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INDIAN-IRANIAN RELATIONS IN LIGHT OF US SANCTIONS: CHALLENGES AND FUTURE PROSPECTS

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Relations between India and Iran are of great importance for both countries although they have seen ups and downs recently. This is due to tensions in Iran's relations with India's allies, foremost among them being the United States and the Gulf nations, in particular, Saudi Arabia and the UAE. This has prompted India to reconsider its relationship with Iran in order not to risk its strategic interests with the United States on the one hand and the Gulf states on the other. Therefore, India has to address a number of complex issues (i.e. its relations with other countries) in setting its foreign policy towards Iran.

At a time when India is attempting to maintain a minimum level of relations with Iran due to their strategic importance, it must also balance its relationship with Pakistan, which has been tense recently. India is keen not to continue its relationship with Iran at the expense of its ties with the United States, which has imposed a tight siege on Iran. Washington has called on all firms to remain committed to the siege it has imposed on Tehran, including Indian companies and their economic ties with Iran to be ended. Although there are some exceptions, they are expected to maintain only a minimum level of business with Iran. India needs to stick to a wise and balanced foreign policy especially with Iran to maintain its relations and interests with its other partners. It is located in a volatile security environment and faces security threats from all fronts as it is situated among nuclear powers such as China, Russia, and Pakistan, as well as its location near Central Asia, an area beleaguered by terrorism, arms and drug trafficking.

Before discussing the latest developments in the relationship between India and Iran, in particular, the complications and fluctuations in this relationship due to developments on the international arena and the future of this relationship, this research is based on two main approaches: *The Historical Background* which clarifies the development of Indian foreign policy over the course of history; and the *Geographical Dimension*, which explains and helps in analyzing several orientations and factors affecting Indian foreign policy. This is in addition to the comparative approach used to study and render clear the similarities and dissimilarities between India's interests with Iran and its interests with the United States and the Gulf states. Furthermore, future foreign policy clashes that could lead to the balance of power being reconfigured in the region must be taken into consideration as well as the impact of India's future foreign policy direction on Iran.

I- Iran in India's Foreign Policy

India enjoys a luminous position on the international stage, mainly because it is a regional power in South Asia, a highly perilous region, which gives it a prominent role in global foreign policy and makes other countries, particularly the United States, look to it as a stabilizing factor in the region. India's regional and international role is further enhanced by a pragmatic policy that seeks to benefit and take advantage of all available levers in its foreign relations. As international circumstances have changed, it has become apparent that India has totally abandoned its belief that international relations should be governed more by morals and ideals than by realpolitik. Present-day India started as an independent state in 1947 under the leadership of Nehru with a moral-oriented approach in international relations. Given the shape and essence of Indian foreign policy, we will discuss how it is governed by a host of dimensions, and how it has recently witnessed some shifts that have affected India's relations with some countries, including Iran.⁽¹⁾

In its foreign policy, India pursues a policy of "extended borders" which, in accordance with its vision, encompasses the Strait of Hormuz and the Arabian Gulf in the west, the Strait of Malacca and the South China Sea in the east, Central Asia in the north and Antarctica in the south. This policy requires India to play a role in shaping regional security arrangements in pursuit of protecting its interests and those of its international partners. The United States, whose relations with Iran are marred by unprecedented tension, allows India - its strategic ally in the region to take on a larger role such as in Afghanistan so that its withdrawal from the country does not lead to a vacuum that can be exploited by Iran, which is trying to play a major role in the region.⁽²⁾

India, which has the potential to play a constructive role in curbing geopolitical risks, relies on cooperation with its regional and international partners, and has the potential to act as a bridge between the East and the West. This role is supported by India's own world view that is not premised on a clash of civilizations, but building bridges of cooperation to face common challenges.⁽³⁾

Therefore, India is keen to pursue a balanced policy with the international community, but internal pressures as well as the instability facing the international community, especially the East, puts massive pressure on its well balanced foreign policy, and puts its relations with some countries at stake. Foremost among these countries is Iran, whose relations with India's strategic partners, especially the United States and the Gulf states, are worsening. In the face of these acute crises, India makes its interests the criteria for balancing its relationships. It does not find it very difficult to change its foreign policies to achieve its interests, including changing its traditional policy in the Middle East, which has depended on a balance of power among the three influential powers in the region, namely the Gulf states, Iran and Israel.⁽⁴⁾

