

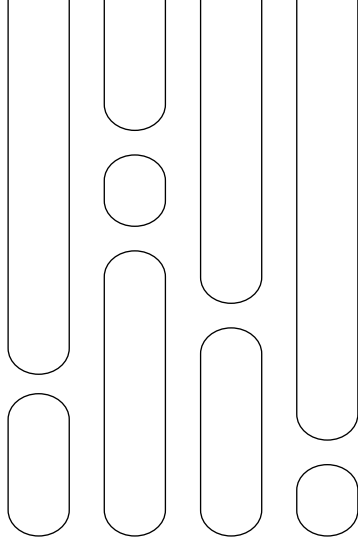
REPORT

IRANIAN PRESIDENT MASOUD PEZESHKIAN VISITS IRAQ: MESSAGES AND SIGNIFICATIONS

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In his first foreign visit after being elected as Iran's president, Masoud Pezeshkian undertook a three-day trip to Iraq from September 11 to September 13, 2024. This visit came in response to an official invitation from Iraqi Prime Minister Mohammed Shia' al-Sudani in July 2024 and included stops in five Iraqi cities: Erbil, Najaf, Karbala, Basra, and the capital, Baghdad, where he met President Abdul Latif Rashid and the prime minister. Pezeshkian's visit to Iraq unfolds against the backdrop of regional turmoil, driven by direct military escalations and the ongoing war in Gaza. The visit raises critical questions: What messages and implications underpin President Pezeshkian's choice of Iraq as his first foreign trip? How does this compare with previous Iranian presidents, as Pezeshkian is the first to prioritize Iraq for his inaugural trip? What are the security, economic and political dimensions of this visit, given Pezeshkian's regional and international policy priorities outlined in his government agenda? Additionally, what could explain his visit to Iraq's Kurdistan Region as the first Iranian president to do so? Does this signal an improvement in relations with the region, or is it part of coordinated actions against Iranian Kurdish opposition — or both?

The Significance of Iraq as Pezeshkian's First Foreign Destination

President Pezeshkian's decision to make Iraq his first international destination conveys several important messages and implications regarding timing, context and significance, as follows.

Implementing the Supreme Leader's Directive to Prioritize the Regional Sphere

The approval of Iran's supreme leader is the essential factor for Pezeshkian's success in advancing his domestic and foreign policies. This is particularly challenging for a "reformist" president like Pezeshkian, given the dominance of "hardliners" across state institutions during his tenure. Therefore, his decision to focus on Iraq as his first stop reflects his political acumen in determining where to begin his strategic moves. This choice appears to be an intelligent first step in navigating the complex dynamics necessary to gain the approval of the supreme leader, the Islamic Revolutionary Guard Corps (IRGC), and the "hardliners" who control key state organs. Winning their support is crucial for advancing both his domestic agenda and foreign policy objectives.

Pezeshkian's intellectual approach, as expressed in his statements, writings and political programs both before and after his election, highlights his recognition of the significance of Iran's expansionist project in the hierarchy of the country's strategic interests. Therefore, he and his team understand

that prioritizing the regional sphere in Iran's foreign policy serves as a gateway to executing programs that could potentially open the country to the global stage.

Pezeshkian's visit to a neighboring regional country as his first foreign trip marks the initiation of a new political path that balances two orientations: maintaining a conservative stance toward the regional sphere, [following in the footsteps](#) of the late President Ebrahim Raisi, and simultaneously adopting a pragmatic approach toward the international community, akin to the strategies of Hassan Rouhani and Mohammad Khatami. This suggests that Pezeshkian may take a less confrontational and more realistic approach to both domestic and foreign challenges.

Iraq as the Gateway to the Supreme Leader's Support for Pezeshkian's Foreign Policy

By selecting Iraq — one of the central arenas of Iran's expansionist ambitions — as the destination for his first foreign visit, Pezeshkian may view Iraq as the key to securing the supreme leader's approval. His aim could be to demonstrate his commitment to continuing Raisi's policies, especially concerning improving relations with neighboring countries and advancing economic diplomacy. Pezeshkian's views align with those of the Iranian establishment regarding Iraq's central role in the country's strategy, given its geopolitical significance as part of Iran's vital sphere of influence and a crucial link in its ambition to establish a corridor connecting Tehran to the Mediterranean. Pezeshkian also likely shares the establishment's view of Iraq as a religious stronghold for Iran's ideological influence in the western Shiite sphere.

In his efforts to secure favor with the supreme leader, Pezeshkian may go as far as supporting Iran's continuous efforts to diminish the role of Najaf's religious authority in favor of Qom, particularly as part of broader strategies to shape the post-Sistani era by installing a pro-Iran figure aligned with the concept of Wilayat al-Faqih (Guardianship of the Jurist). This would ultimately serve to weaken Najaf's influence and shift the allegiance of Shiite followers toward the Iranian supreme leader.

