	Cotton yarn (not sewing thread) 85% or more cotton, not retail	31357	24	0.8	32.6	1.002824	18.23
'4001	Natural rubber, balata, gutta-percha etc	30746	139	92.1	4	0.983284	0.14
'8409	Part for use solely/principally with the motor engines	28991	26	3.1	10	0.927157	0.92
'2941	Antibiotics	26976	16	3.2	26.7	0.862716	4.43
'7113	Articles of jewellery&parts thereof	25718	1078	0.3	10	0.822484	8.65
'8545	Carbon electrodes / brushes / lamp carbons	24462	-14	12.4	10.7	0.782316	2.77
'0303	Fish, frozen, whole	24313	34	4.2	19.9	0.777551	1.81
'5504	Artificial staple fibres, not carded	23722	78	8.8	4	0.75865	6.92
'3808	Insecticides, fungicides, herbicides packaged for retail sale	23234	21	1.2	15.3	0.743044	3.70
'5515	Woven fabrics of synthetic staple fibres, nes	23034	-9	3.5	70	0.736647	11.03
'2930	Organo-sulphur compounds	21578	734	20.6	4	0.690083	0.75
'1207	Oil seeds	21325	62	4.1	5.3	0.681992	6.66
'7601	Unwrought aluminium	21133	413	1.4	4	0.675852	1.81

'8421	Centrifuges, incl centrifugal dryers; filtering/purifying machinery	21081	13	4.2	13.1	0.674189	0.53
'3204	Synthetic organic coloring matter & preparations	20418	23	1.1	8.6	0.652985	8.85
'1701	Cane or beet sugar and chemically pure sucrose, in solid form	20332	-8	1.7	27.2	0.650235	3.27
'8544	Insulated wire/cable	19982	136	2.8	33.2	0.639042	0.40
'2933	Heterocyclic compounds with nitrogen hetero-atom; nucleic acids & thei	19038	29	1.2	20.7	0.608852	1.47
'0202	Meat of bovine animals, frozen	18501	-32	0.5	4	0.591678	11.13
'3815	Reaction initiators & accelerators, catalytic prep, nes	18493	-5	12.1	4	0.591422	0.61
'7117	Imitation jewellery	17353	32	6.3	40	0.554964	2.10
'4011	New pneumatic tires, of rubber	17215	-20	1.3	36.6	0.550551	1.12
'0910	Ginger, saffron, turmeric, thyme, bay leaves & curry	17120	18	4.6	40.5	0.547513	9.71
'3002	Human & animal blood; antisera, vaccines, toxins, micro-organism cultu	17087	52	2.5	7.2	0.546457	0.34
'5509	Yarn of synth staple fibre, not put for retail sale	16850	-9	3.4	24.2	0.538878	5.92
'8514	Industrial/laborator y elec furnaces&ovens	15660	24	20.2	16.8	0.50082	0.93
'3823	Binders for foundry molds or cores; chemical products and residuals ne	15209	297	7.5	9.8	0.486397	1.68

'2007	Jams,fruit jellies & marmalades	15105	12	11.4	42.8	0.483071	3.19
'7222	Bars & rods of stainless steel nes; angles, shapes	14882	-1	2.3	10	0.475939	7.70
'8504	Electric transformer,static converter (for example rectifiers)	13814	31	1.2	20.3	0.441784	0.77
'3907	Polyacetal,o polyether,epoxide resin,polycarbonat e,etc,in primary form	13295	26	1.8	10.5	0.425186	0.88
'2915	Saturated acyclic monocarboxylic acids & their derivatives	12976	43	2.4	13	0.414984	2.62
'2818	Aluminium oxide (incl artificial corundum); aluminium hydroxide	12651	-43	2.7	5.4	0.40459	2.04
'8516	Electric instantaneous water heater,space htg; hair dryer	12034	483	20.2	47	0.384858	0.08
'8523	Prepared unrecordd media for sound record (tapes)	11816	146	4.5	22.4	0.377886	0.30
'0801	Brazil nuts, cashew nuts & coconuts	11358	21	1.3	38.7	0.363239	8.63
'3302	Odoriferous mixtures as raw materials for industry	11125	137	4.6	12	0.355787	0.71

Source: Calculation based on ITC Data, 2016

As per the table India exports mainly agricultural and processed foods, Vehicles other than railway, tramway, organic compounds, Textiles (Cotton yarn), Soya bean oil cakes, Pharmaceuticals, Natural rubber, Iron and Steel, Petroleum oils, Electrical and electronic equipment's, Animal & vegetables fats and oils, manmade staple fibers e.t.c

Most of the commodities we export to Iran are those in which we have comparative advantage (as per RCA values). Only Flat-rolled products of other alloy steel, Twine, cordage & cable, with rubber/plastic, Organo- sulphur compounds, centrifugal dryers; filtering/purifying machinery, Insulated wire/cable, Industrial/laboratory electrical furnaces & ovens, Electric transformer, static converter are in the list of top 50 products which we export to Iran but we are not competitive and our major competitor is China. We export these commodities because Iran's requirement is colossal and we export to a few nations including Iran.

Also Equivalent ad valorem tariff applied by Iran to India is higher for few commodities in which India has comparative advantage which are: Rice (44.4%), Tea (33.6%), Motorcycles, side cars (65%), cotton yarns (32.6%), Woven fabrics of synthetic staple fibers (70%).

Tariff and Non-Tariff barriers in Iran

Iran has extensive tariffs on imports and exports across a range of goods in the country. Imports valued at over US\$50 000 are subject to a pre-shipment quantity and quality inspection. The inspector must be an internationally recognized organization that inspects all goods at the country of origin. The Iranian Embassy has imposed a variety of tax/tariff rates on varying goods, ranging from 10 to 25 per cent, with automotive vehicles at 100 per cent.

