**Syllabus subtopic:** Effect of policies and politics of developed and developing countries on India’s interests, Indian diaspora.

**News:** Paris, London and Berlin on Saturday welcomed **six new European countries** to the INSTEX barter mechanism

**Prelims focus:** about INSTEX barter mechanism, working and members

**Mains focus:** the significance of the move, U.S-Iran issue and its impact on India’s trade with Iran and other aspects of the geopolitics

**What is it?**

The **Instrument in Support of Trade Exchanges (INSTEX)** is designed to circumvent U.S. sanctions against trade with Iran by avoiding use of the dollar.

**Founding members:** France, Germany and the United Kingdom

**Six new members:** Belgium, Denmark, Finland, the Netherlands, Norway and Sweden

**Its objective:**

- The **Paris-based** INSTEX functions as a **clearing house allowing Iran to continue to sell oil and import other products or service in exchange.** The system has not yet enabled any transactions.

**Conclusion:**

The accession of the six members strengthens INSTEX and demonstrates European efforts to facilitate legitimate trade between Europe and Iran.

**Note:**

Click on the following links for a detailed overview about **US-Iran tussle and its impact on the Indian economy**