India has already demonstrated the will to stand up to developments that could harm its interests, pursue its own independent strategies, and move ahead with international relations in line with its needs, regardless of differences among countries. But tensions between the United States and Iran have hampered Indian private sector activity, especially when it comes to its *Looking Eastward* policy and maintaining deep relations with the countries of the region, including Iran, which India considers of great importance to achieve its goals. In the end, India was compelled to bow to the United States' will and downgrade its level of trade relations with Iran although it is detrimental to India's quest to become a supra-regional power, and it needs to import 73 percent of energy resources from abroad.⁽⁵⁾

Furthermore, India has to sacrifice its relations with Iran for the sake of its relations with the United States although this could lead, according to the Indian viewpoint, to the creation of a vacuum in its relationship with Iran, which China would swiftly fill at the expense of India. The current ebb in relations between India and Iran resulting from US pressure on the international community, including India, is temporary. India views Iran and Asia Minor as potential energy and consumer markets. Although it has reduced its trade ties with Tehran a little bit, India will embark on securing a geopolitical balance which it seeks to maintain in the region.⁽⁶⁾

In fact, there are several factors that makes India temporarily favor its relations with the United States and the Gulf states over its relations with Iran. This includes the economic dimension. Trade with the GCC reached \$137.7 billion in 2014 and 2015. By 2015, India and China had become the most important trade and investment partners for the GCC. Millions of Indians work in the region whose remittances from the GCC countries to India amount to about \$35.9 billion. India imports more than half of its oil and gas from the Gulf. Therefore, Indian policymakers are concerned about the increased levels of instability and the fragility that some states in the Middle East are witnessing, which threaten India's energy imports.⁽⁷⁾

Another factor influencing India's foreign policy is the conflict among international powers in the Middle East. China presents itself as an alternative to the United States and has signed security agreements with US allies in the region, and has also secured diplomatic protection for its rivals like Iran. This has pushed India to develop a policy of engagement with the Arab Gulf states adopted by Prime Minister Narendra Modi, under which India has signed security and defense agreements with Saudi Arabia, the UAE, Oman, and Qatar. India is trying to position itself as an influential power in the region so that if the United States considers its strategic options in a rapidly changing region, India's growing role cannot be bypassed.⁽⁸⁾

During his election campaign, Prime Minister Modi promised to rebuild India as a strong and inclusive country and to make India one of the most important and powerful international powers in the world order. In the framework of this vision, Indian foreign

policy has witnessed a number of strategic shifts, most notably Modi's quest to make India a global leader to ensure that he remains in power. He has also adopted open economic policies and strategic partnerships with all countries to support India's domestic economy and increase investment opportunities to face rising unemployment rates.⁽⁹⁾

International and regional variables including the fight against terrorism and the trade war between the United States and China played a clear role in the rise and continuation of Modi for a second term in addition to the absence of a strong political rival in India. Modi, therefore, derives his legitimacy not only from his domestic reform policies, but from his foreign engagements which support India's position, and its clout in international interactions parallel to China. This is in addition to Modi pursuing a different foreign policy strategy from that of his predecessors, which seeks to make India an international actor in its geographical sphere, and a prominent actor in international issues, which he has been able to achieve in one way or another, through bilateral visits and cooperative agreements with Middle Eastern states, including the Arab Gulf states, Israel and Egypt. He has thus created a new foothold for India in the dynamics of the Middle East.⁽¹⁰⁾

The visit made by the Indian Prime Minister Narendra Modi to the UAE is within the framework of these transformations, as it marked a new chapter in the strong relationship between India and the Gulf states. This indicates the extent of alignment and consensus in visions and perceptions towards several regional and international issues. There has been a significant boost in bilateral relations, figures reveal that the UAE today is India's third-largest trading partner amounting to \$60 billion in 2018 and 2019 due to investments by several Indian companies in the UAE.⁽¹¹⁾

It is clear from Modi's policies that he is working to position India to have a pioneering role rather than it just being a "balance-seeking global power." In his speech addressed to the bureaucratic circles of policymaking in New Delhi, India's Foreign Minister Vijay Keshav Gokhale said, "India has abandoned the nonaligned policies of the past, becoming a state with more balanced policies. But it continues to support its causes by changing its approach to engagement in the global arena, leveraging its partnership with the United States to achieve sustainable development, and providing a structured relationship framework that will enable India to reach its international ambitions."⁽¹²⁾

The foreign policies of states do not change radically as governments do. However, the Modi government bypassed some of the assumptions that governed India's foreign relations. More than ever, India has become ready to assume a greater global role by recognizing its role in the game of the superpowers.⁽¹³⁾ As part of this vision, India views Iran as an important neighbor and source of energy, but at the same time does not wish to engage in conflicts with the United States. It only wants the United States to take its view into account, given the partnership between them.

