

## **IPIS\_VIF Joint Forum**

### **Iran-India Cooperation in Post-JCPOA**

**March 5<sup>th</sup>, 2016**

**Dr. Mostafa Zahrani, DG, IPIS**

This roundtable is being held in a very important moment for us; one issue is the conclusion of nuclear deal between Iran and 5+1 which I would rather put it in concept of a shift in the history of international relations. The second issue is what we have around us in this region. Third issue is the election that we had last Friday which is a very important event. We have all this range of issues. And the relations between Iran and the US and west is a question, terrorism and extremism are always remain issues with us.

#### **Iran-India bilateral relations: Perspectives for All-Out Ties**

**Dr. Hossein Aminian Director West Asia Division**

The relations between these two nations traces to centuries ago. Persian culture had an effect on tradition, language, religion beliefs and customs of India. Let me say by these commonalities between two nations, we have founded our relation on a historical foundation and this is very important to set our relations in the modern time. In 1950 the diplomacy established between two countries, the embassies opened and the ambassadors were exchanged but before the fall of the previous regime Iran's economy was west oriented, although to relations grew up to some extents but not to that extent which happened after the revolution in 1979, our policy was an east look policy. The countries which we enhanced our cooperation with were India, China, and Japan. Very soon the relations in every aspect busted up, in the field of the economy the first economy commission was in 1980. After that 18 joint commissions held between two countries. In political domain, we exchanged high-level leaders. We had large number Indian doctors, physicians, skilled engineers and technicians in the field of shipping working in Iran. On military and defense issues considerable steps were taken, exchanges were established as well. During 80's Dr. Wall the prime minister of India visited Iran and in 1995 President Hashemi visited India and in 2001 prime minister of India visited Iran. In 2003, President Khatami visited India and a strategic agreement was signed. It is to be noted that when the cooperation in these

domains was busting up, we had the US and India nuclear deal in 2005 and from that time we had less cooperation. We come to the time that the US imposed sanctions on Iran, the time the cooperation came down, but we never forget that India helped us a lot during the sanction time. There were only a few countries naming India and China, we had assists from our Indian partners in this period,

As well as we had imports from India but when the sanctions continued to be tenses the payment issue was a serious issue between Iran and India. I am happy to say during these tough years the imports from India and exports to India were continuingly busting up. From 2009 to 2015 the total amount of 13 billion to 15.3 billion dollars. The exports to India are mainly the crude oil and we had around imports from India which are mainly rice, wheat, and other items. But based on the strategic partnership that we have had and facing the sanctions, the military and security affairs cooperation between two countries became almost non agree. In political domain in this period of time in November 2011, we had the speaker of your country and also your Prime Minister also attended in August 2012. So we reach to the point that by the time that Geneva nuclear deal was signed in 2013 soon after that, India considered a landmark and welcomed to the deal. Thanks to these steps taken by you. The talks on various issues started we have tried both sides to stay in line to trade between two countries. We tried to explore further means to enhance energy. Some projects that we have had negotiation in the past in energy field oil and gas for example Faizabad gas field for 8 years two countries have been negotiated and still it is continuing and I hope this would be finalized soon because the time has come that such kind of negotiations on infrastructural projects which Indian companies are supervised. The most important is the Chabahar project development plan which is a topic in last 10,12 years between two countries. Even the Excellency minister of shipping and transportation of India had a meeting with ambassador he said we are tired of this project let us start it. Fortunately, the government of India 58 million dollars for equipments in phase 1 of Chabahar development plan and last week ratification by the government of India was done which is an allocation of 150 million dollars for infrastructural implementation in phase 1, with these 2 issues. The importance of Chabahr is clear to everyone, in particular, it is an alternative way to Afghanistan and CIS countries without a challenge with Pakistan, therefore, the importance of Chabahar not only in the economy but also in the strategic field. Apart from these projects, the negotiations between two countries started last year and a draft of MOU was made on the capital and we hope this

helps India to get access to Afghanistan again and enhance trade with them and CIS countries to be finalized. We have cooperation in the north of corridor as well it was a year ago. We tried to carry cargo from India to Bandar Abbas and it is on the Indian side to get started officially. Let me finish up enjoying the positive relations by having many things in common and also taking into the account the present opportunity after nuclear deal for Indian side, I think India should take an active role in oil, gas and petrochemical projects and development of Chabahar. This is the time to finalize and in the political domain, we are waiting to have your Prime minister in Iran in 2016. So many agreements are ready to be signed and during this historic meeting, we can finalize them. We will be hosting India foreign minister very soon by the beginning of April. And it is good news.

