

## India-Iran relations during NDA-2 (From 2014 to present)

<sup>1</sup>Sajad Ahmad Mir, <sup>2</sup>Dr. Ashwini Sharma

<sup>1</sup> Research scholar school of studies in Political Science Davi Ahliya Vishwadyala Indore. Madhya Pradesh, India.

<sup>2</sup> Professor of Political Science Shri Atal Bihari Vajpayee Govt. Arts and Commerce College Indore, Madhya Pradesh, India.

### Abstract

India and Iran have interactions with each other since time immemorial. Iran is a major partner for India in its energy security. This has been a recurring theme during the past decade. It was no surprise that the Tehran Declaration flagged this up, the geographical situation of Iran and its abundant energy resources along with the rapidly expanding Indian economy and energy market create a unique complementarity which the sides agree to harness for mutual benefit. Both parties have strong motives for courting the other. Iran sees India as a strong partner that will help Tehran to avoid strategic isolation and helping it to break out of the anti-Iranian pincer allegedly created by the United States in the region. For India, the establishment of a strong relationship with Iran is a part of the wider effort to pursue Indian interests pragmatically and patiently with all significant states and especially with those in India's neighborhood, facilitating its pursuit of Indian national interests in Afghanistan and more broadly in Central Asia.

**Key words:** Chabahar port, Deal, INSTC, Investment, Nuclear, Sanctions, Ufa.

### 1. Introduction

India and Iran look towards consolidating their bilateral relations. Both the countries are significant actors, whose role cannot be overlooked in terms of their political and economic involvement in the region. Today the regional complexities demand new ways and means of cooperation between India and Iran. Modi led government reiterated that it would strength the ties with Iran, evident from the bilateral visits. In this connection, The most important meeting between India and Iranian top officials to promote and strength the bilateral relations was in Ufa Russia between Indian Prime Minister Mr. Narendra Modi and Iranian President Hassan Rouhani on July 10, 2015 and discussed wide ranging issues, including the strategically important Chabahar Port Project, Trade and Investment, Hydrocarbons and Threat of Terrorism etc.

### Objectives of the Study

1. To study the political and economic aspects of India Iran relations during this period.
2. To study how India and Iran seek to revive Afghan alliance.
3. To analyze how the nuclear deal of Iran could benefit India.

### 2. Methodology

For the purpose of study both published and unpublished Primary and Secondary data has been utilized and is collected from various journals, newspapers, books and from internet.

### 3. Discussion

#### Efforts for Mutual Cooperation

India's foreign policy priorities under the new Modi government with respect to the usual partners, neighbors, and competitors are still emerging. However, little attention has been paid to India's relations with Iran. India faces continued challenges in trying to maintain a balanced relationship with

Iran while also revitalizing relations with the United States. For the new BJP government to continue Engagement with Iran, Prime Minister Narendra Modi will need to make sure his government has a single, coordinated view on balancing relations with Iran and the United States. India's engagement with Iran arises from two needs: access to energy resources and access to Afghanistan <sup>[1]</sup>.

For access to Afghanistan, India has made considerable progress in India's discussions with Iran on participation in the development of Chabahar port. In October 2014, Cabinet accorded clearance to participate in the port project. India conducted a successful trial run along International North South Transport Corridor (INSTC) from 08-14 August 2014 which included Bandar Abbas-Astara and Bandar Abbas-Amirabad routes <sup>[2]</sup>. For this Transport Minister Nitin Gadkari, in an May visit to Iran, inked a pact committing India to development of Chabahar port, and signed a MoU for the development of Chabahar port project during his visit to Iran <sup>[3]</sup>. However the progress struck after Iranian port authorities told a visiting Shipping Ministry delegation, which went in June to follow up on the agreement that the port building contract had been awarded to an Iranian company. India wished to carry out major construction of the port.

To promote mutual cooperation, Indian Prime Minister Narendra Modi and Iranian President Hassan Rouhani met in the eastern Russian city of Ufa on 07 July, 2015 on the sidelines of BRICS and SCO Summits and discussed issues of bilateral and mutual interest. This is the first-highest level interaction between the two countries after the NDA government came into power in, May last year. The two leaders discussed wide ranging issues, including the strategic important Chabahar port project in Iran, connectivity, hydrocarbons, trade and investment and threat of terrorism. Mr. Rouhani invited Prime Minister Modi to visit Iran and the Prime Minister said he looked forward to the trip <sup>[4]</sup>.