Therefore, although it stopped importing oil from Iran even though Iran was its third-largest source of oil imports, it is nevertheless unlikely that India under Modi will fully align with the US in its confrontation with Iran. Despite the political rapprochement between Washington and New Delhi, bypassing geographical and historical considerations will be very costly on India, especially given the fact that Iran has pushed rapprochement with Pakistan and China.

II- Evolution of Iranian-Indian Relations

Relations between Iran and India have been subject to ebbs and flows. The real beginning was only seen in the 1990s. Previous periods were marred by tension although the two countries signed the Friendship Treaty in 1950 which called for a permanent peace between the two countries. During the Cold War between the two major world powers, India and Iran allied with

opposing camps which put their relationship under tension. While Iran had close ties with the United States and Pakistan under the Shah, India had strong ties with the Soviet Union. Therefore, when the war between India and Pakistan erupted in 1965 and 1970, Iran provided military assistance to Pakistan.⁽¹⁴⁾

As a result, India welcomed the so-called Islamic Revolution in Iran in 1979, in an attempt to seek rapprochement with the new government and resolve the many differences that blocked the path for developing relations between the two countries during the Shah's reign. But when the Iran-Iraq war broke out, India did not stand by Iran. It was keen to keep the same distance between the two countries as a result of its desire to preserve its oil interests with the two countries. However, it often feared Iran's intentions as a result of its religious rule and was concerned about the Shiite revolution being exported to India, which has a Muslim minority.⁽¹⁵⁾

Relations between the two countries continued to remain at this level and saw no substantial change except after the end of the Cold War when former Indian Prime Minister Narasimha Rao visited Iran in 1993. Iran and India started to exchange official visits with the aim of solidifying and strengthening bilateral ties. In this context, the New Delhi Agreement was signed, which led to a significant qualitative transformation in relations and reiterated the commitment of the two countries to deepen cooperation in the economic and military fields.⁽¹⁶⁾

A number of factors have led to increased growth in Indian-Iranian relations, including: trade relations between India and Iran through a range of joint ventures, and the development of infrastructure networks to facilitate the movement of goods and commodities through Iran and Afghanistan to Central Asia. The deteriorating situation in Afghanistan played a role in strengthening the India-Iran relationship, as they supported the Northern Afghan Alliance and played a role in stabilizing the situation after the US war on Afghanistan. This is in addition to the Iranian position supporting India's positions on Kashmir, which had a role in deepening relations. Iran considers Kashmir as an integral part of India, as a result it did not include Kashmir in its list of Islamic causes that require support.⁽¹⁷⁾

Despite this, India's strengthening of its relations with Israel, especially in military affairs, has impacted the relationship between the two countries. Also, the relations between India and the United States and the divergence in their visions on the way to deal with Israel have impacted the relationship between the two sides. India has always been keen to strike a balance in its relationship with all parties, but this is no longer possible as the United States is urging its allies to tighten the siege on the Iranian government which is hostile to the United States.⁽¹⁸⁾

At the beginning of the new millennium, Indian-Iranian relations accelerated. The strategic shift in relations between the two countries came after the new Delhi Declaration in 2003, entitled, "Vision of a Strategic Partnership for a More Stable, Secure and Prosperous Region and for Enhanced Regional and Global Cooperation ." The declaration included cooperation in many fields, namely, transportation, energy, industry, science, technology, and agriculture. This is in addition to it emphasizing the exploration of military cooperation opportunities, especially via engaging in joint military exercises and the exchange of technicians and military personnel, and the development of the road linking the Iranian port of Chabahar and Kabul for commodities to cross from Iran to Central Asia. The only bone of contention during that period was India's 2005 vote on the International Atomic Energy Agency's (IAEA) resolution against Iran, which asked the IAEA Board of Governors to refer Iran to the Security Council if Tehran refused to suspend uranium enrichment and open all its facilities for inspection and monitoring. This led Iran to cancel the agreement to

supply India with liquefied gas. In response, this prompted India to withdraw from the gas pipeline project, which was planned to extend from Iran through Pakistan to India.⁽¹⁹⁾

