

US and Iran nuclear deal - Implications

What is the issue?

\n\n

\n

- The United States has pulled out of the Iran nuclear deal.
- It is imperative at this juncture to look at the possible global implications and for India in particular.

\n

\n\n

What is the deal about?

\n\n

\n

- It is officially called the Joint Comprehensive Plan of Action (JCPOA).
- It was signed between Iran and the P5, plus Germany and the EU in 2015.
- P5 is the 5 permanent members of the UNSC (US, China, France, Russia, and UK).
- The deal aimed at curbing Iran's nuclear programme.
- Under the deal:

\n

\n\n

\n

- i. most of Iran's enriched uranium was shipped out of the country
- ii. a heavy water facility was rendered inoperable
- iii. operational nuclear facilities were brought under international inspection

\n

\n\n

\n

- In return, the deal involved lifting of international sanctions on Iran.

\n

\n\n

What are US's present concerns?

\n\n

\n

- Trump administration says the deal did not target Iran's ballistic missile programme.
- It does not focus on Iran's nuclear activities beyond 2025.
- It also leaves Iran's role in conflicts in Yemen and Syria.
- It is said that the 'one-sided deal' did not bring calm and peace to the region.

\n

\n\n

What are the strategic reasons behind?

\n\n

\n

- Iran has been compliant with the provisions of the deal.
- The deal is largely a successful one.
- So the actual concern for US is Iran's re-accommodation in the global economic mainstream.
- This is as well the concern for US's closest allies in West Asia, Israel and Saudi Arabia.
- Iran's rising economic profile would embolden it to increase its regional presence.
- This would pose a strategic threat to the interests of the U.S.-Saudi-Israel axis.

\n

\n\n

What are the global implications of the decision?

\n\n

- \n
- The US has created a crisis in an already unstable region.
- \n
- It doesn't necessarily trigger an immediate collapse of the agreement.
- \n
- The UK, Germany, China, France and Russia still remain committed to the agreement.
- \n
- But it is to be seen if Europe and other powers will stick together or change under US pressure.
- \n
- If they deviate from their positions, West Asia will be a lot more dangerous.
- \n
- Iran is cautious, saying it would engage diplomatically with the remaining signatories.
- \n
- Notably, the challenges will emerge not only for Europe, once US sanctions are in place.
- \n
- Other nations with strong trade ties with Iran, including India, would also face the impact.
- \n

\n\n

What is India's stance?

\n\n

- \n
- India has been a proactive votary of the international rules-based order.
- \n
- It has been extremely supportive of the Iran nuclear deal.
- \n
- India recognises Iran's right to peaceful uses of nuclear energy.
- \n
- On the other hand, it also highlights the international community's interest.
- \n
- It has thus maintained that the Iranian nuclear issue should be resolved peacefully.
- \n

\n\n

What are the implications for India?

\n\n

\n

- **Energy** - Until 2010-11, Iran was India's second-largest oil supplier after Saudi Arabia.

\n

- But it slipped in subsequent years as international sanctions hit Iran.

\n

- It is now India's third-largest supplier after Iraq and Saudi Arabia.

\n

- But following the 2015 deal, the supplies rose considerably.

\n

- A disruption to this trend may affect India's energy trade.

\n

- India and Iran have strategic interests in keeping the relationship sustainable.

\n

- But it should be insulated from the impact of sanctions.

\n

- **Chabahar port** - Chabahar port is both a financial and a strategic investment for India.

\n

- The engagement between India and Iran on Chabahar has gathered momentum.

\n

- The work is expected to be completed soon.

\n

- Possible American sanctions could hit infrastructure development in Chabahar.

\n

- This could affect the pace of development and cause a delay.

\n

- However, India may still have options if other signatories stick with the JCPOA.

\n

- **West Asia** - Trump's move would mean US engaging with Iran's regional rivals Saudi Arabia and Israel.

\n

- This could destabilise the region where over 8 million Indian migrants live and work.

\n

- Military tensions in West Asia have forced India to evacuate its nationals in the past.

\n

- However, India's capacity to do so is limited.

\n

- **India-US relationship** - In Trump's administration, the US has been hard on

Pakistan.

\n

- But has asked India to be more proactive in the Indo-Pacific, with an eye on China.

\n

- However, India has been wary of committing too much on the Indo-Pacific strategy.

\n

- The India-US-Japan-Australia 'Quad' is also in the nascent stage.

\n

- Moreover, uncertainties exist over the relationship with Russia.

\n

- Amidst these, the Iran situation will test the durability of the "strategic partnership" between India and US.

\n

\n\n

\n

- **NSG** - India is aspiring to join the Nuclear Suppliers Group (NSG).

\n

- Given this, it has to make a clearer articulation of commitment to JCPOA.

\n

- This will help with the Europeans, especially the French, who are backing India's NSG membership bid.

\n

\n\n

What lies ahead for India?

\n\n

\n

- **Chabahar** - India's goal of helping Afghanistan's reconstruction may be affected if Chabahar is slowed down.

\n

- Notably, India is engaged in Afghanistan at the request of the Trump administration through \$ 1 billion assistance.

\n

- India may likely argue with its interlocutors in Washington.

\n

- It could stress that access to Afghanistan is a shared objective of both countries.

\n

- **India-Iran** - The government should look at options like the rupee-rial trading mechanism.

\n

- Opening of Iranian banks in India and Indian banks in Iran could be considered.

\n

- This would facilitate movement of money and income between the two countries.

\n

- It is a moment for India and Iran to plan for similar crises in future.

\n

\n\n

\n\n

Source: Indian Express, The Hindu

\n

