

## **New Regional Dynamics - India-Iran and Pak-Saudi Arabia Axes**

### **What is the issue?**

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- Two neighbouring countries, Iran and Pakistan, which were trying to remain close, are today moving in opposite directions.

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- Iran is becoming increasingly benefitted by India's presence and Pakistan by Saudi Arabia's presence.

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### **What are the recent developments with Chabahar, Iran?**

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- Recently, India formally took over operations of the Chabahar port.

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- Senior bureaucrats of all the 3 countries, India, Iran and Afghanistan, held the first meeting for the implementation of the trilateral Chabahar agreement signed in 2016.

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- They agreed on the routes for trade and transit corridors, and finalised the protocol to harmonise transit, roads, customs and consular matters.

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- For India, Chabahar is important to reach out to Afghanistan.

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### **Why is India's role crucial for Iran?**

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- Iran needs India more than before, in the backdrop of the new round of American sanctions.

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- India could persuade the U.S. to exempt Chabahar from these sanctions as the port relates to reconstruction assistance and economic development of Afghanistan.  
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- Good relations between India and the U.S, helped in the waiving of sanctions on oil trade against Iran.  
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- [In late 2018, America granted waivers to 8 countries including India for importing oil from Iran till March 2019.]  
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- New Delhi lobbied for such an exemption as Iran is India's number one oil provider.  
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- India and Iran are already working on a Preferential Trade Agreement (PTA) that would reduce tariffs on 80 to 100 products.  
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### **What is the case with Pakistan?**

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- Pakistan needs to raise money from abroad to address its balance-of-payment crisis.  
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- So Pakistan is once again pushed towards Saudi Arabia and the UAE.  
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- In the past few months, the dependence on these two countries has significantly increased, with promises of aid and industrial, strategic investments.  
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- Saudis committed to offer a \$6 billion package, and the UAE committed to give \$3 billion.  
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- Besides, Riyadh decided to invest \$10 billion in a refinery in Gwadar.  
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### **Why is Pak-Iran relations drifting apart?**

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- Pakistan and Iran tried to improve their collaboration till recently, with mutual visits and offers on cooperation in missile technology.

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- Iran also expressed interest for branching the gas pipeline they have already built on China-Pakistan Economic Corridor (CPEC) at Gwadar and to connect Chabahar to CPEC too.

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- But notably, a Saudi-led coalition is fighting the Iran-supported Houthi rebels in Yemen.

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- Pakistan had made attempts to mediate between Iran and Saudi Arabia.

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- But upgrading its relations with Iran may become more difficult as saying “no” to Saudi Arabia may also become more difficult.

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- The implications of this dynamics are particularly negative for Pakistan.

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- Iran could play in Afghanistan a role that may not be in favour of Pakistan.

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**Source: The Indian Express**

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