



Resetting India-Iran Relations

*This editorial is based on "[Iran foreign minister's visit reaffirms resolve of two countries to strengthen ties](#)" which was published in *The Indian Express* on 17/06/2022. It talks about how by overcoming challenges India-Iran Relations can utilise their huge potential*

For Prelims: Tehran Declaration, Iran's location, Caspian Sea, Persian Gulf, Iran Nuclear Deal, Houthis, West Asia, Abraham Accords, Afghanistan, The International North-South Transport Corridor (INSTC),

For Mains: By Improving their Ties both India and Iran can Utilise their Untapped Potential and Could Further Enhance Regional Economy and Security.

In keeping with the **"Asia-oriented"** foreign policy of the new Iranian Regime, the Iranian Foreign Minister visited India and it was the first ministerial-level visit from Iran to reset ties with India since the new Government took control in 2021.

Let's look at the challenges faced by both sides and how these issues can be resolved.

What is Historical background?

- [India and Iran](#) share close **civilizational ties** since the times of the Persian Empire and Indian kingdoms.
- Iran is an important nation in India's neighborhood and in fact, the two countries shared a border until India's partition and independence in 1947.
- The **"Tehran Declaration"** signed during former Prime Minister Atal Bihari Vajpayee's visit to Iran affirmed the shared vision of the two countries for an **"equitable, pluralistic and co-operative international order"**.
- It recognized the then Iranian President Mohammad Khatami's vision of a **"dialogue among civilisations"** as a paradigm of international relations based on **principles of tolerance, pluralism and respect for diversity**.

What is Strategic Importance?

- **For India:**
 - **Location:** Iran is located at strategic and crucial **geographical location** between the [Persian Gulf and the Caspian Sea](#).
 - **Connectivity:** Iran is important to India as it provides an alternate **route of connectivity** to Afghanistan and Central Asian republics, in the absence of permission for India to use the land route through Pakistan.
 - **Natural Resources:** It sits on **one of the largest deposits of crude oil and natural**

gas in the world.

▪ **For Iran:**

◦ **Strategic location of India:**

- Second largest populous country coupled with major economy and huge demographic dividend.
- It helps Iran to sell its oil to a large market, that's near to its geographical location, which eventually reduces its cost.

- **Improve Trade Ties:** It gives Iran access to the 5th largest economy to invest in and enhance trade relations. It will also give fillip to Iran's crippling economy.

What are the Issues Between Indo-Iranian Ties?

- The stoppage of oil imports from Iran after May 2019 owing to [U.S. sanctions\(CAATA\)](#) following the revocation of the [Iran nuclear deal](#), therefore, impacting India's energy security.
- India's close relations with Israel, and **Iran's ties with China**, including signing a [25-year strategic partnership agreement](#).
- Iran-backed [Houthis](#) in Yemen launching drone attacks against Saudi Arabia and UAE, both are close partners of India,
- Iran's tough statement on the Indian government's abrogation of Article 370 of the Indian Constitution, gave special status to Kashmir.

What are the Optimistic Conditions for Resetting Ties?

▪ **Areas of Convergence:**

◦ [Afghanistan:](#)

- The Taliban government has largely been isolated since it took over Kabul in August 2021. Iran was one of the few countries that did not withdraw its embassy from Kabul and has continued to keep its channels of communication open with the Taliban.
- India is now keen to open back its embassy in Kabul and recently started negotiations with the Taliban.
- India and Iran have the potential to forge a common and effective policy of engagement with Afghanistan in the future.

◦ **West Asia:**

- There is rebalancing taking shape in the West Asian region this offers great potential to strengthen India-Iran ties.
- For a long time, India's growing ties with the Gulf countries, especially Saudi Arabia and the UAE were seen as a **"zero-sum game"** pitted against their rivalry with Iran.
- The UAE and Qatar recently held good talks with Iran. Iranian President has already visited Qatar and Oman this year.
- Syria and Iraq are slowly consolidating and are positively disposed toward Iran.
- The [Abraham Accords](#) signed with Israel give hope towards the acceptance of Israel by the regional countries as a potential partner and not necessarily a foe.
- All these developments work well for India, as it has close and good relations with the Gulf countries, Iran, and Israel.
- This gives **India the tremendous opportunity to develop and scale up its cooperation with Iran** without fear of losing out on other friends in the region.
- In fact, at some point in time, India may emerge as the perfect interlocutor in the region, as it has the trust and confidence of all stakeholders.

What are the Advantages of Restructuring India-Iran relations?

- **Unlocking Bilateral Potential:** The bilateral ties could open doors to fully exploit the **potential of cooperation between India and Iran**. Which would ultimately lead to regional and global good.
- **Cheaper Crude Oil:** India may well consider restarting oil imports from Iran, Should India change course and resume imports of Iranian oil, it could potentially encourage some other countries to

follow suit and open up additional oil in the market, which could eventually bring prices of crude oil down.

- **Connectivity with Eurasia:** The [International North-South Transport Corridor \(INSTC\)](#), an ambitious project launched at the start of this century, aims to connect India, Iran, Afghanistan, Russia, Central Asia, and Europe through multi-modal transport, reducing the transit time of goods drastically.
 - Although some part of it has been operationalized, again, due to sanctions on Iran, its full potential has not been realized. India and Iran could well play a major part in giving INSTC the required boost to reap the benefits of resultant trade.
- **Energy Security:** The Iran-Oman-India gas pipeline (IOI) too is an ambitious project that has been stuck for a long time. Fortunately, Iran and Oman signed a deal during Raisi's recent visit, to develop two gas pipelines and an oil field along their maritime borders.
 - If this comes through, there is potential for the pipeline being extended to India, which would help overcome the loss of the failed **Iran-Pakistan-India (IPI) pipeline** and facilitate the supply of natural gas to India.

What Could be the Way Forward?

- There is a need to look forward toward areas of convergence, where both countries have a mutual understanding of each other's common interests and further work together to achieve the same.
- India and Iran, therefore, have a lot that can be achieved together. The assertive diplomacy being practiced by India, emphasizing on standing by its neighbors and friends and focusing solely on fulfilling its national interests, is a refreshing change.
 - If India can extend the same vision toward its engagement with Iran, it could open a huge potential for cooperation between these two great nations and civilizations. Time is therefore ripe for a reset.

Drishti Mains Question

What are the challenges between India-Iran relations and how can it be resolved? Give examples to support your answer.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Q) What is the importance of developing Chabahar Port by India? (2017)

- (a) India's trade with African countries will enormously increase.
- (b) India's relations with oil-producing Arab countries will be strengthened.
- (c) India will not depend on Pakistan for access to Afghanistan and Central Asia.
- (d) Pakistan will facilitate and protect the installation of a gas pipeline between Iraq and India.

Ans: (c)

Exp:

A commercial contract for the development and operations of Chabahar Port was signed between India and Iran in 2016. The contract is for a period of 10 years. Chabahar Port will provide India an alternative and reliable access route into Afghanistan and also a reliable and more direct sea-route access into Central Asian region. It will eliminate dependency on Pakistan for access to Afghanistan and Central Asia.

Therefore, option (c) is the correct answer