The government has passed a law that bans imports of foreign goods and services that are already being produced domestically like petrochemicals, steel and copper products. Other important manufactures include automobiles, home and electric appliances, telecommunications equipment.

Indirect taxes such as value added tax (VAT) is a set rate per goods, ranging from three to 10 per cent and some goods may be subject to double taxation if also required from the country of origin. In 2015 it is set that VAT is going to increase by one per cent to generate more revenue for the country.

There is a variety of items which are exempt from taxes being imported into Iran, some popular items are:

- unprocessed agricultural products
- flour, bread, sugar, rice, milk cheese
- machinery
- livestock and animals
- Feedstock and pesticides.

Iran currently has free trade zones which avoid the non-tariff barriers such as value added services (VAT). These specialized economic zones have been established to provide:

- 100 per cent foreign ownership
- flexible monetary control
- no entry visa required
- 20 years tax exemption.

Tariff structure of Iran

Sr.No.	Commodities	MFN- Simple avg. to world	Effectively applied rate. Simple avg to world	Tariff lines (0 to 5%) for developing nations	Tariff lines (0 to 5%) for world	Tariff lines (50% to 100%) for developing nations	Tariff lines (50% to 100%) for world
1	Ores and Metals	8%	9.1%	455	815	0	0
2	Manufactured goods	25.4%	21.4%	9012	18683	2008	3375
3	Chemical Products	10.6%	12.4%	3550	7165	47	164
4	Machinery and Transport equipment	17.2%	16.9%	2969	6524	438	879
5	Other manufactured	36.1%	29.5%	2493	4994	1523	2332
6	Agricultural commodities	30%					

Source: UNCTAD Dataset, 2016

Major commodities imported by Iran from World but not from India at six digit HS Code:

'100119	Durum wheat (excl. seed for sowing)
'870323	Automobiles w reciprocating piston engine displacement > 1500 cc to 3000 cc
'100590	Maize (corn) nes
'852990	Parts suitable for use solely/principally with the application of headings 85.25 to 85.28
'100510	Maize (corn) seed
'851761	Base stations of apparatus for the transmission or reception of voice,
'150710	Soya-bean oil crude, whether or not degummed
'847989	Machines & mechanical appliances nes having individual functions
'100111	Durum wheat seed for sowing
'847480	Machinery for agglomeration of mineral fuels, machinery for foundry moulds of sand etc nes
'841391	Parts of pumps for liquid whether or not fitted with a measuring device
'851762	Machines for the reception, conversion and transmission or regeneration
'851712	Telephones for cellular networks mobile telephones or for other wireless
'847130	Portable digital computers <10kg
'841410	Vacuum pumps
'852560	Transmission apparatus for radio-broadcasting or television, incorporated
'870410	Dump trucks designed for off-highway use
'870850	Drive axles with differential for motor vehicles
'860210	Rail locomotives, diesel-electric
'270400	Coke & semi-coke of coal, lignite or peat, agglomerated or not, retort carbon

After analyzing India's and world's exports to Iran it can be said that India lacks in exporting manufactured commodities mainly Machinery, nuclear reactors, boilers, etc, Electrical electronic equipment, Iron and steel, Plastics and articles thereof, Optical, photo, technical, medical, etc apparatus Pearls, precious stones, metals, coins, etc, Ceramic products, Spices other than tea & Ginger, saffron, turmeric, thyme, bay leaves & curry, Articles of apparel, accessories, knit or crochet and other commodities.

To fetch the benefit from Iran's import India needs to develop primarily her manufactured sector as Machinery, electronic, electrical equipment, Vehicles other than railways and tramways and Iron and steel tops the list of Iran's import together consisting of 40% of Iran's import.

Top Import origins of Iran (Competitor of India)

Economy	Absolute values of Imports in USD Billion	Share of Total Imports (%)	Major commodities imported by Iran
China	18.1 USD Billion	41%	Articles of leather (98.4%), Ceramic products (91%), Vehicles other than railway, tramway (63%), Plastic and Articles (51.5%), Machinery and Instrument (45.2%), Electrical, electronic equipment (14.7%)
India	3.21 USD Billion	7.2%	Milling products, malt, starches, inulin, wheat gluten (75.8%), Ores, Slags and ash (75%), Lead and articles thereof (63.4%), vegetable textiles fibres nes paper yarn, woven fabric(59.1%), Coffee, tea mate & Spices (47.6%), Nickle and articles thereof (42.8%), , Wadding, felt, nonwovens, yarns, twine, cordage, etc. (39.7%), Cereals (28.7%),Organic chemicals (27.3%), Copper and articles thereof (23%), Manmade staple fibres (22.2%), Cotton (21.4%), Iron and Steel (18.2%),Machinery (2.5%)
Republic of Korea	3.75 USD Billion	8.6%	Tin and articles thereof (52.3%), Plastics and articles thereof (29.1%), Vehicles other than railway tramway (22.2%) Iron and steel (17.9), Paper and paperboard articles of pulp, paper and board (17.8%), Beverages, spirits and vinegar (16.5%) Optical, photo, technical, medical, etc apparatus (15.4%)
Turkey	3.66 USD Billion	8.4%	Explosives, pyrotechnics, matches, pyrophorics, etc (99.8%), Arms and ammunition, parts and accessories thereof (63%), Pearls, precious stones, metals, coins, etc (61.9%), Cocoa and cocoa preparations (61%), Vegetable plaiting materials, vegetable products nes (45.6%) Albuminoids, modified starches, glues, enzymes (37.2%), Tobacco and manufactured tobacco substitutes (34.6%), Carpets and other textile floor coverings (31.8%),
Germany	2.34 USD Billion	5.4%	Aircraft, spacecraft, and parts thereof (39.2%), Cereal, flour, starch, milk preparations and products (25%), Carpets and other textile floor coverings (23.8%), Live animals (22.6%), Miscellaneous edible preparations (21.2%), Pharmaceutical products (20.3%), Furskins and artificial fur, manufactures thereof (20.3%)
Brazil	1.66 USD Billion	3.8%	Meat and edible meat offal (93.5%), Sugars and sugar confectionery (65.7%), Oil seed, oleagic fruits, grain, seed, fruit, etc, nes (30.1%) Residues, wastes of food industry, animal fodder (29.1%), Cereals (28.5%)

