

## **US-Europe Relations - Iran Nuclear Deal**

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

\n\n

\n

- The United States has pulled out of the Iran nuclear deal.
- \n
- The decision seems to be complicating the future US relations with EU and Britain.
- \n

\n\n

### **What is EU's and Britain's stance?**

\n\n

\n

- Britain is of the opinion to not junk the nuclear deal with Iran completely.
- \n
- It instead wants the US to work with its European allies.
- \n
- It is inclined to find solutions to what US describes as flaws.
- \n
- It prefers working around the existing deal rather than rejecting it outright.
- \n
- France and Germany also seem to be taking a similar stance.
- \n
- In a joint statement, the leaders of Britain, France and Germany emphasised their continuing commitment to the JCPOA.
- \n

\n\n

### **Why is the deal significant for European countries?**

\n\n

\n

- Europe has had strong ties with Iran for long.
- \n
- It had been Iran's largest trading partner until the sanctions regime (2006 - 2010).

- \n
- This role was however overtaken by China and the UAE.
- \n
- The EU currently accounts for just around 6% of Iran's trade.
- \n
- But trade and investment had begun to recover swiftly since the 2015.
- \n
- The deal with Iran and lifting of sanctions significantly contributed to this.
- \n
- European firms have entered into investments in Iran.
- \n
- European countries are thus particular in saving the deal in some form with Iran.
- \n

\n\n

### **Why is the US crucial for Europe?**

\n\n

- \n
- Britain has made plain its eagerness to maintain strong ties with the US.
- \n
- It is particular of a comprehensive trade deal with the US.
- \n
- This is seen as one of the great deals for a post-Brexit Britain.
- \n
- European countries have adopted an accommodating stance towards the US in the past.
- \n
- It has received some special treatments from the US, in return, in the past.
- \n
- E.g. exemptions (temporarily) accorded to Europe from the US global tariffs on aluminium and steel products.
- \n

\n\n

### **What lies ahead?**

\n\n

- \n
- So far Europe has presented a united front.
- \n
- It remains to be seen if this would continue with developments in the Iran issue.
- \n

- Iran had indicated that Europe had “limited opportunity” to preserve the deal.  
\n
- It has emphasized that the countries clarify their position and intentions.  
\n
- This will inevitably force European countries to reassess their approach to the US administration.  
\n

\n\n

\n\n

**Source: Business Line**

\n