During that period, the two countries adopted a “strategy of dialogue” to resolve the differences and tensions that arose between them from time to time. This strategy was developed with the aim of exploring opportunities for cooperation and emanates from the New Delhi Declaration in 2003, that aimed to increase exports, especially Indian weapons to Iran, and provide it with modern technology, especially in the development of Russian weapons owned by the country. In return, Iran allowed India access to Iranian military bases in case of war with Pakistan, but the United States and Israel stood in the face of these developments and advised India in 2004 to reduce cooperation, especially in the areas of defense and energy with Iran, which was taken into account by India.

In any case, India prefers Iran without nuclear weapons, which has led it to agree to a UN resolution allowing the IAEA to monitor Iran’s nuclear program. India is prepared to participate in efforts aimed to strengthen Iran’s isolation, in the hope that the United States will support India’s aspirations to become one of the world’s superpowers.⁽²⁰⁾

India, however, is trying to strike a balance in its relations with the United States, Israel and the Gulf states on the one hand and its relations with Iran on the other. It is making efforts “to convince this anti-Iranian alliance” of its urgent need to enter the markets of Central Asia and Afghanistan without crossing via Pakistan. The United States and the Gulf States are working to prevent this, and persuade India to replace imports of Iranian oil by increasing oil imports from the Gulf states. These efforts have already succeeded in turning Iran from being the third-biggest oil exporter to India to the twelfth. Therefore, unlike previous periods of significant development in relations between Tehran and New Delhi, India became aware of the seriousness of the challenges facing its relations with Tehran, especially after the visit of the Israeli Prime Minister Benjamin Netanyahu to India as well as the Arab tour by Indian Prime Minister Narendra Modi and the visit made by officials from the Gulf states to India in return.⁽²¹⁾

Increased tensions with its neighbor Pakistan and European rapprochement with Tehran make India reluctant to take a decisive position on Tehran, despite pressure, especially as Iran entices India with its open markets and long-term investment in oil and gas resources lest India will miss out on opportunities which its arch-foe China will take advantage of.⁽²²⁾ But in the end, India will have to bow to American will, and abide by US sanctions on Iran for fear of US support for Pakistan, as the US influence in Pakistan prevents Islamabad from using its nuclear arsenal to threaten India.⁽²³⁾

Moreover, it is not in India’s interest to push its relations with the Gulf countries towards tension as a result of improving its relationship with Iran, especially since the economic aspect is the backbone of Indian-Gulf relations. The GCC has become a major trading partner of India and New Delhi has also strengthened security ties with the Gulf states. In recent years, India has signed defense cooperation agreements with the UAE, Qatar and Oman. New Delhi also looks forward to signing a defense cooperation agreement with Saudi Arabia, through which India aims to tackle piracy, secure energy supplies, ensure the safety of maritime communication lines, and secure its interests in the western part of the Arabian Sea and the Indian Ocean.⁽²⁴⁾

India’s relations with Iran have been and continue to be characterized by complexity because of the strategic economic and geographic advantages of the relationship. But on the other hand, there are conflicting regional and global visions and perspectives of other actors such as the United States, Pakistan, China and the Gulf states.⁽²⁵⁾ Thus, Indian-Iranian relations will remain fraught with challenges and many fluctuations due to geopolitical parameters and the changing interests of competing influential actors. This is in addition

to the persistence of external crises, especially the crisis in US-Iranian and Gulf-Iranian relations, which play an important role in influencing relations between India and Iran.⁽²⁶⁾

Iran has reached an advanced stage in its relations with India, surpassing its relations with many other countries. It became the third-largest supplier of oil to the country after Iraq and Saudi Arabia in 2018. For the first time, India paid for Iranian oil in rupees instead of the US dollar in 2013, which enabled India to get significant discounts. In addition, many Indian refineries prefer Iranian crude oil, a point that has further boosted India's dependence on Iran. This was the main reason why India demanded an exemption in 2018 from Trump's reimposed sanctions on Iran.⁽²⁷⁾

India is also using Iran as a conduit for trade with other countries because of its privileged geographic location. It hopes to make tremendous achievements and tap into energy resources in Central Asia. China's large-scale investment in the region has caused concern for India. This is probably why India has invested about \$500 million in the Chabahar port in Iran for communication purposes. Iran is of strategic importance to India in its fight against terrorism, particularly in Afghanistan and Pakistan.⁽²⁸⁾