Source: ITC Trade Map, 2016

Conclusion

Indian products which are exported to Iran are mainly primary commodities with low Gross Value attached which ameliorates in making our exports values truncated. Turkey, South Korea and China exports manufactures commodities making their exports cherished. Machinery and Instrument tops in Iran's import list but our share of export in Iran's import of Machinery and Instrument is merely 2.5%.

In the next pages, we have identified list of potential commodities which India can primarily produce especially for exporting purpose in Iran. Such commodities and their respective industrial sector can be facilitated in production mode under the flagship program of Make in India. The Make in India program was launched by Prime Minister Shri Narendra Modi in September 2014 as part of a wider set of nation-building initiatives. Concocted to transform India into a global design and manufacturing hub, Make in India was a timely response to a critical situation: by 2013, the much-hyped emerging markets bubble had burst, and India's growth rate had fallen to its lowest level in a decade.

ⁱ The trade complementarity index indicates to what extent the export profile of the reporter matches, or complements, the import profile of the partner. A high index may indicate that two countries would stand to gain from increased trade, and may be particularly useful in evaluating prospective bilateral or regional trade agreements.

Range of Values: 0 to 100. A score of 100 indicates ideal trading partners; a score of 0 indicates that the two countries are perfect competitors.

ⁱⁱ This index measures the intensity to export a particular commodity. If an economy is competitive enough in exporting a particular commodity then the value of the index should exceed one. It helps identify the possibilities of intra trade expansion. A higher than one value indicates a revealed comparative advantage in that particular sector.

A formula of this index is:
$$RCA_{ij} = \frac{\frac{X_{ij}}{\sum_i X_{ij}}}{\frac{\sum_i X_{ij}}{\sum_i \sum_j X_{ij}}}$$

Where X_{ij} represents economy i 's exports of product j . $\sum_i X_{ij}$ is the total exports of country i . $\sum_j X_{ij}$ is the exports of j th commodity of world. $\sum_i \sum_j X_{ij}$ is the world export. If Balassa's $RCA_{ij} > 1$, then economy is competitive in exporting that commodity and vice versa if $RCA_{ij} < 1$

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Potential Commodities for exporting in Iran at HS Codes six digit

All the potential commodities all classified in three priority lists.

Priority list 1-

Consists those commodities which has presence in Iranian market but it needs further escalation in those markets to grab the maximum opportunity.

1. Rice, semi-milled or wholly milled, whether or not polished or glazed
2. Soya-bean oil-cake & others solid residues ,whether or not ground or pellet
3. Hot roll iron/steel nes, coil >600mm x <3mm
4. Medicaments nes, in dosage
5. Raw sugar, cane
6. Maize (corn) seed
7. Bovine cuts boneless, frozen
8. Machines & mechanical appliances nes having individual functions
9. Sunflower-seed or safflower oil, crude
10. Barley (excl. seed for sowing)
11. Parts of refrigerating or freezing equipment, nes
12. Carbon or graphite electrodes, of a kind used for furnaces
13. Black tea (fermented) & partly fermented tea in packages exceedg 3 kg
14. Pneumatic tires new of rubber for buses or lorries
15. Uncoated paper and paperboard, of a kind used for writing, printing or
16. Shovels and excavators with a 360 revolving superstructure
17. Staple fibres of acrylic or modacrylic, not carded or combed
18. Flat rolled prod,i/nas,plated or coated with zinc,>/=600mm wide, nes
19. Uncoated paper and paperboard, of a kind used for writing, printing or
20. Antibiotics nes, in bulk
21. Insecticides
22. Other petroleum oils and preparations

Above listed commodities are in top hundred commodities imported by Iran and India has presence in Iranian market but share in not significant apart from Rice, semi-milled or wholly milled, whether or not polished or glazed. As all these products are fairly exported by us to the world which means we have export capacity but unable to export significantly to Iran. Escalation in exports of these commodities will bolster our trade balance with Iran.

Priority list 2-

Consists those commodities which we export to rest of the world and has competitiveness but meagerly export in Iranian market. Since the current exports of these commodities are negligible, surge in initial exports of these commodities in Iranian market will bolster our revenue with a significant intensity as major sectors have unrealized exports.

