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## **Memorandum of Understanding**

### **The Trilateral Joint Commission of the Islamic Republic of Iran, the Transitional Islamic State of Afghanistan and the Republic of India**

Upon the invitation of government of the Islamic Republic of Iran, H.E. Seyed Mustafa Kazemi, the Hon. Minister of Trade of the Transitional Islamic State of Afghanistan and H.E. Digvijay Singh, the Hon. Minister of State, Ministry of External Affairs of the Republic of India paid an official visit to the I.R. of Iran in order to hold the meeting of trilateral joint commission among the Islamic Republic of Iran, the Transitional Islamic State of Afghanistan and the Republic of India on Jan. 4-5, 2003 (corresponding to Day 14-15, 1381 Iranian Calender).

H.E. Mohammad Shariatmadari, the Minister of Commerce of Islamic Republic of Iran headed the Iranian delegation in the trade section and H.E. Ahmad Khoram, the Minister of Road & Transportation headed the Iranian delegation in the road construction and transit section. The delegation of the Transitional Islamic State of

Afghanistan was headed by H.E. Seyed Mustafa Kazemi and the delegation of the Republic of India was headed by H.E. Digvijay Singh.

The meeting was held in friendly and amicable atmosphere with full of understanding and genuine will to enhance and expand trade and economic relations and diversify the trade and transit among three countries.

The three negotiating parties during their negotiation related to two sections (trade and transiting goods) agreed as per following:

**A- Trade**


- 1- The parties reiterated the importance of regular contacts of their businessmen for the promotion of trade and economic relations among them. They agreed to hold conferences on foreign trade, joint investment and business opportunities and agreed to invite their businessmen and industrial sector representatives to participate in such conferences. The dates and venues for the conferences, after being agreed upon, would be announced through diplomatic channels.



- 2- The parties exchanged their views on expanding trilateral trade relations, existing trade impediments and obstacles and providing the needed infrastructural facilities with a view to eliminating the existing problems and promote the trade relations among three countries.
- 3- The parties emphasized the importance of marketing by their respective trade companies in the areas of trade, industry, agriculture and mining. While encouraging their private sectors for exchanging trade delegations, the parties agreed to send their businessmen and industrial sector representatives to each other's countries for marketing and further cooperation in areas of potential cooperation.
- 4- In order to expand commercial and economic relations among themselves, the parties agreed to take part in each other's international trade exhibitions and hold solo exhibitions in three countries to introduce their commercial, industrial and services capabilities. Granting of discounts for the charges or allocation of exhibition space, free of charge would be on reciprocal basis and

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according to a memorandum of understanding that would be signed among the Iranian International Exhibition Company and the relevant Afghani and Indian organizations.

- 5- The parties agreed to exchange information relating to trade, commerce, transit policies, tariffs, rules, regulations and related matters.
  - 6- The parties agreed to nominate an expert group comprising trade experts from the three countries in order to carry out study regarding free trade arrangements.
  - 7- The parties emphasized the importance of insurance coverage and required banking services necessary to facilitate transit of goods to Afghanistan through Iran and vice-e-versa and agreed that the relevant organizations of the three countries carry out the necessary discussions in this respect. The Iranian side undertook to coordinate and notify the date and venue for holding discussions among the relevant organizations.
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### **B- Road Construction and Transit**

- 1- In addition to other transit routes to Afghanistan and CIS countries, the three parties agreed to develop and activate the new corridor through Chabahar-Zabul-Zaranj-Delaram. Iran and India agreed to exchange views regarding joint investment to develop this new corridor.
- 2- The new Chabahar-Zabul-Zaranj-Delaram corridor would be used to provide Afghanistan required goods and commodities and also to expand trade relations with Central Asia. In case of any problems faced by any of three countries, relating to this corridor, all three parties will try to settle the problems cooperatively.
- 3- The three parties emphasized use of Iran railway network to Afghanistan and Central Asia countries. Iran will welcome any investment for developing the railway network to shorten the route to Afghanistan.
- 4- While emphasizing the need for providing facilities and reduction in existing levies and charges for trucks carrying cargo to Afghanistan, the parties agreed that the Iranian and Afghani

sides would carry out necessary study in this respect and convey the results accordingly.

- 5- The parties agreed to develop necessary infrastructure for providing customs related facilities at Milak in Iran and at Zaranj in Afghanistan.
- 6- All sides agreed to organize a session consisting of representatives of Ministry of Commerce of Afghanistan, Ministry of Roads and Transportation of I.R. of Iran and relevant ministries/departments of the Republic of India by April 30, 2003 in Kabul, Afghanistan with participation also of customs and quarantine authorities of all parties involved in order to coordinate the facilitation of cargo and passenger transit procedures via I.R. of Iran and Afghanistan.
- 7- Afghani and Iranian sides agreed on allowing the use of all their transit routes, borders and ports for transit of all passengers and cargo freights.
- 8- To promote Chabahar as a regional strategic port the Iranian side will extend the following discounts:



- a. Ninety percent discount on non-oil sea-vessel port-dues in Chabahar that contains cargo destined for Afghanistan.
  - b. Fifty percent discount on port-charges for non-oil cargoes in warehousing and handling of cargo inside the port.
  - c. Iranian side is examining to increase discounts on items stated under paragraph "B" above up to ninety percent and will inform the results within one month.
- 9- The three countries agreed to use services of Irano-Hind shipping company for transit of goods and equipments to Afghanistan through Iran.
- 10- The three countries agreed that Iran would facilitate transit of goods, machineries, fuel, etc. required for reconstruction project in Afghanistan on easy terms and conditions. Similarly Afghanistan would extend required relief in terms of customs duties, levies etc on import of such items.

- 11- Three parties agreed to take necessary measures for expeditions implementation of decisions taken in this M.O.U.

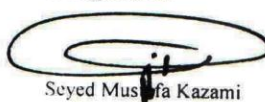
This M.O.U has been prepared and signed in Tehran on 15.10.1381 (corresponding to 5<sup>th</sup> January 2003) both in Farsi and English. In case of divergence in the interpretation of the texts, the English text shall prevail.

For the Government of the  
Islamic Republic of Iran



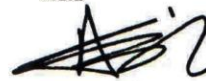
Mohammad Shariatmadari  
Minister of Commerce

For the Government of the  
Transitional Islamic State  
of Afghanistan



Seyed Mustafa Kazami  
Minister of Trade

For the Government  
of the Republic of  
India



Digvijay Singh  
Minister of State,  
Ministry of External  
Affairs