The moves towards Iran are part of India's major ambitions, as India seeks to become a superpower and play a greater role at the regional and international levels. It sees Iran as a means to help it achieve its ambitions.⁽²⁹⁾

Although India has wide-ranging relations with the United States, it is uncomfortable with the role the United States plays in the Middle East. Iran shares concerns with India about the internal security situation in the Central Asian states, owing to their fear of a renewed influence of Sunni Islamism in the region.⁽³⁰⁾ The two countries seek to capitalize on their relationship at the local and international levels. India is still experiencing conflict among its Muslim and Hindu communities. Therefore, India hopes that its strong ties with Iran and other Muslim countries will help in reducing concerns among Muslim minorities at home.⁽³¹⁾

New Delhi seeks to strengthen its relations with Tehran to ease the regional influence of China and Pakistan. The Indian leadership believes that strengthening its partnership with Iran - despite the geopolitical risks - is necessary to face regional rivalry and its trade interests in Central Asia. Pakistan plans to develop Gwadar port in cooperation with China, and the two countries seek to develop their relations with Central Asian countries such as Tajikistan, Turkmenistan, and others, which are large markets for Indian goods.⁽³²⁾

India is also particularly interested in strengthening its oil partnership with Iran, as the latter is a vital source of crude oil and natural gas. This is indicated by India's insistence on implementing its previous proposal to build an undersea gas pipeline that would transport Iranian gas from Chabahar to the Indian port of Porbandar, which, if implemented, will contribute to enhancing and diversifying the sources of its gas supplies.

Meanwhile, the investments of Indian companies in the Iranian oil market will play an important role in securing the needs of Indian refineries. According to the Iranian ambassador in India, Ali Chegeni, the balance of trade between Iran, which is the fifth-largest trading partner, and India in 2018 rose to \$17 billion, an increase of 24 percent compared to last year. Iran's exports to India amounted to \$36.13 billion, making up 2.6 percent of India's total imports during this period. On the other side, India's exports to Iran amounted to \$3.3 billion, accounting for 1 percent of India's total exports.⁽³³⁾

However, India's recent approach to strengthening its economic relationship with Iran involves many conflicting interests with third parties who have strong ties to India. India has established strong economic partnerships with most countries in the Arab region, as well as expanded economic and military cooperation with Israel. This has increased

tensions with Iran in the recent period and no doubt will affect the overall ability of India to develop its relations with Iran as hoped.⁽³⁴⁾

III- Challenges Facing Relations Between Iran and India in Light of US Sanctions

US sanctions on Iran and strained relations with the Gulf states require Iran to diversify its relations and alliances, whether with China or India. These relations should not be limited to the energy field only, but should extend to other areas such as defense, scientific research, and exchange of expertise.

India is first among the rising countries with which Iran is seeking to strengthen its relations, taking advantage of India's quest to become an influential international power as the country possesses abundant human and natural resources. It also possesses technology, the capacity to manufacture weapons and has a geographical location enabling it to play a key role in the Indian Ocean. It is the second-largest power in Asia after China and sees itself as a counterpart to Chinese power, with multiple industries and self-sufficiency in all fields.⁽³⁵⁾

Iran sees the Indian government's pursuit to build strategic relations with Asian countries that have a large stockpile of energy as an opportunity for rapprochement and to build strategic relations for the future. In this regard, Iran says its interests are above every consideration. It finds no contradiction in strengthening ties with India as the latter establishes strategic ties with Israel including significant collaboration in the military, technological, intelligence and economic fields.⁽³⁶⁾

The Iranian Foreign Minister Mohammad Javad Zarif said economic and trade opportunities between Iran and India are broader than energy exports. On the sidelines of the Iranian-Indian Economic Forum in New Delhi, he said Iran and India complement each other, and that Iran intends to develop and expand relations with India.⁽³⁷⁾

Iran is playing the Shiite card with India, exploiting the large Shiite presence in India for rapprochement with New Delhi. The number of Shiite Muslims in India is between 16 million and 24 million, according to the 2009 Pew Report.⁽³⁸⁾ Shiite Muslims are part of the political and bureaucratic fabric of India. They are also employed in India's security forces. The majority of Shiites in India support the Iranian-backed opposition in Bahrain and Yemen. Iran is also exploiting India's need to sell Russian-made and European-made weapons for rapprochement with India and to take advantage of its material and human capabilities. It has already succeeded in signing several agreements in the fields of defense and security, including joint drills and the exchange of visits. If sanctions against Iran are lifted, India may be one of Iran's biggest suppliers of weapons and military hardware.⁽³⁹⁾ In 1993, Iran had asked India for help in the development of new batteries for three Kilo-class submarines it had purchased from Russia. The batteries supplied by the Russians were incompatible with the warm waters of the Gulf.