1. Automobiles w reciprocating piston engine displacing > 1500 cc to 3000 cc
2. Maize (corn) nes
3. Parts suitable f use solely/princ w the app of headings 85.25 to 85.28
4. Parts of pumps for liquid whether or not fitted with a measuring device
5. Light petroleum oils and preparations
6. Machines for the reception, conversion and transmission or regeneration
7. Iron ores & concentrates, other than roasted iron pyrites, agglomerated
8. Telephones for cellular networks mobile telephones or for other wireless
9. Portable digital computers <10kg
10. Dump trucks designed for off-highway use
11. Drive axles with differential for motor vehicles
12. Antibiotics nes, in dosage
13. Air conditioning machines window or wall types, self-contained
14. Cold rolled iron/steel, coils >600mm x 0.5-1mm
15. Line pipe of a kind used for oil or gas pipelines, seamless, of iron o
16. Food preparations nes
17. Brakes and servo-brakes and their parts, for tractors, motor vehicles
18. Taps, cocks, valves and similar appliances, nes
19. Parts of sorting/screening/mixing/crushing/grinding/washing/agglomerating machines etc
20. Cotton, not carded or combed
21. Centrifugal pumps nes
22. Front end shovel loaders
23. Insecticides
24. Woven fabrics, >/=85% of textured polyester filaments, dyed, nes
25. Parts of air conditioning machines

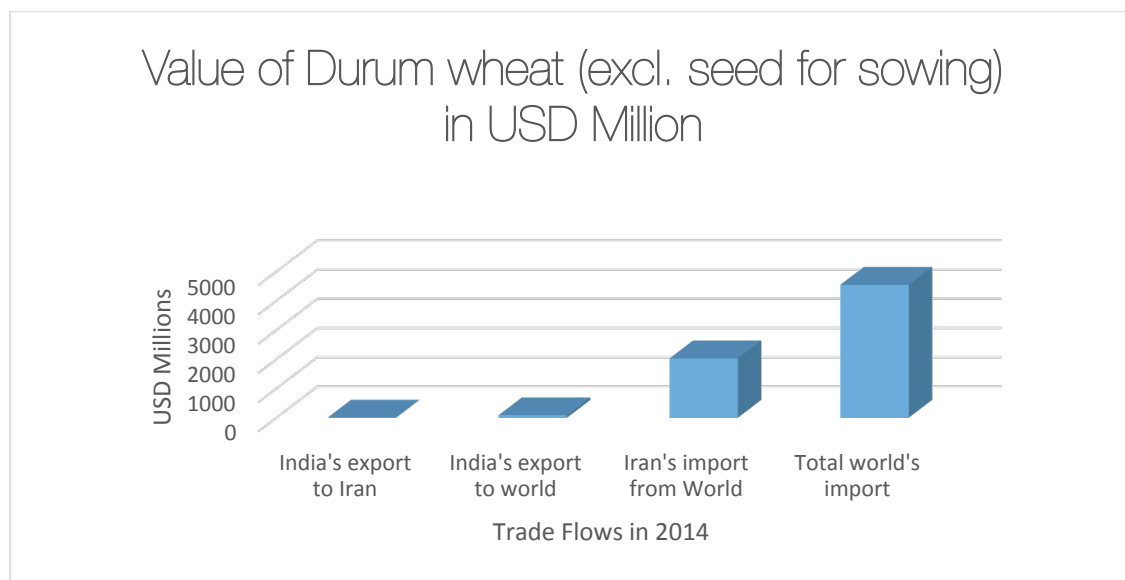
Priority list 3-

Consists those top commodities in terms of values imported by Iran from world but India neither exports to Iran nor to World.

If we start focusing to produce these commodities primarily to export, initially with the support of government’s initiative like flagship scheme “Make in India” or “Startup India” in medium and long run we can be competitive in exporting these commodities and perceptibly this will help in increasing our employment as well.

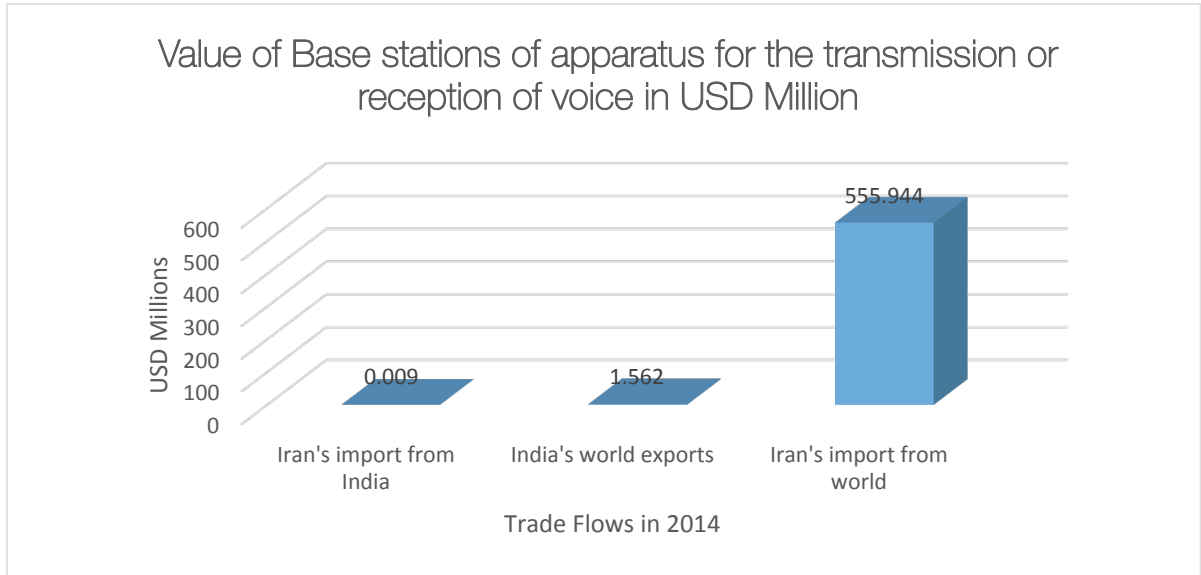
1. Durum wheat (excl. seed for sowing): we export nil to Iran and only 81 USD Millions of Durum wheat (excl. seed for sowing) to the world but Iran’s import 2023 USD Millions of Durum wheat (excl. seed for sowing) from world. Iran is a huge market for this commodity even way larger than the market for rice in which our share of import to Iran is maximum.