Thank you.

#### **Amb. Kanwal Sibal Former Foreign Secretary**

I think all that should be told about Iran-India bilateral relations have been told by Dr. Aminian. Firstly the landmark is the prime minister visit to Iran. My understanding is that he will have a warm meeting with Iranian President. The subject of this perspective is all out ties it cannot be considered only in bilateral relations because we can be enforced each other by common interests in policies, that is substance to partnerships that have been signed in 2003 by President Khatami who was a special guest in India. Unfortunately, the developments leading to US and Western sanctions, now Iran has been free from the sanctions. For us, Iran is a natural partner who supplies energy to us and therefore if India and the US have a strategic partnership, that partnership should take into the account that should not be harmful to our interest.

#### **Presentation by Mr. Manish Mohan, CII**

##### **► India-Iran: Economic Cooperation: Opportunities and Business Issues**

India and Iran enjoy a robust and dynamic economic and commercial partnership as part of a multidimensional and multifaceted relationship. Iran's distinct cultural identity and rich cultural

heritage sets it as almost a nation apart in our modern world. Indo-Iranian relations span centuries marked by meaningful interactions. The two countries share several common features in their language, art, culture, and traditions.

In tune of the changing business environment of the world, Iran and India are exploring new trading avenues. Both Iran and India have sought to find new pathways for collaboration with each other in diverse sectors such as roads & railways, infrastructure, cement, power, shipping and maritime, pharmaceuticals, aluminum & steel, automotive & auto components etc. India is a major source of Iran's global imports of organic chemicals, cereals, articles of iron or steel and manmade staple fibers, accounting for a significant share in Iran's global imports.

In order to sustain the level of trade interaction, it is important that Iran imports more from India. Agriculture, Pharma, medical equipment and aeronautics are some of the identified areas where cooperation can be enhanced.

Many leading companies have already set up joint ventures in Iran in various fields, and many more new investments would be in the offing. Indian businessmen have made significant investments in Iran over the past few years. Several Indian companies have a presence in Iran. Indian companies such as ESSAR, ONGC Videsh Ltd. and the State Bank of India (SBI) has a representative office in Tehran. Both countries have set up joint ventures such as the Madras Fertilizer Company and the Chennai Refinery. Chennai Petroleum Corporation Limited (CPCL) was formed as a joint venture in 1965 between the Government of India (GOI), AMOCO and National Iranian Oil Company (NIOC) having a shareholding in the ratio 74%: 13%: 13% respectively. Both countries also seek to enhance connectivity through the International North-South Transport Corridor (INSTC) and the Chabahar Port.

**Presentation by Dr. Meena Kumari Singh Roy, *Research Fellow & Coordinator West Asia Centre, IDSA:Analysing Connectivity Projects In Eurasia "The New Integration Game"***

The United States, Russia, and China are each pursuing ambitious schemes to connect the region. All 3 have a larger geopolitical agenda. Their respective Eurasian visions:

- China -- *Silk Road Economic Belt & Maritime Silk Road /OBOR*
- Russia -- *Eurasian Economic Union ( EEU)*

➤ United States -- *New Silk Road vision*

Main Objective of OBOR are: (1) to promote the connectivity of Asian, European and African continents and their adjacent seas, establish and strengthen partnerships among the countries along the Belt and Road, set up all-dimensional, multi-tiered and composite connectivity networks, and realize diversified, independent, balanced and sustainable development in these countries. (2) The connectivity projects of the Initiative will help align and coordinate the development strategies of the countries along the Belt and Road, tap market potential in this region, promote investment and consumption, create demands and job opportunities, enhance people-to-people and cultural exchanges, and mutual learning among the peoples of the relevant countries, and enable them to understand, trust and respect each other and live in harmony, peace and prosperity.