India has previous experience in manufacturing such batteries that fit this environment. India's assistance to Iran has continued for other purposes, including the supply of Russian military hardware, such as MiG-29 fighter jets, warships, submarines, missile technology and tanks. Cooperation between the two countries is not confined to this. Each country has the right to use the other country's military bases for combat operations if either of them is at war.⁽⁴⁰⁾

Iran believes that its importance to India, which competes strongly for areas of influence with China, is no less important than Iran's need to get out of the isolation imposed by the Trump administration. Therefore, Iran is seeking to take advantage of international variables to strengthen its investments in areas including roads and oil exploration.⁽⁴¹⁾ These developments come in light of the faltering partnership between Iran and the European countries.

During his visit to Tehran in May 2017, Indian Prime Minister Narendra Modi signed eight MoUs to promote trade and economic cooperation. This is in addition to a tripartite agreement with Iran and Afghanistan in the field of shipping and road development to provide a safe passage to Afghan markets and for the export of goods and metal materials from Afghanistan to regional markets.⁽⁴²⁾

The continuation of these economic agreements will lead to a tripling in the value of trade between the two countries in the future, estimated to reach \$30 billion, compared with \$10.2 billion in 2016, according to the Iranian Chamber of Commerce, Industry, Mines and Agriculture.⁽⁴³⁾

This reflects not only the importance Iran attaches to its relations with India, which is an alternative for Iran to avoid international isolation imposed by the United States, but also India's position as a rising economic power which can help Iran attract more foreign investment. This is in addition to India's importance in the field of technology, especially nuclear, which Iran is seeking to possess in order to move ahead with the development of its nuclear arsenal. This means that the relationship between the two parties is very important, but it is more important for Iran at the present time, because it needs to obtain a number of goods and services that it may find difficult to acquire from elsewhere. But despite the recent developments in economic relations between Iran and India, geopolitical risks may hinder the progress of economic partnership between them in the future.

In its relations with Iran, India faces a number of challenges that will affect the level of the relationship and limit the prospects of its development in the near future. In addition to these challenges are the US sanctions against Iran, which have forced New Delhi to reassess not only its relations with Iran but also with the major regional powers in the Middle East, represented by the GCC states and Israel. India, like other oil importers, has had to diversify its energy sources in order to mitigate the effects of US sanctions.⁽⁴⁴⁾

Although India was the second-largest buyer of Iranian crude oil after China, its energy relations with Iran have changed drastically, especially after the United States ended the decision to extend the exemptions granted to some countries, including India, to buy oil from Iran. Despite the incentives Iran provided to India such as free shipping, extended credit, and payment in rupees, Washington's insistence on halting oil imports from Iran prompted New Delhi to change its position and comply with Trump's demands. This in turn encouraged Washington's oil-producing allies to increase production to fulfill the requirement of countries reliant on Iranian oil including India, whose imports of American oil have surpassed imports from its traditional suppliers in the Middle East. New Delhi also received assurances from the UAE, which promised to cover any shortage that India might face due to the current situation.⁽⁴⁵⁾

The sharp surge in tensions in the Strait of Hormuz due to the direct attacks on a number of oil tankers and the abduction of others, has increasingly compelled India to rely on more stable oil-exporting countries with positive relations with the world order, especially Saudi Arabia and the UAE. These two countries attach great importance to their relationship with India.