Iran imports 1626 USD Millions of Rice, semi-milled or wholly milled, whether or not polished or glazed and we export 1317 USD Millions of Rice, semi-milled or wholly milled, whether or not polished or glazed which is 81% of Iran’s demand. Switzerland, UAE, Germany and Turkey are the leading suppliers of this commodity to Iran.



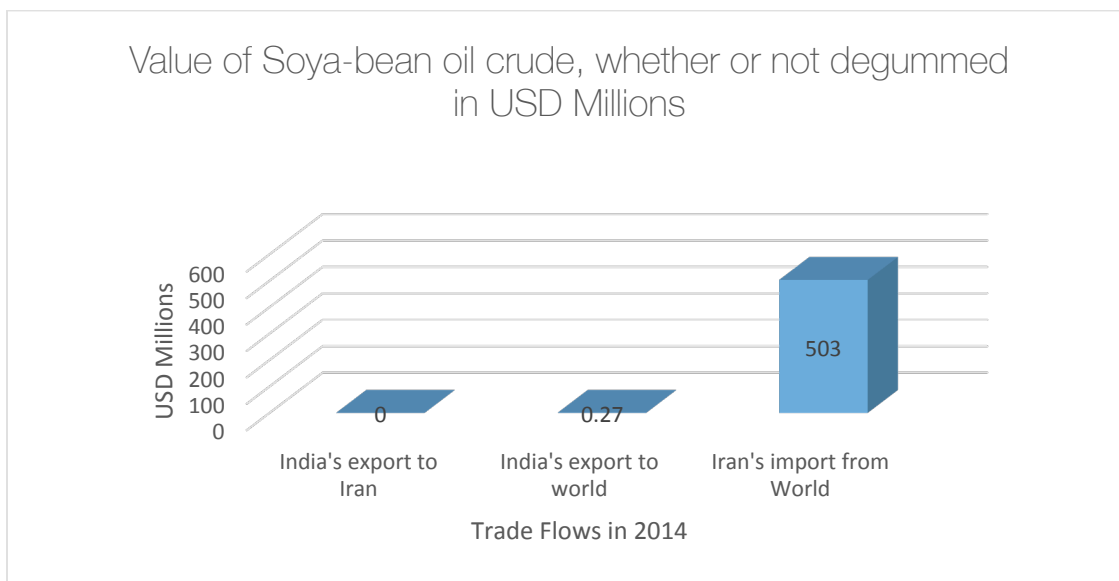
Source: ITC Trade Map, 2016

2. Base stations of apparatus for the transmission or reception of voice,



Source: ITC Map, 2016

3. Soya-bean oil crude, whether or not degummed



Source: ITC Map, 2016

For the below mentioned commodities also, the scenario is analogous to Base stations of apparatus for the transmission or reception of voice and Soya-bean oil crude, whether or not degummed with huge opportunities in Iranian markets but nullity scenario of Indian exports.

4. Plantains
5. Road tractors for semi-trailers (truck tractors)
6. Palm kernel/babassu oil their fract, refind but not chemically modified
7. Durum wheat seed for sowing
8. Parts of household or laundry-type washing machines, including comb machinery
9. Sorting/screening/separating or washing machines for stone/ores or other min etc
10. Vacuum pumps
11. Butter
12. Transmission apparatus for radio-broadcasting or television, incorporate
13. Dump trucks designed for off-highway use
14. Air conditioning machines window or wall types, self-contained
15. Hot or combination hot & cold metal rolling mills

Annexure A: Top 100 Products Imported By Iran From World As Per The Values In USD Thousands In 2014

Product code	Product label	Iran's import from India	India's world exports	Iran's import from world	Share in % of imports from India	Share in % of India's world exports	Share in % of imports from world of Iran
		Value in 2014	Value in 2014	Value in 2014	in %	in %	in %
TOTAL	All products	4117191	3.18E+08	53649618	100	100	100
'100119	Durum wheat (excl. seed for sowing)	0	81138	2023025	0.000	0.026	3.771
'870323	Automobiles w reciprocating piston engine displacement > 1500 cc to 3000 cc	29	835521	1987267	0.001	0.263	3.704
'100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	1317629	7537677	1626877	32.003	2.374	3.032
'230400	Soya-bean oil-cake&other solid residues, whether or not ground or pellet	390506	1180724	1547219	9.485	0.372	2.884
'100590	Maize (corn) nes	5707	808461	1338575	0.139	0.255	2.495
'999999	Commodities not elsewhere specified	279	959798	1281689	0.007	0.302	2.389
'852990	Parts suitable for use solely/principally with the apparatus of headings 85.25 to 85.28	0	133649	876049	0.000	0.042	1.633
'720839	Hot roll iron/steel nes, coil >600mm x <3mm	46254	303679	709556	1.123	0.096	1.323
'300490	Medicaments nes, in dosage	43219	8288881	676660	1.050	2.610	1.261
'170111	Raw sugar, cane	167951		657926	4.079	0.000	1.226
'100510	Maize (corn) seed	12457	31889	582999	0.303	0.010	1.087
'851761	Base stations of apparatus for the transmission or reception of voice,	9	1562	555944	0.000	0.000	1.036
'150710	Soya-bean oil crude, whether or not degummed	0	27	502583	0.000	0.000	0.937

