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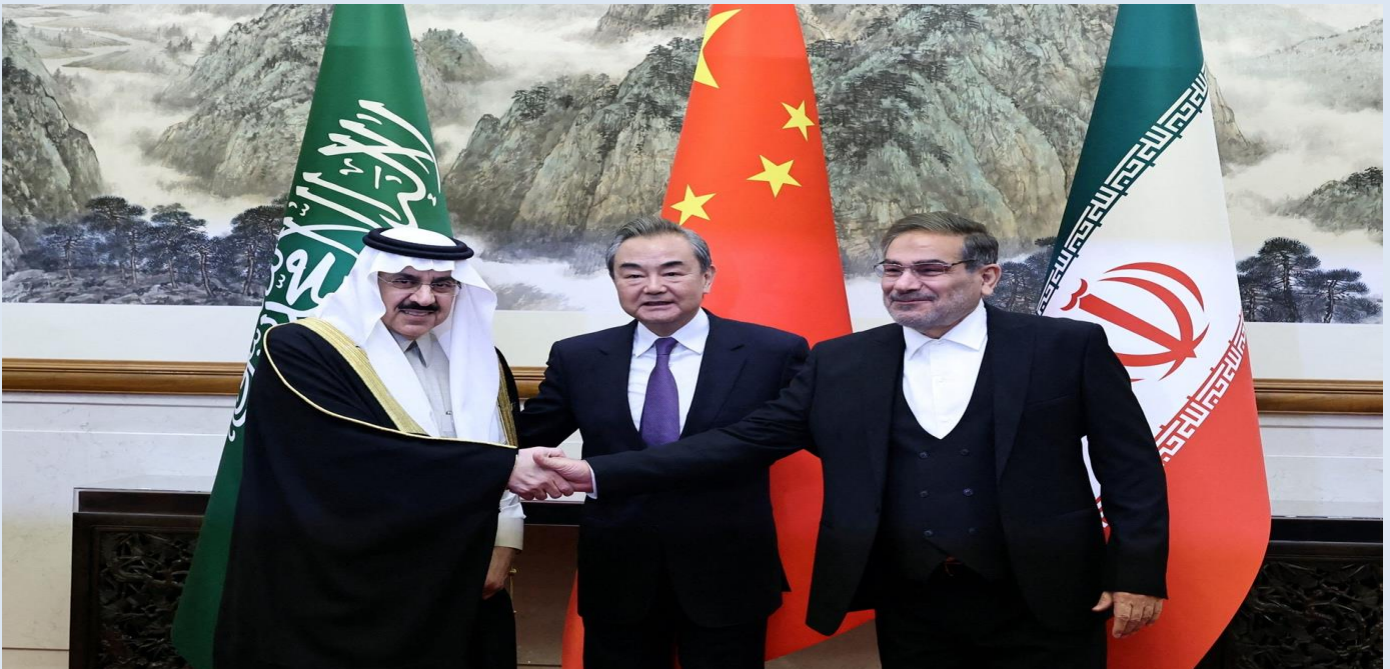
Iran Saudi Détente: What to Expect

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Figure: Iran – Saudi Meet Under Chinese Roof



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West Asia has always remained like a doughnut in the world arena, with the world watching the events from the sidelines and a gaping hole in the centre while global powers play in the geo-political space. China, which has been part of the game all this while, was just adding to the bench strength. Last week, it announced its arrival as a serious player, shaking the existing West Asian world order dominated by US policies.

On March 10, 2023, the Islamic Republic of Iran and the Kingdom of Saudi Arabia agreed to re-establish diplomatic ties in a deal brokered by China. The agreement was signed in Beijing between Ali Shamkhani, Secretary Supreme National Security Council of Iran, and Musaad bin Mohammed al-Aiban, National Security Adviser of Saudi Arabia, in the presence of Wang Yi, former Foreign Minister of China. As a result of this meet, both Iran and Saudi Arabia will work to reopen their respective embassies within two months. Apart from this, the stage has also been set for a meeting between the foreign ministers in the near future and reinvigorating the Security Cooperation Agreement of 2001.

While there had been friction between Iran and Saudi Arabia in the past decade, the diplomatic ties broke in January 2016 when a crowd ransacked and set fire to the Saudi Arabian Embassy in Tehran. This was in reaction to the Saudi execution of cleric Nimr al-Nimr on charges of terrorism. Nimr al-Nimr was a strong critic of the Saudi monarchy, fighting for Shiite empowerment in Saudi Arabia. He was also a symbolic leader of Shiite protestors in the Arab Spring. He was arrested in July 2012, sentenced to death on charges of sedition in 2014, and executed in 2016.