This was reflected in the exchange of high-level visits, starting with the visit of Indian Prime Minister Narendra Modi to the UAE in August 2015, and the visit made by Sheikh Mohamed bin Zayed, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, to India in February 2016 and January 2017. This is in addition to the agreement to move relations between the two countries to the level of a "comprehensive strategic partnership" as well as the signing of a number of MoU's for cooperation in several fields including cyberspace, defense, land and maritime transport, small and medium enterprises, agriculture, manpower, media and energy. In addition, the two countries have

signed a number of agreements and MoU's in the fields of seaports, manpower, railways and capital markets.⁽⁴⁶⁾

It is not in India's interest to strain its relations with the Gulf countries in favor of Iran, especially as the GCC has become a major trading partner of India. This is reflected in the increase in the total trade volume between New Delhi and the Gulf states from about \$55.5 billion in 2000/2001 to \$158.41 billion in 2012/2013. In addition, some 6 million Indian workers contribute to the expatriate labor force in the GCC, resulting in an high-flow of remittances from these workers to India, which amounted to US \$29.29 billion, according to World Bank statistics in 2012, making up 7 percent of the total remittances of India from all countries of the world.⁽⁴⁷⁾

Indeed, these developments in India's relations with the Gulf countries have contributed to the reduction of Indian oil imports from Iran which currently provides only 10 percent of India's oil imports, down from 16 percent in 2008. After the US sanctions, the two countries have been trying for months to find a suitable mechanism to solve the problem of paying for the value of oil imported by India from Iran in the Indian currency. India, however, is still making some effort to maintain an open channel of communication with Iran, should US pressure on Tehran diminish and an agreement on its nuclear program is reached.⁽⁴⁸⁾

India's official diplomatic response to the US withdrawal from the Iran nuclear deal was cautious, although it is supportive of the Iranian nuclear deal. The Indian Foreign Ministry Spokesman Raveesh Kumar issued a statement in which he stressed the need to reach a peaceful solution to the Iranian nuclear issue through dialogue, diplomatic endeavors and respecting Iran's right to the peaceful use of nuclear energy. He called on all parties to engage constructively to address and resolve the issues that have emerged as a result of the JCPOA.⁽⁴⁹⁾

These challenges overshadow Iranian-Indian relations on one hand and relations between India and the Gulf States on the other. This comes after India abandoned its traditional position supportive of Iran and the sharp decline in India's purchases of Iranian oil. This will most likely mark a new chapter in relations between India and Iran until at least the next US elections.⁽⁵⁰⁾

Conclusion

The process of improving India's relations with Iran in this period depends largely on US-Iranian relations. It is expected that India will not turn a blind eye to its main interests in the region, particularly the port of Chabahar and its connection to Central Asia and Afghanistan. Therefore, even though sanctions have frozen trade between the two countries, India has always maintained its aspirations to work on these projects. New Delhi is likely to choose to continue to pursue India-Iran relations, even if this will be done less actively. In the long run, India's position on Iran will depend heavily on future US presidents, which will facilitate Indian interests in the region.⁽⁵¹⁾

The situation has been crisis-ridden with many challenges during this phase, but the future may provide opportunities which could allow Iran and India to outline a policy based on cooperation and integration among all regional parties, without aiming to achieve the interests of outside powers coming to the region.⁽⁵²⁾

India, like other BRICS countries, is looking for a new roadmap that differs from the US roadmap for development. In this regard, Vijay Prashad, a professor of International Studies at Trinity College, Connecticut, pointed out many countries follow a two-track approach, which is like a crossroad at which the newly emerging powers are able to find a foothold. "These countries run their foreign policies on the assumption that the United States is no longer the economic superpower and that its role is declining globally," Prashad added.⁽⁵³⁾ This means that New Delhi's response to the US attempt to push it to sever trade relations

with Iran and abide by the embargo on its products, especially oil, is nothing more than a temporary tactic that New Delhi will use until the situation on the world stage changes.⁽⁵⁴⁾

Based on the foregoing, the relationship between India and Iran may witness some decline at the moment, given the impact of the challenges facing the two countries and the massive US pressure on the countries cooperating with Iran, including India. But it will not be completely cut off because of India's growing need for energy, growing differences with China, and its fear that China will fill the void it will leave in Iran if it withdraws from all the projects in that country. India, despite its relations with the United States and the GCC, is trying to build a regional network with Afghanistan, Pakistan, and Iran in response to local requirements that are of great importance to India's regional and international policies. Therefore, despite its disagreement with the West, Iran will continue to be an essential part of India's future calculations.

This strategy will only change if the United States compensates India for the downgrading of its relationship with Iran and the Gulf states succeed in rapprochement with India via economic enticements, to bring New Delhi's relationship with Iran to the lowest possible point given Tehran's negative impact on security and stability in the Gulf region.

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