'020230	Bovine cuts boneless, frozen	43097	471904 3	487459	1.047	1.486	0.909
'847989	Machines & mechanical appliances nes having individual functions	16320	344141	456721	0.396	0.108	0.851
'151211	Sunflower-seed or safflower oil, crude	31993	88	438156	0.777	0.000	0.817
'100390	Barley (excl. seed for sowing)	72113	122412	418519	1.752	0.039	0.780
'080310	Plantains	712	98	392804	0.017	0.000	0.732
'870120	Road tractors for semi-trailers (truck tractors)	2881	28504	387051	0.070	0.009	0.721
'151329	Palm kernel/babassu oil their fract,refind but not chemically modifid	0	1666	372155	0.000	0.001	0.694
'100111	Durum wheat seed for sowing	0	94	360134	0.000	0.000	0.671
'847480	Mach f agglomeratg mineral fuels,mach f foundry moulds of sand etc nes	1228	15402	348732	0.030	0.005	0.650
'841391	Parts of pumps for liquid whether or not fitted with a measurg device	141	290885	334900	0.003	0.092	0.624
'271012	Light petroleum oils and preparations	54996	197427 87	330408	1.336	6.217	0.616
'841899	Parts of refrigerating or freezing equipment, nes	23679	49513	321201	0.575	0.016	0.599
'851762	Machines for the reception, conversion and transmission or regeneratio	1297	135904	315473	0.032	0.043	0.588
'260112	Iron ores & concentrates,other than roasted iron pyrites,agglomerated	6685	191006	315197	0.162	0.060	0.588
'854511	Carbon or graphite electrodes, of a kind used for furnaces	131266	283781	296055	3.188	0.089	0.552
'841430	Compressors of a kind used in refrigerating equipment	7208	32893	278941	0.175	0.010	0.520

'851712	Telephones for cellular networks mobile telephones or for other wirele	0	561601	275127	0.000	0.177	0.513
'847130	Portable digital computers <10kg	0	30970	271863	0.000	0.010	0.507
'310310	Superphosphates, in packages weighing more than 10 kg	0	422	268843	0.000	0.000	0.501
'090240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg	97255	577850	263624	2.362	0.182	0.491
'401110	Pneumatic tire new of rubber f motor car incl station wagons&racg cars	3600	98615	262295	0.087	0.031	0.489
'845090	Parts of household or laundry-type washg machines,includg comb machy	0	8202	240944	0.000	0.003	0.449
'847410	Sorting/screening/separat g or washg mach for stone/ores or oth min etc	2	22420	232023	0.000	0.007	0.432
'441114	Medium density fibreboard MDF of wood, of a thickness > 9 mm	483	36	230489	0.012	0.000	0.430
'401120	Pneumatic tires new of rubber for buses or lorries	16426	575422	228254	0.399	0.181	0.425
'841410	Vacuum pumps	29	8623	223181	0.001	0.003	0.416
'720610	Ingots, iron or non-alloy steel, of a purity of less than 99.94% iron	2203	74	205337	0.054	0.000	0.383
'901839	Needles, catheters, cannulae and the like, nes	7562	220974	199774	0.184	0.070	0.372
'390311	Polystyrene, expansible	1016	9992	199070	0.025	0.003	0.371
'300210	Antisera and other blood fractions	2004	47849	197228	0.049	0.015	0.368
'040510	Butter	0	12533	196720	0.000	0.004	0.367
'300439	Hormones nes, not containing antibiotics, in dosage,o/t contraceptive	4112	78323	195165	0.100	0.025	0.364
'852560	Transmission apparatus for radio-broadcasting or television, incorpora	0	13701	185355	0.000	0.004	0.345

'870410	Dump trucks designed for off-highway use	0	92244	181731	0.000	0.029	0.339
'870850	Drive axles with differential for motor vehicles	1048	184644	178673	0.025	0.058	0.333
'860210	Rail locomotives, diesel-electric	0	24494	176440	0.000	0.008	0.329
'270400	Coke&semi-coke of coal,lignite o peat,agglomeratd o not,retort carbon	0	19654	176341	0.000	0.006	0.329
'300420	Antibiotics nes, in dosage	1316	911596	175764	0.032	0.287	0.328
'841510	Air conditioning machines window or wall types, self-contained	0	38056	168850	0.000	0.012	0.315
'480257	Uncoated paper and paperboard, of a kind used for writing, printing or	13923	63327	168804	0.338	0.020	0.315
'842952	Shovels and excavators with a 360 revolving superstructure	14157	145767	164242	0.344	0.046	0.306
'550330	Staple fibres of acrylic or modacrylic, not carded or combed	26243	32080	160772	0.637	0.010	0.300
'721049	Flat rolled prod,i/nas,plated or coated with zinc,>/=600mm wide, nes	45409	993271	159972	1.103	0.313	0.298
'440710	Lumber, coniferous (softwood) 6 mm and thicker	2002	86	157364	0.049	0.000	0.293
'720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm	3174	125229	157193	0.077	0.039	0.293
'845521	Hot or combination hot & cold metal rolling mills	0	6055	157136	0.000	0.002	0.293
'481190	Paper,in rolls o sheets,ctd,impreg,cov,surf-col,surf-dec o printd,nes	1607	9186	156933	0.039	0.003	0.293
'730419	Line pipe of a kind used for oil or gas pipelines, seamless, of iron o	1	118209	152624	0.000	0.037	0.284
'722790	Bars&rods,alloy steel,o/t stainless hr,in irregularly wound coils,nes	1987	13152	148693	0.048	0.004	0.277