However, future will depend on how China is able to convince and implement these ambitious projects. It still needs to explain the initiative. Right now not very clear. A major challenge is to get support for the initiative from all regional countries. Equally important would be a financial commitment in the period of global recession.

**Regional issues: role of Iran and India**

**Gen. Chandra Deva Sahay, Former Head of the Indian External Intelligence**

What is interesting in this debate, I am sure is not intentional it is accidental, is that there are to form of intelligence practicing began against two professors. These two presentations some changing started happening in my mind on the concept of regional cooperation and regional understanding. It is a new concept not only in two countries but also in a group of neighboring countries, this is the fact of history and in India recently the Prime minister also come up with an idea of regional cooperation which is neighborhood's first policy which is strongly reinforced by call for all of us in the region to be together. And I see that it is happening. Now coming back to the concept of regional cooperation and I said that these ideas have come and the new strategic economic and other considerations have come up, the evolution recontinue but in this morning's talks I found out that in the every construct of the regional cooperation that we were discussing

there, Pakistan was always coming in any talks even here on constructor and I have been assigned the task of Pakistan in 5 mins which is very difficult, so I prefer to restrict my bullet points only in one aspect, the first aspect is India-Pakistan relations not in the historical context but in recent area. The conflicts between these two are huge the expectations and lots of talks too, how India-Pakistan relations will move forward. And what will happen subsequently. Those little developments particularly ending by December 25 visit of Prime Minister Modi to President Navaz Sharif's birthday and his granddaughter's engagement ceremony which surprised political analysts but elements of these were there. What I am trying to argue here is that it is not just one surprise diplomatic ride it was better. And about Iran, which were happening. And I very quickly list them out I know I get comments but I just track them to the end. The last handshakes between two prime ministers and it might have a deliberate key and this message went to everyone. There was quick see between these two in New York we all noticed that there was a 19 seconds handshake and talk between Pakistani and India prime ministers in Paris detailed the discussions in Bangkok and they issued a joint statement there which was very significant and the visit of our foreign minister to Islamabad to attend a meeting on Afghanistan. So all of these happened and a lot of euphorias made and soon they both were moving on the same track both were invested a lot of political capital in this process. What happened in that changes were not expected by most people but two sets of narratives, the negative narrative mostly coming from Pakistan in my opinion and lots of think tanks, the India policy needs to be consistent and this was also in Indian think tanks. The frequent flip flops with the wrong sequence now change is going to happen in Pakistan inimical attitude towards India. The missionary remains and Kashmir is the core agenda. Pakistan does not need to show flexibility for restarting the dialogue. The positive narrative is that Modi has completely surprised everyone by doing this and for once India is setting the content of the agenda of the engagement of Pakistan not gone in a reactive mode. The reactive mode was avoided after the challenge. India has the leadership role in the programs in the region and this positive side going on there but what happened has created serious problems both have reacted in a very mature manner. The agenda of cooperation I will not say an agreement on core issues has made but the intense needs to be serious and we see lots positive deals there and we all got to pack it. There is, of course, another view that is not going to lead anywhere but above that let drama continue and I also get a sense somewhere that Pakistanis do not know what they want I asked two of