Additionally, Pezeshkian is signaling alignment with the Iranian establishment's view of Iraq as an economic lifeline, essential for generating hard currency and alleviating the pressures of sanctions. Iraq is also becoming increasingly important as a main route for smuggling weapons to militias involved in the escalating conflict with Israel. Strengthening ties with Iraq, especially under a government shaped largely by the Iran-backed

Coordination Framework, provides Tehran with secure borders to the west and helps extend its regional influence.

By choosing Iraq as the first stop on his international agenda, Pezeshkian underscores his loyalty to the supreme leader and the regime. This is underscored by his earlier remarks supporting the “axis of resistance” in his talk with Hezbollah Secretary General Hassan Nasrallah and with Syrian President Bashar al-Assad. Furthermore, Pezeshkian’s Iraq visit practically demonstrates to the supreme leader the extent of loyalty and obedience in executing his orders and directives to follow in the footsteps of Raisi. In his message to the people on July 6, 2024, on the occasion of Pezeshkian’s victory, the supreme leader stated, “I advise Dr. Pezeshkian, the elected president, to set his vision on high, bright horizons with reliance on God and to continue the path of the late Raisi.” His visit included symbolic gestures, such as visiting memorials dedicated to Qassem Soleimani and Abu Mahdi al-Muhandis, reflecting the central role these figures played in Iran’s regional strategy. Soleimani, in particular, is regarded as the architect of Iran’s expansionist vision in the Middle East.

The First Iranian President to Prioritize Iraq for His Inaugural Foreign Trip

One notable aspect of Pezeshkian’s visit is that he is the first president in the history of the Iranian establishment to select Iraq as the destination for his inaugural foreign trip. Many previous Iranian presidents, including Mahmoud Ahmadinejad, Hassan Rouhani, and even Raisi, did not prioritize Iraq in this way. This was mainly due to the eight-year war and the ensuing tensions between the two countries. While Ahmadinejad’s first foreign trip was to New York, Rouhani chose Kyrgyzstan, and Raisi began his international engagements in Tajikistan. Raisi never visited Iraq during his presidency, which lasted until his death in May 2024.

Before departing for Iraq, Pezeshkian stated that the purpose of his visit was to strengthen political, economic, and security relations with Iraq. He emphasized that this aligns with the previously announced policies of his government and the supreme leader’s directives concerning close relations with neighboring countries, particularly Iraq. Pezeshkian described Iraq as a Muslim and friendly nation, a key partner in political, economic and social domains, and a center of Islamic scholarship, home to many religious leaders. His remarks conveyed that his foreign policy, rooted in the legacy of Raisi’s administration, would continue to emphasize strengthening regional ties and supporting the so-called axis of resistance. His visit further indicates that Iran’s stance on resistance will remain unchanged under the current government.

Iraq – The Quickest Option for the Iranian Establishment to Reap Benefits

In addition to the previously mentioned points, Pezeshkian estimates that Iraq offers the easiest and fastest route to securing gains that are crucial for the Iranian political system. This is particularly relevant given Iran's urgent need for financial returns that can help address its deteriorating living and economic conditions at home. He also acknowledges the difficulty in achieving breakthroughs in nuclear negotiations that could lead to the lifting of sanctions on Iran, especially with the United States preoccupied by its upcoming presidential elections over the coming months. Thus, Pezeshkian sees several potential gains for the government, highlighted below:

Economic Aspects

Iran is owed approximately \$11 billion by Iraq for gas and electricity exports used in generating electricity. These payments have not been made due to sanctions imposed on Iran, and Pezeshkian is looking to find solutions to transfer these funds to Iranian banks, as the country faces an acute need for this revenue.

During his visit to Iraq, Pezeshkian met with Iranian traders residing in Iraq to discuss the commercial challenges they face and explore potential solutions. Several memorandums of understanding were signed between the two countries' officials during this visit, covering political, economic, commercial, security, postal, agricultural, technical, and sports sectors. Additionally, a comprehensive customs agreement was signed to facilitate customs procedures between the two nations, according to Iran's Customs Chief. Talks were organized with Iraqi authorities to complete the Shalamcheh-Basra railway project, which has remained unfinished for years, as noted by Iran's minister of roads, who accompanied the Iranian president.

Iraq's economic importance to Iran's policymakers is undeniable. Iraq is not only a major trading partner for Iran but also a significant religious and tourist destination for Iranian Shiites, who visit the country's sacred shrines. Furthermore, Iraqi tourists play a crucial role in revitalizing tourism in Iran, particularly in the religious, recreational, and medical sectors. This, in turn, stimulates Iran's domestic trade and boosts key sectors such as services, which employ a significant portion of the Iranian workforce. In other words, Iraqi tourists directly contribute to revitalizing domestic commerce and industry such as restaurants, hotels, transportation, and currency exchange in Iran.

However, significant challenges face Iran-Iraq economic relations, particularly in terms of trade partnerships. Chief among these are the US sanctions on Iran and the restrictions on financial transfers between the two countries which have led to a decline in trade volume. Whereas trade between the two nations reached \$15 billion in some years after the signing of the nuclear agreement, it has now dropped to around \$9 billion. Iraq was the top destination for Iranian exports during the early years of Raisi's presidency, as part of Raisi's economic diplomacy to boost trade with neighboring countries, with Iraq at the forefront. The two nations had aimed to increase their trade volume to more than \$20 billion annually, but current circumstances do not align with that goal.