'210690	Food preparations nes	6274	168442	148064	0.152	0.053	0.276
'480255	Uncoated paper and paperboard, of a kind used for writing, printing or	26792	39814	142903	0.651	0.013	0.266
'721012	Flat rolled prod,i/nas,plated or coated with tin,>/=600mm wide,<0.5mm thk	53	57703	142492	0.001	0.018	0.266
'870830	Brakes and servo-brakes and their parts, for tractors, motor vehicles	25	156605	141568	0.001	0.049	0.264
'730429	Casings,,tubing, drill pipe, for oil drilling use	262	58216	140422	0.006	0.018	0.262
'840690	Parts of steam and vapour turbines	978	51871	137754	0.024	0.016	0.257
'151190	Palm oil and its fractions refined but not chemically modified	0	112	133101	0.000	0.000	0.248
'292910	Isocyanates	15243	24302	132055	0.370	0.008	0.246
'848180	Taps, cocks, valves and similar appliances, nes	3089	717671	130273	0.075	0.226	0.243
'721391	Hot rolled bar/rod, irregular coils, <14mm diam	2739	81503	130110	0.067	0.026	0.243
'847490	Pts of sortg/screeng/mixg/crushg /grinding/washing/agglom eratg mach etc	965	147168	128649	0.023	0.046	0.240
'520100	Cotton, not carded or combed	3779	282165 1	123699	0.092	0.889	0.231
'844630	Machines for weavg fabrics of a width exceedg 30 cm shuttleless type	63	1296	122252	0.002	0.000	0.228
'381121	Lubricatg oil additives cntg pet oils/oils obtained from bitu minerals	5482	34090	120818	0.133	0.011	0.225
'390720	Polyethers nes	1343	66080	120567	0.033	0.021	0.225
'294190	Antibiotics nes, in bulk	25882	581836	119761	0.629	0.183	0.223
'842230	Mach f fil/clos/seal/etc.btle/can/box/ bag/ctnr nes,mach f aeratg bev	1919	96501	118706	0.047	0.030	0.221
'720827	Hot roll steel, coil, pickled >600mm wide <3mm thick	12616	39654	118069	0.306	0.012	0.220

'840999	Parts for diesel and semi-diesel engines	12547	584914	117325	0.305	0.184	0.219
'390690	Acrylic polymers nes, in primary forms	1432	65719	116651	0.035	0.021	0.217
'841370	Centrifugal pumps nes	766	201535	115044	0.019	0.063	0.214
'240220	Cigarettes containing tobacco	0	117732	114965	0.000	0.037	0.214
'842951	Front end shovel loaders	0	37755	111898	0.000	0.012	0.209
'380891	Insecticides	20120	784425	110738	0.489	0.247	0.206
'847050	Cash registers	0	447	110552	0.000	0.000	0.206
'852580	Television cameras, digital cameras and video camera recorders	0	29838	109990	0.000	0.009	0.205
'841199	Parts of gas turbines nes	282	57747	108477	0.007	0.018	0.202
'540752	Woven fabrics, >=85% of textured polyester filaments, dyed, nes	0	154135	104935	0.000	0.049	0.196
'847170	Computer data storage units	1297	34610	102269	0.032	0.011	0.191
'120991	Seeds, vegetable, nes for sowing	618	44634	102136	0.015	0.014	0.190
'381190	Prepared additives for mineral oils or for other similar liquids, nes	602	50635	101311	0.015	0.016	0.189
'392190	Film and sheet etc, nes of plastics	2300	152607	100473	0.056	0.048	0.187
'848210	Bearings, ball	1620	58377	100100	0.039	0.018	0.187
'271019	Other petroleum oils and preparations	29603	406821 52	99968	0.719	12.811	0.186
'400110	Natural rubber latex, whether or not prevulcanised	1461	1545	99818	0.035	0.000	0.186
'843920	Machinery for making paper or paperboard	1112	5177	97472	0.027	0.002	0.182
'300340	Alkaloids/their derivs,formltd,not cntg antibiotics/hormones,in bulk	0	4863	97325	0.000	0.002	0.181
'841590	Parts of air conditioning machines	36	71876	96774	0.001	0.023	0.180

Annexure B - Product wise analysis of Iran's import and India's opportunities

Top commodities amongst HS 10 at six digits imported by Iran as
per value of World's import: **Cereals**

Product Code	Product Label	Value in 2015, USD thousand (World's export to Iran)	Annual growth in value between 2011-2015, %, p.a.	Iran's Share in world imports, %	India's RCA Values in 2015
'100630	Rice, semi-milled or wholly milled, whether or not polished or glazed	776220	3	4.8	23.24
'100300	Barley	279288	6	3.5	0.15
'100590	Maize (corn) nes	831652	3	3	0.45
'100190	Wheat nes and meslin	670140	105	2	0.28
'100820	Millet	2546	88	1.7	11.54
'100110	Durum wheat	11760	180	0.2	0.037
'100510	Maize (corn) seed	6160	-10	0.2	0.43
'100640	Rice, broken	2762		0.1	10.23

Top commodities amongst HS-84 at six digits imported by Iran as per value of World's import: **Machinery and instruments**