them I said ok you want the resolution of Keshmir issue. That is the core issue by you. They said yes. Now say what you want. Tell me A,B,C. the only answer that came was looking with this UN resolution is something we got to stick to, this is the only thing that looks us internationally. Then I argued the core issue for me is terrorism and unlike you, I list up all my expectations which completely settle the issue and basically it is about the activities of non-state actors from my view who has watched Pakistan for over 12 years as a professional very intimately and as an analyst for the last 10 years. There are no non-state actors involved in the war. There are these serious state actors and they came to the scene. Lashkar Jeish Mohammad is the one when I came to Kandahar in summer 1999 when I was national security advisor Mr. Doval in releasing Masoud Alahmad and handing them over . The message was clear these two organizations are dangerous and it is acknowledged we want the open activity and support to them by elements of the establishment. Mumbai tried lots of issues given lots of evidence and even before. It was a shock case asking us for more evidence. It was not a valid approach at all because all the conspiracy and the elements leading to this all happened in Pakistan and Karachi so if they investigated that what really they want they could uncover all elements of that and successfully pre-secure just as the case what happened in that school attack. All the elements of conspiracy happened on the other side. We are asked to provide evidence of things which happened on the other side, we said we only can provide leads and those leads are provided and now they have to work successfully to investigate and cover them. In this context I must also acknowledge that the two governments decided not to break up the talks, they remain engaged in this channel and other channels they exchange information. Now the positive plans have taken place that a formal FIR has been registered, we only hope that it will be enabled for serious investigation. There are other things that I cannot discuss here but things are global, and these relations can be repaired not immediately. And people want relations; there are political leaders and other elements in decision-making process that you know them very well. These incidents will continue meanwhile I only hope that limit of tolerance does not cross, otherwise again it would become an inconvenience.

**Gen. Ravi Kumar Sawhney, Former Deputy Chief of Army Staff**

I would rather talk about Asia Pacific region, there is a combination of countries which implies to their allies, India is a friend to so many countries, so what happens in combining this thinking is to make sure that it benefits anyone from starting, there is a very loose understanding. There is a possibility that Iran joins China and Pakistan that was a curious one. So basically the relationship between China and Pakistan is a different relationship they call it deeper than the sea and higher than the mountains and also sweeter than the honey but I think it is based on money. You always have much more respect, Iranians have their own rule, they would not join any areas or any sort of complicated relationships which restricts their independence. There are some areas that required to be discussed, so the thing comes to their counter and there will be a possibility of clash between Iran-linked coalition, and the Chinese-linked coalition and Indians coalition and Iran is one, both countries have their independence interests and they do not have time now despite that joining any of these allies, they tend to be independent in their regional part. I would like to talk about two issues, first, do not go to the connectivity at all, and I will not go the OBOR (one belt one road), but OBOR is concept subtracted in weight, one the true thing that can say about it with confidence is that the possibility of one economic zone among 5,6 diverse countries. The idea is extracted. But nobody talks about the security of this work, nobody talks about workers for example about the safety of workers working in this area coming from 5,6 countries. So they are thoughtful areas. I like to bring your attention to the 14th century one the reasons of their failure we have the same position today the near form of terrorism in particular motivated spy terrorism which is impacting on the Islam society world, diverging the part of OBOR immediately comes up which contain stable policies by most of the involved states. But these regimes are basically independence. In most of central Asia states there is Islam bubbling on the surface but increasingly the region and network capacity has been rising and central Asia states keep it as a main static. Many of these people forming IUN, for example, are traveling to Syria to join Islamic state, and lots of terrorist groups are growing in central Asia Daesh, Al-Qaeda, Taliban and other jihadist groups. Not from political stability also from grain doing by these diverse groups view. The general thing we have today is the rapid economic development can be achieved by eliminating terrorism but this fails to take to account the fact that terrorism is not compatible with technology by their ideology. One of the most important countries in the region is Afghanistan the situation in this country if goes out of control will not only impact Pakistan but also other countries in the region and central Asia republics who share borders with



this country Tajikistan, Uzbekistan and Turkmenistan, if Afghanistan implodes the civil war comes to Syrian Islamists or even remains unstable it goes to its neighboring countries that are politically dependent, there seems not any solution inside to stabilize Afghanistan. So when we talk about a belt and connectivity, Afghanistan stability is the center. Chinese are very conveniently outsource the stability of Afghanistan. With a very quick look at what happened in Afghanistan in a few months to a year, if you reclaim that Mullah Omar location in Pakistan was supposed to be in Taliban moment it was formally out of control of ISI, the fact that he died two years ago and Pakistanis continued to direct Taliban.

