

Russia and Iran New Route Bypassing Western Sanctions

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The geopolitics of the globe have altered so rapidly and dramatically in the past few years. Events such as the US-China trade war, a worldwide pandemic, Brexit, the introduction of the COVID-19 pandemic, and the Russia-Ukraine conflict continue to alter global geopolitics and supply-chain management. Events such as these, as well as events such as World War II and the alliances of various trade blocs, have contributed to the transformation of trade blocs. Iran and Russia's collaboration is one such example of a trade bloc alliance.

Iran-Russia Relations

Russia and Iran have had diplomatic connections since the 16th century, and they were formally established in 1521. Relations between the two nations have been turbulent and multifaceted, often alternating between hostility and partnership. The two nations have had friendly ties since Iran's inception, and the Soviet Union was the first country to recognise the Islamic Republic of Iran in 1979. Russia has maintained the same connections with Iran as it had before the dissolution of the Soviet Union. Diplomatic and business ties between the two countries have improved. Prior to the Iranian revolution, most of Iran's aviation fleet was Western built, but after the Iranian revolution and the sanctions imposed on Iran by the US and European nations, Iran has relied on domestically and Russian-made aircraft. In the past couple of years, Russia and Iran have signed a number of accords, and Russia has even urged Iran to join CEATO (Collective Security Treaty Organization). Russia and Iran have only signed a few military transactions in the recent decade, such as the S-300 missile defense system, which was banned by the UN in 2011 but was subsequently rehabilitated by Russian President Vladimir Putin in 2015. In 2016, Russia and Iran concluded another \$10 billion contract that includes helicopters, artillery systems, and other equipment. As both nations are subject to sanctions imposed by the US, the two powers have a shared goal of minimising the political influence of the US. These kinds of restrictions have drawn the two countries particularly close together. Following the COVID-19 pandemic in 2021, trade between the two nations surged to 81% for a record \$3.3 billion. Both nations' economic and geopolitical connections have strengthened over the years. Russia has encouraged Iran to join the EEU (European Economic Union), which Iran has showed interest in joining. After being exposed to Western sanctions, both nations have made significant strides in mending their ties. Since the Russia-Ukraine conflict, both nations have been striving to build a new trade route free of outside meddling.

The New Transit Route

In December 2022, both countries agreed to build a new trade route from the eastern edge of Europe to the Indian Ocean. This journey is 3000 kilometres long. Both nations are investing billions of dollars to increase the speed with which commodities are delivered from one country to another. This new trade channel will not only benefit both nations economically, but it will also aid in the establishment of a sanction-proof supply chain. Since Russia's invasion of Ukraine, Russian President Vladimir Putin has utilised the crisis to accomplish two key goals: first, to progress and potentially finish his endeavour to retake control of the afflicted parts of Ukraine, and second, to neutralise NATO. Russia will be unable to fulfil the second aim since NATO will continue to deliver weaponry as long as the war persists, and many analysts have indicated that "if the situation persists, NATO may commit an act of aggression." However, Russian President Vladimir Putin's initial goal has indeed been met as the new trade route that both nations aim to utilise, with the Crimean Peninsula, Ukraine's southern coast (including the Russian-occupied port of Mariupol), and the mouth of the Don River at its northern end. The Russian President detailed the country's advantages in December, saying that the Sea of Azov "has become an inland sea" for Russia. In September 2022, the Russian president also emphasised the need of constructing different infrastructure routes, like ships, roads, and trains, which would allow Russian enterprises with additional chances to join and invest in Iranian and other nations' markets, such as India. Both nations are spending an estimated \$25 billion in the interior commerce corridor, which will allow both countries to examine all weaponry and move restricted materials. The United States is concerned and has been keeping a careful eye on the situation. Although the two countries have agreed that the new route will be used for economic reasons, and ships sailing the Don and Volga rivers have traditionally traded with energy and agricultural products, as Iran is the third-largest importer of grain from Russia, and the spectrum is set to grow, what has alarmed the US government is that Russia has been looking to compensate for the sudden breakdown of commercial ties with Europe which was Russia's biggest trading partner and this move comes as a slap from Russia to the sanctions imposed by the US and the European Union. The transit route will allow Russia to increase its imports of arms from Iran, including drones and weapons, such as the UAVs Mohajer, Arash-1 and Arash-2, Shahed-131 and Shahed-136, which Russia has used to terrorise Ukrainian civilians, destroy cities, and make Ukrainians suffer in the winter without heating or electricity. Russia plans to win "The Winter War" with the provision of these weapons. On the other side, this transit route will assist Iran in obtaining nuclear fuel and components for its Bushehr reactor.

India's Position

Since the route's announcement, experts all over the globe, including in India, have noted that "this decision by Russia and Iran comes with both advantages and downsides for India." According to the Russian Deputy Prime Minister in an interview with TASS. Russia and Iran both anticipate the trade of gas and oil. In the first stage of this exchange, Russia expects to acquire 5 million metric tonnes of oil each year, while Iran expects to receive 10 billion cubic metres of gas from Russia. This may be beneficial for India, as India is a critical node in the network that both Russia and Iran are attempting to

establish; however, this may attract US attention, as “if any entity is involved in violation of our sanctions with regard to assistance to Russia, or any of the other areas in which Iran has been sanctioned, they too will be subject to sanction,” says Malley, the White House Iran envoy.” However, the downside for India is – Russia can eventually send natural gas to Afghanistan and Pakistan through this transit route and the Islamic neighbour of India, Pakistan has been interested in Russian gas for quite some time. Pakistan will have an inherent advantage as all of the participating countries of the INSTC (International North-South Transport Corridor) also happen to be part of China’s BRI (Belt and Road Initiative), and at some point in the future the Iranian ports in the INSTC, the Bandar Abbas, will be part of the BRI and in some point in the future, the Iranian ports of the INSTC, the Banadar Abbas and Chabhar will link with the CPEC (China Pakistan Economic Corridor) as well as Iran will become the hub of converging with significant economic and strategic dimensions that will end up determining the geopolitics of South Asia as well as the West Asia.

The success or failure of the two nations is beyond their control. It will depend on whether other nations, from India to the Middle East, who are also being pressured to comply with sanctions by the US and its allies, agree to do so or choose to reject the pressure. “For such infrastructure to be created, exploited, and sustained, it would need not just the involvement of Russia and Iran, but also the engagement of all other nations within this corridor,” Gopalswamy says. “Any change in geopolitical conditions or ties between these nations will have an impact on the result of the commercial corridor,” he added.

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Anuj Dhyani is a second-year Master’s student in international relations at OP Jindal Global University, India. The views and opinions expressed in this article are those of the author.