Product Code	Product Label	Value in 2015, USD thousand Indian exports	Annual growth in value between 2011-2015, %, p.a.	Share in Iran, Islamic Republic of's imports, %	Equivalent ad valorem tariff applied by Iran, Islamic Republic of to India	Value in 2015, USD thousand World exports	Annual growth in value between 2011-2015, %, p.a.	India's Share in world imports, %	India's RCA Values in 2015
'848180	Taps, cocks, valves and similar appliances, nes	2320	-27	0.8	31.8	274335	-12	0.6	0.87
'841480	Air or gas compressors, hoods	60	-80	0	11.3	260732	-7	1.4	0.99
'841510	Air conditioning machines window or wall types, self-contained				35	238929	-4	1.9	0.13
'841430	Compressors of a kind used in refrigerating equipment	224	-5	0.1	7.2	168894	10	1.3	0.14
'841370	Centrifugal pumps nes	3533	-9	2.2	30	158208	-9	1.2	0.99
'841199	Parts of gas turbines nes	15	-68	0	4	134511	-13	0.6	0.10
'840991	Parts for spark-ignition type engines nes	3418	29	3	18	112432	-11	0.4	0.45
'840999	Parts for diesel and semi-diesel engines	25573	25	23	5.8	111416	-15	0.4	1.32
'847989	Machines & mechanical appliances nes having individual functions	5388	30	5.2	18.4	103405	-7	0.3	0.52

Top commodities amongst HS-85 at six digits imported by Iran as per value of
World's import: **Electrical, electronic equipment**

Product Code	Product Label	Value in 2015, USD thousand	Annual growth in value between 2011-2015, %, p.a.	Share in Iran, Islamic Republic of's imports, %	Equivalent ad valorem tariff applied by Iran, Islamic Republic of to India	Value in 2015, USD thousand	Annual growth in value between 2011-2015, %, p.a.	India's Share in world imports, %	India's RCA Values in 2015
'852872	Reception apparatus for television, colour, whether or not incorporation	0	0	0		379490	40	0.8	0.04
'851762	Machines for the reception, conversion and transmission or regeneration	323	96	0.1	24.7	299746	3	0.2	0.07
'851712	Telephones for cellular networks mobile telephones or for other wireless	10	-42	0	52.5	168719	61	0.1	0.03
'851770	Parts of telephone sets, telephones for cellular networks or for other	213	10	0.2	17	123953	20	0.1	0.15
'853710	Boards,panels,includg numerical control panels,for a voltage <=1000 V	4119	37	3.7	38	112659	6	0.2	0.42
'850440	Static converters, nes	1288	-2	1.2	31	108979	1	0.2	0.60
'851761	Base stations of apparatus for the transmission or reception of voice,	413	20	0.4	4	107774	9	1.2	0.02

Top commodities amongst HS-87 at six digits imported by Iran as per value of World's import: **Vehicles other than railway, tramway**

Product Code	Product Label	Value in 2015, USD thousand imported from India	Annual growth in value between 2011-2015, %, p.a.	Share in Iran, Islamic Republic of's imports, % from India	Equivalent ad valorem tariff applied by Iran, Islamic Republic of to India	Value in 2015, USD thousand imported from world	Annual growth in value between 2011-2015, %, p.a. of world's import	India's Share in world imports, %	India's Share in world exports, %
'870323	Automobiles w reciprocating piston engine displacg > 1500 cc to 3000 cc					1182460	21	0.4	0.3
'870899	Motor vehicle parts nes	6763	1	2.6	9.5	260809	-15	0.3	2.8
'870322	Automobiles w reciprocating piston engine displacg > 1000 cc to 1500 cc					246044	36	0.3	3.9
'870830	Brakes and servo-brakes and their parts, for tractors, motor vehicles	8	-82	0	14.8	166340	-5	0.6	0.9
'870120	Road tractors for semi-trailers (truck tractors)					157060	-28	0.6	0.1
'870422	Diesel powered trucks w a GVW exc five tonnes but not exc twenty tonnes	12		0	30	134965	-10	0.7	1
'871120	Motorcycles with reciprocating piston engine displacg > 50 cc to 250 cc	54194	88	61.9	65	87600	-5	1.3	19.5
'870850	Drive axles with differential for motor vehicles	131	23	0.2	16.5	81013	-23	0.4	0.9

Top commodities amongst HS-72 at six digits imported by Iran as per value of World's import: **Iron and Steel**

Product Code	Product Label	India's exports to Iran, Islamic Republic of				Iran, Islamic Republic of's imports from world			India's exports to world		
		Value in 2015, USD thousand	Annual growth in value between 2011-2015, %, p.a.	Share in India's exports, %	Equivalent ad valorem tariff applied by Iran, Islamic Republic of to India	Value in 2015, USD thousand	Annual growth in value between 2011-2015, %, p.a.	Share in world imports, %	Value in 2015, USD thousand	Annual growth in value between 2011-2015, %, p.a.	Share in world exports, %
'722530	Flat rolled prod,as,o/t stainless,in coils,nfw thn hr,w>=600mm,nes	16500		73	4	576069	168	8.1	22608	301	0.3
'720851	Hot roll iron/steel, not coil >600mm x >10mm	275816	1565	78.3	4	287458	17	2.9	4E+05	56	4.2
'720839	Hot roll iron/steel nes, coil >600mm x <3mm	11128		8.7	4	249008	-26	2.1	1E+05	4	1.2
'720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm	4198		3.9	10	156106	-9	2.6	1E+05	30	1.9
'721049	Flat rolled prod,i/nas,plated or coated with zinc,>=600mm wide, nes	19450	15	3.1	10	146183	-20	0.7	6E+05	0	3.3
'721070	Flat rolled prod,i/nas,painted, varnished or plast coated,>=600mm wide	667	13	0.3	10	126223	2	1.5	2E+05	11	2
'722540	Flat rolled prod,as,o/t stainless,nic nfw thn hr,>=600mm wide, nes	1213	112	31.6	4	117884	54	2	3835	59	0.1