### **3. Latest International Developments: Iran and India Viewpoints**

**Dr. Mostafa Zahrani, DG, IPIS**

I just say a few words on the regional and other aspects. It is very important how you interpret the narratives of the Iranian nuclear issue. Two interpretations could be there: one is to look at the nuclear issue as a symptom in relations of our country as a revolutionary country with the international community or look at the nuclear issue as a cause. I think at this moment the temptation generally in all area in the international community is to look at the nuclear issue as a cause and not as a symptom. Assuming that is the case, things are going forward not going backward. For that reason, I will see Iran-US relations will not go back to the time before. The second thing is that regionally things are deteriorating almost everywhere especially in Saudi, no one can assure that Saudi remains the way it is in next 2 years. Afghanistan is the case, Iraq, Syria all those. Assuming this is the case somehow the US needs a type of cooperation from Iran, so that would be a second point which means no more talks about sanctions. Look at Turkey they are rational enough when they see a problem like in Syria they stop. And goes back to a better understanding what is there. China is important we always talk about this one belt, one road. From them you see different interpretations some people say this is a project; some people say this is only an idea. I believe this is an idea it is an evolving idea, no one can say it is strategy decision though you should be a pessimist and there are many things that what is the intention of that kind of thing but still what we hear from Chinese is that this is an idea. So all of us can cooperate in that context for the better things how much they look at the role in this region in a

geopolitical manner or in an economic manner or geo-economic manner this is really remains the question no one has a clear answer . Here again, I think things are evolving depending how we behave. Here again, Iran-India relations come, not letting things to go in a geopolitical manner instead looking at oil as a commodity in the case of Chinese strategic thinking here, terrorism is very much important as everybody says it is a true state is always there. It is the time when you create something you are responsible morally for what it comes out of it but it does not mean that you can always control this issue. Terrorism that we have it now is this the case, everybody knows how responsible Pakistan and Saudi were, pumping money and kind of things. But this does not mean that they can control. Traditionally we say if you want to know your religious duties you have to go to clergy or mosque. But now I am talking about globalization. Everybody can become Ayatollah by the internet even if they cannot read Quran. The traditional people who can create beliefs and the governments cannot always control things. It is what we say about state or non-state actors in this region. Everybody says is the military a solution? For sure for the short term you have to have military aspects but for a long time, this is ideational warfare. Who can create some kind of innovation when it comes to the idea? Pakistan and Afghanistan have been a context and route, Bin laden was moved from Saudi to Afghanistan then Pakistan. For sure we see Afghanistan as a central issue and you see lots of factors noon of them is fixed. If thing is evolving even the US, that society is an evolving society. 40 years ago in the restaurants, there was no dog no black now they have a black President. Huntington was worried about the society identity has shifted from a white conservative to a nonwhite nonconservative society, this issue still going on, what I am saying is that everything is really becoming. Iran and India can a constrictive body together, and I think of this constructivism as a way of going forward.

**Dr. Momeni, University Professor**

Iran and India have been important countries in the international system. They had not had any cut offs in relations besides up and downs, it is because both countries have realized the importance of their cooperation. After the cold war, we see Indian leaders want to go towards a western approach, this is important in our bilateral relations. Indians tried hard not to be affected from the west but at the end, they had to go in line with the western policies and it is understudied. The importance of this is that India had to limit the relations with Iran, but the fact

is we had common field and we expanded our bilateral relations. My idea is that Iran and India should look forward not into the past as long as economic and strategic interests are concerned, they must act fast. When we look at the globalization, no country can afford to act independently. The cooperation between two countries should be enhanced in this new era which is called inter-regionalism, new players are regions and states cannot act individually. Today everybody talks about security, which is important; I say trade security is more important. It is an opportunity for both countries in post-JCPOA to act fast and gain the opportunity.

**Gen Nirmal Chander Vij, Director, VIF(Former Chief of Army Staff)**

I would like to cover 5 aspects. Number 1, it is estimated that by 4030 and we look towards Iran as a very important source of energy for us and we will develop a very good cooperation with Iran on that account. 3 we look towards you to develop south corridor so central Asia can be open for trade in the entire region. 4 between us and Iran we both are a victim of terrorism by both state and non-state actors, I really like to develop mechanisms and procedures to evolve various thing to fight against terrorism together. Lastly the defense cooperation, we have all the operators for this, we have MOU, all of them are in pace but some of the defense operation have gone into limbo. I again say there are many areas that we can assist you first your need of materials and the second we can develop a very secure trade and the third thing is political cooperation.