It is worth noting that the trade balance between the two countries is overwhelmingly in Iran's favor. Most of the trade volume consists of Iranian exports to Iraq, primarily engineering spare parts, petrochemicals, steel, and metals. In addition to gas and electricity exports, Iraq has struggled to pay and transfer its dues to Tehran due to banking sanctions, leading to the repeated suspension of Iranian electricity supplies to Iraq. Thus, banking sanctions remain the most significant obstacle to the development of economic relations between the two countries.

Security Aspects

On the security front, Pezeshkian aimed to enhance border security coordination by activating the 2023 joint security agreement, which focuses on securing the borders and disarming Kurdish opposition groups such as the Democratic Party of Iranian Kurdistan (KDPI), Komala, and PJAK. This effort is especially relevant given reports of [increased Mossad activity](#) with these groups, using their bases as a platform to act against Iran amid the ongoing regional tensions resulting from the Gaza war.

Pezeshkian is notably the first Iranian president to visit Iraq's Kurdistan Region, signaling improved relations with the Kurdish Regional Government. This visit followed reports from early September 2024 indicating Kurdish efforts that led to the [evacuation](#) of several Komala forces from their border camps between Iraq's Kurdistan Region and Iran's Kurdistan Province to the Sordash camp, located 40 kilometers from the Iranian border. The remaining Komala forces have been given until the end of the year to complete their relocation. Furthermore, the Kurdish security apparatus in Sulaymaniyah handed over Behzad Khosravi, a Kurdish opposition member, to the Iranian authorities, fulfilling Iran's demand for the extradition of wanted individuals. This move aligns with the remarks made by Iranian Foreign Minister Abbas Araghchi, who expressed

satisfaction with Iraq's actions against groups that target Iran from Iraqi territory during an interview with Al-Forat TV.

Additionally, discussions may have focused on the future of the US military presence in Iraq. With the dominance of Shiite alliances in Iraq's Parliament, there is a possibility of passing legislation to expel US forces from Iraq, in line with Iran's longstanding objective of reducing the US military presence not only from Iraq but from the region as a whole.

Political Aspects

Pezeshkian also sought to engage with Iraqi political players regarding the crises that are currently affecting the Coordination Framework bloc and its political future. This is particularly relevant in light of growing indications that the Sadrist Movement is set to return to Iraq's political landscape ahead of the upcoming parliamentary elections. This return could potentially destabilize the Shiite political system that has governed Iraq for over two decades. The three major issues impacting both the executive and judicial branches are as follows:

- The “theft of the century” scandal, the largest financial corruption case in Iraq's history, which was revealed toward the end of former Prime Minister Mustafa al-Kadhimi's term in 2022. These [billion-dollar scandals](#) involved the theft of 3.75 trillion Iraqi dinars (about \$2.5 billion) from tax deposits, with the main suspects being businessman Noor Zuhair, the authorized director of Al-Mubdioun Oil Services Limited, who is now in Lebanon, and Haitham al-Jubouri, advisor to the former prime minister. Although they were arrested, the judiciary later released them on bail in exchange for a promise to return the stolen funds.

- The “[wiretapping network](#)” case led by Mohammad Johe, who held the position of assistant director of the administrative department in the Prime Minister's Office, along with a group of employees and officers. They are accused of eavesdropping on key political figures, including leaders from the Coordination Framework, putting current Prime Minister Mohammed Shia' al-Sudani in an embarrassing position domestically and internationally, thereby weakening his political prospects as a potential prime minister for the next government.

- The “judicial negligence” in prosecuting those involved in the “theft of the century” case. Iraq's Integrity Commission, presided over by Haidar Hanoun, [accused](#) the Iraqi judiciary of failing to hold those responsible accountable. At the same time, media outlets circulated [audio recordings](#) allegedly revealing Hanoun's acceptance of bribes. These three issues have

the potential to severely undermine the Shiite-led political system in Iraq, as they challenge the very pillars of the executive, legislative, and judicial branches.

Conclusion

Based on the aforementioned, coupled with the internal developments in Iran since Pezeshkian's election victory and the regional and international dynamics at play, it can be concluded that Pezeshkian's decision to make Iraq his first foreign visit demonstrates his political acumen. He has skillfully balanced the interests of both "reformist" and "hardliner" factions to advance his domestic and foreign policy agendas. After his election win, Pezeshkian pledged loyalty to Iran's supreme leader, which helped him secure parliamentary approval for his entire government, reflecting the supreme leader's approval of his administration's policies. This is especially evident with Abbas Araghchi assuming the role of foreign minister and Mohammad Javad Zarif serving as vice president for strategic affairs. Additionally, guided by the supreme leader, Pezeshkian's foreign policy will definitely be reflected in his statement that he has no objections to engaging with "enemies" as a green light for opening up to the West.



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