This was also the time when the Yemen conflict had started and was intensifying, directly threatening the security envelope of Saudi Arabia. Iran-backed Houthis were at the doorsteps of the capital Sana'a, threatening the presidency of Saudi-backed Mansur Hadi. The Islamic State of Iraq and the Levant (ISIL) was gaining its foothold in Syria, and President Bashar al-Assad's Syrian Army, backed by Iran and Russia, was fighting multiple players: ISIL, the Syrian Defence Forces (SDF) supported by the US, and Sunni terror groups like Jabhat Fateh al-Sham (JFS) who were in turn supported by Saudi Arabia. Iran was also in support of Shia protests in Bahrain against King Hamad bin Isa Al Khalifa, right in the neighbourhood of Saudi Arabia.

The Persian Gulf has always been effervescent, and a lot has changed since 2016: Qatar's blockade by Saudi Arabia in 2017; Turkey and Iran attempting to come together along with Pakistan and Malaysia to form an alternate Islamic power centre; raising of the Islamic Military Counter Terrorism Coalition, also known as 'Muslim NATO,' leaving Iran out of the grouping; the defeat of ISIL in Iraq and Syria in a fierce battle led by Iran's Quds Force Commander Qassem Soleimani and

his execution by US drone strikes; the US pulling out of Iran nuclear deal reinforcing sanctions on Iran; US withdrawal from Afghanistan; signing of the Abrahams accord; drone attack on Saudi refineries at Khurais and Abqaiq exposing gaps in US cover over Saudi airspace; Saudi Prince Mohammed bin Salman (MBS) taking the reins of Saudi Arabia; and persistent protests in Iran. There is a lot more, but this is sufficient to understand the background in which this agreement has been arrived at with efforts of Oman and Iraq over the last few years to bring Iran and Saudi Arabia onto the same page. China has acted as a catalyst in this geopolitical reaction, which is seen as a game changer in the West Asia security scenario. The world press is enthusiastic over this development, but will it make any significant material difference, or would it just remain as optics? That is what we need to examine.

The agreement had many parleys hosted by Iraq and Oman, with the first direct talks held in April 2021, but since it was signed in Beijing, let us first examine the takeaways for China. The Persian Arab rivalry, which the West casually denotes as a Shia-Sunni schism, has been troubling the region since the 1979 Islamic revolution in Iran. After ditching the Shah, the US made Saudi Arabia its pivot in the Gulf and played on the threat from Iran as its *raison d'être* for becoming the security guarantor for the Arab nations. Since the heat on Israel for handling the Palestine cause was becoming unsustainable, the Abrahams Accord signed between Israel, the UAE and Bahrain in August 2020 was an attempt to normalise relations between Israel and the Arab world. While Saudi Arabia has increased its engagement with Israel, including on issues of military and intelligence,² it is still not part of this accord. Israel hopes Saudi Arabia will soon join the pact.³ This is all that the US could achieve.

On the other hand, China has made its presence felt in the geopolitical landscape by doing what the US could not. This certainly enhances China's stature. It also validates China's policy of economic investments as a strategic tool. Another issue is the supply of crude oil, of which China is a major buyer from this region. Attacks on Saudi oil establishments and oil tankers in the Persian Gulf and Sea of Oman are likely to reduce, thereby enhancing oil supply security for China. China is the biggest trading partner of Saudi Arabia and has signed a strategic cooperation agreement (March 2021) with Iran to invest US \$400 billion over 25 years. Certainly, if this *détente* between Saudi Arabia and Iran stays and ties improve further, it will help Chinese economic interests. The bigger message it gives is that the world's power centre no longer rests with the West and Europe and is shifting eastwards towards Asia.

For Saudi Arabia and Iran, this agreement was not easy to arrive at in view of the historical enmity between the Sunni Arab Monarchy and the Shia Persian Theocracy. However, Saudi Arabia does have many issues to gain from this agreement, the most important being the war in Yemen, which has been ongoing for the last seven years and is draining its resources.⁴ MBS certainly has eyes on it and would make use of this opportunity to get closure on this conflict. Iran surely would seek gains before any such peace deal is signed between the warring Houthis and the present Yemeni government. The next logical step would then be to secure the oil supply chain from threats of drone attacks. Saudi Arabia has also taken visible strides in making itself a preferred investment destination. A volatile Gulf will only act as a dampener, so it is pertinent that Saudi Arabia comes to a sustainable understanding with Iran.

Saudi Arabia also has valid concerns over the Iranian nuclear program. Though the Supreme Leader has repeatedly assured that Iran's nuclear progress is not for building a weapon, the assurances look hollow with news of approximately 85 per cent enrichment.⁵ The Saudis would surely seek assurances on the same from Iran.

For Iran, this agreement may be a precursor to ending its international isolation. Trump's policies on Iran scrapped a lot of investment plans. A US \$5 billion Total Gas deal with the National Iranian Oil Company was called off; French car manufacturers Peugeot and Citroen had to stop business in Iran due to fears of US sanctions; Japan, South Korea, and India, among others, had to stop oil imports again due to US pressure.⁶ This was causing a tremendous effect on the financial conditions of common Iranians. The protests of 2017-2018, 2019, and 2022 can all be directly or indirectly attributed to the air of desperation that has built up due to US policies of strangulating Iran financially.