**Amb. Kanwal Sibal, Former Foreign Secretary**

I will not talk about latest international developments. I have some bullet points to say, first is China it is over the initiative, the China-Pakistan trade corridor, the development of Gwader, military cooperation, etc. The connectivity is an issue in our region which should be between China, Pakistan, Central Asia and west and north-west corridor which was discussed. It is a very China centric topic. China now is using its resources and wants to expand its footprint and find markets for excess capacity that has built in different sectors of the economy and it is connected to youth domestic problems in China. These are some China's point of view. Secondly, in the

Middle East it is started the changes in regimes that have caused the ongoing issues including Syria and ISIS that affected the whole region as a danger including the stability of the (Persian) Gulf. The other one is Afghanistan we heard pessimistic and realistic views on that. Pakistan is not immune it has radicalized over the years, also negative trends are there in Pakistan and as Dr. Zahrani said US has to control these issues and as you mentioned earlier during lunch the withdrawing the borders is one of that. In terms of China, now China is not an old factor, what we wish to see in Russia-China bilateral talks in terms of global stability, regional stability and security architectures now the scenario that you built up will be a huge, within these organizations where China its policy trying to bring Iran-Pakistan which certainly cause concerns naturally for India and also for Russia. The other thing is the role of US. The US did not consider the ISIL as a serious threat, and this argues that it is not US boarded and does not affect US territory. But the whole US foreign policy is forward defense, it is not a direct military threat to the territory of the US but if it wants to face the terrorist issue should have a protection from far distance. It is been working with Turkey there are some tensions between them. The Kurdish issue is very serious and nobody concerns when you talk about redrawing borders that it is a possibility but perhaps do not have conversations in term of settling independence Kurdish State or extending Kurdish power along the Turkey, and Turkey's reaction can complicate the situation. The US-Iran relation seen from the Gulf (Dr. Zahrani warns that you should say the Persian Gulf instead of Gulf and steak to international law) also makes concerns in GCC. And the picture of Iran that they made on Iranian policies and ambitions which is negative, this dealt with US interests in this area about oil. The other thing is that we have British governments come to us to talk about nuclear aircraft carrier and I ask this question, what they mean for because we do not have any problem in Europe but these carriers which bring nuclear to far distance, where are they going to go? I did not get a clear answer but I think it is about thigs between the US, UN and Britain. The other thing is US-India relations improvement. The joint vision statement between two countries specifically in Indian Ocean regions, India is willing to be more open its concerns about China's policies about south China Sea, about 55% of our trade flows, therefore, we should provide the freedom of navigation in this region and enhance our joint enhancements with the US and enhance US-India-Japan relations and Australia also in political aspects, giving signals to China that its assertiveness will not go uncontested if it goes beyond the acceptable point. The last thing is the new cold war in Europe, US-Russia relations which is a problem for

us because in our view Russia should remain powerful. And in my view, the role of Syria is very significant to make balance in this area. And finally, in terms of international trends, the WDO system with America importing DDIP and DDP if they come to existence then will have challenges against the concept of globalization. China has a huge problem in terms of expansion of its power it is blocked in western pacific from Taiwan it is limiting. And if they want to push back US navy they would receive the US react and it is not an easy thing for China to do; now what they are doing is that since they are blocked toward east they are expanding towards west because there is no us power to contain to it and they have Russia, and US power is withdrawing in this area so they can expand. Now I have a question from you how would they deal with your role with China coming to this area to expose itself because US will not push them from central Asia or CU region but also does not come to the side, I do not think it is easy for them. It is not only US part that gives them global position it is the fact they have basis distributed all over the world. China is only a friend, Iran is not a friend yet, and their only friend is Pakistan it is not enough for them to act in global part. What about Latin America and that area which I see in next 25 years China would play a role that would be a challenge to western powers, what china can do to create the counter force to the US.

**Reported By Fatemeh Hajjari**

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