It was just after two weeks of Prime Ministers meet with President Rouhani, officials of the National Security Council of India and Iran met in New Delhi against the backdrop of Tehran's agreement with world powers to end sanctions on the Shia majority nation for its suspected nuclear program. The meeting took place at a time when Iran is looking to open its markets to investments. Ameer Saeed Iravani, deputy secretary of the Supreme National Security Council of Iran, who was on three-day visit to India started on 22 July, held Talks with his counterpart Arvind Gupta, held discussions on regional and bilateral issues of mutual interest and agreed to continue their interaction in the future. The visit comes as Iran is looking to rebuild its main industries and trade relationship following the nuclear agreements [5].

After the end of sanctions that isolated and designated Tehran as the "axis of evil" Iranian Foreign Minister Javad Zarif, still fresh from having successfully arrived at a final deal over the country's nuclear program with a group of world powers in Vienna, arrived on 13 August, 2015 in India where He met with Indian Prime Minister Narendra Modi, External Affairs Minister Sushma Swaraj, and a range of other senior officials there as well. Zarif arrived in India after a visit to Pakistan where he met senior officials as well. Though the details of what Zarif discussed with Indian officials remain sparse-there were no major joint declarations issued-it is likely that the two sides discussed ways to expand their cooperation in the light of Joint Comprehensive Plan of Action (JCPOA) on Iran's nuclear program, which will largely open up Iran's economy after years of crippling economic sanctions [6]. His visit comes after a flurry of trips by senior Indian Officials to Tehran in the lead up to Iran's nuclear breakthrough aimed at reviving economic, trade and transit plans with the West Asian Nations. But it is the regional security; especially the twin threats of the Islamic State and the Taliban converging in Afghanistan, those senior officials from both nations converging was lending uncommon urgency to the renewal of the India-Iran partnership.

Zarif's three-day visit starting August 14 to New Delhi comes not long after Modi met with Iranian President Hassan Rouhani on the sidelines of the Shanghai Cooperation Organization (SCO) summit in Russia. Notably, Zarif met with India's Minister of Transportation Nitin Gadkari to discuss Indian investment in the strategically critical Iranian port of Chabahar. For India, Chabahar is of particular importance as it will allow Indian goods to have land access to Afghanistan, bypassing Pakistan entirely. Progress on Chabahar, however has been sluggish for both sides. Zarif appeared sanguine for the

progress of accelerating progress on Chabahar: "We both, India and Iran are eager to engage in this. I believe sooner rather later we will start serious work", he told reporters in New Delhi [7].

### India-Iran and the Nuclear deal

The recent visit by Iranian Foreign Minister Javad Zarif to India was the first by a high ranking Iranian official after the nuclear deal indicating Iranian interests in renewing engagements with India. The signing of the nuclear deal opens a wide opportunity for New Delhi to enhance its bilateral relation with Tehran. The nuclear deal however can at best be classified as a deal with mixed blessings for India as India has to part with a host of highly lucrative sanction-era offers now [8].



Iran and six world powers sealed a historic accord to curb the Islamic Republics nuclear program in return for ending sanctions, capping two years of tough diplomacy with the biggest breakthrough in decades. Diplomats reached the deal in Vienna in September, their 18<sup>th</sup> day of talks. US President Barack Obama said it blocks "every path to a nuclear weapon" for Iran, while Iranian Foreign Minister Javad Zarif called it a "win-win" [9].

India hopes for a new business bonanza from Iran after the international community agreed to release nine year old sanctions and trade embargo. Ending economic penalties could open Iran's stock market to investors in early 2016. Oil importing countries such as India should use the period of subdued oil prices to strengthen their monetary policy framework along with fuel pricing and taxation reforms, the International Monetary Fund (IMF) recommended in a report. Moreover, low oil prices could boost India's gross domestic product (GDP) by 0.4-0.6 percentage point over this year and next [10].

Conclusion: The two great regional actors, India and Iran have sought to depoliticize relations with each other and keep them on an economic footing; the United States has strongly discouraged bilateral relations with Iran due to Tehran's

nuclear ambitions. As results the relations between the two hampered and did not grow very much were it should be during this period. However, top officials of both countries have taken certain measures to enhance and strength the bilateral relations evident from the meetings and exchange of visits from both sides. Recently the thaw between the US and Iran, especially the likely end of some sanctions against Tehran, have opened up a window for cooperation that New Delhi cannot afford to miss and hopes for a new business bonanza from Iran.

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