To some extent, finalising the Saudi Arabia-Iran agreement can be attributed to recent protests in Iran, where more than 520 people have been killed in the last six months. People in Iran are facing high inflation, unemployment, and corruption, which are exacerbated by harsh economic sanctions imposed by the US. Outbursts over compulsory dress codes were just a manifestation of this poor state of affairs, which forced the people to raise their voices against the Islamic structure. In such a scenario, the Islamic establishment needs to assuage the financial conditions of its people, for which it requires enablers to sell its crude in the open market and lots of investments to create job opportunities and push the stagnant and receding economic parameters. This *détente* with the Saudi Arabia certainly opens vast opportunities for Iran.

Iran may also seek muzzling of Saudi Arabia propaganda machinery, of which the Iran International channel being run from the US is one.⁷ Iran International has been supporting protests since the death of Mhasa Amini and has become a significant voice against the Supreme Leader.

For the region as a whole, the stature of the US is certainly on the downslide, with Russia and China replacing its traditional influence in the Persian Gulf. Refusal by OPEC to cede to Biden's diktat to increase oil production to drive down oil prices so as to reduce Russian oil revenues has shown cracks in US-Saudi relations, and these fissures are expected only to widen.⁸ Moreover, the Saudi-Russian arms sale agreement over the last few years also adds to Saudi Arabia's slow but steady distancing from the US. With this agreement, we may soon see a domino effect, with many more Gulf Cooperation Council nations distancing themselves from the US and going into the Russia-China corner. Reduction of conflict in West Asia may be expected in times to come, with Iran and Saudi Arabia coming to a broad understanding of contentious issues in the region.

To conclude, it should be understood that Iran and Saudi Arabia had diplomatic ties up until 2016 and yet were on opposing sides of numerous conflicts. Therefore, the reopening of embassies may not change much on the geopolitical scene, and old rivalries might just continue. However, the possibility of a dialogue and communicating each other's concerns through diplomatic channels is still better than having no talks at all. Certainly, Saudi Arabia and Iran have a great opportunity and should continue to take positive steps.

NOTES:

¹ Parisa Hafezi, Aziz El Yaakoubi and James Pomfret, "Analysis: Frustrated Khamenei pushed for Saudi-Iran deal clinched in China," *Reuters*, March 16, 2023, <https://www.reuters.com/world/middle-east/frustrated-khamenei-pushed-saudi-iran-deal-clinched-china-2023-03-16/>. Accessed on March 19, 2023.

² "Israel, Saudi Arabia Reportedly in Talks Over Increasing Military and Intelligence Ties," *Haaretz*, February 18, 2023, <https://www.haaretz.com/israel-news/2023-02-18/ty-article/israel-saudi-arabia-reportedly-in-talks-over-increasing-military-and-intelligence-ties/00000186-6536-de14-a387-7f8e8df80000>. Accessed on March 13, 2023.

³ Neville Teller, "Abraham Accords: Saudi Arabia is still not budging – opinion," *The Jerusalem Post*, January 31, 2023, <https://www.jpost.com/opinion/article-730098>. Accessed on March 13, 2023.

⁴ "War in Yemen." Center for Preventive Action, February 7, 2023. <https://www.cfr.org/global-conflict-tracker/conflict/war-yemen>. Accessed on March 12, 2023.

⁵ Jon Gambrell, "Iran acknowledges accusation it enriched uranium to 84%," *AP News*, February 24, 2023, <https://apnews.com/article/iran-politics-international-atomic-energy-agency-israel-government-benjamin-netanyahu-45b623742bb6bd4c7314de7df6c3f1e9>. Accessed on March 13, 2023.

⁶ “Iran oil: US to end sanctions exemptions for major importers,” *BBC News*, April 22, 2019, <https://www.bbc.com/news/world-middle-east-48011496>. Accessed on March 12, 2023.

⁷ Ali Alfoneh, “IRGC Chief Warns Saudi Arabia to Restrain Media Broadcasts to Iran.” *The Arab Gulf States Institute in Washington*, October 18, 2022, <https://agsiw.org/irgc-chief-warns-saudi-arabia-to-restrain-media-broadcasts-to-iran/>. Accessed on March 14, 2023.

⁸ Courtney Kube Lee and E Carol, “Biden vowed ‘consequences’ for Saudi Arabia after oil production cut. But the U.S. has no plans to follow through,” *NBC News*, December 3, 2022, <https://www.nbcnews.com/politics/biden-vowed-consequences-saudi-arabia-oil-production-cut-us-no-plans-f-rcna59799>. Accessed on March 13, 2023.

