

# China-Iran Cooperation Agreement

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**In News:** China's \$400 billion deal with Iran, inked in Tehran on 24 March, lays the foundation for strengthening the existing camaraderie between the two authoritarian States.

## About China-Iran Cooperation Agreement

- The 25-year economic cooperation agreement between China and Iran.
- The deal comes at a time when the US is showing little signs of lifting the sanctions imposed on Iran.
- The agreement, dubbed the Comprehensive Strategic Partnership, covers a variety of economic activity from oil and mining to promoting industrial activity in Iran, as well as transportation and agricultural collaborations, according to the report.
- The deal also supports tourism and cultural exchanges.
- It comes on the 50th anniversary of the establishment of diplomatic relations between China and Iran.
- The deal marked the first time Iran has signed such a lengthy agreement with a major world power.
- In 2001, Iran and Russia signed a 10-year cooperation agreement, mainly in the nuclear field, that was lengthened to 20 years through two five-year extensions.
- China's multi-country Eurasian infrastructure projects, under the umbrella of Belt and Road Initiative (BRI), are now being extended to Iran.

## Background Between China-Iran Relation

- China and Iran have developed a robust partnership over the past 30 years.
- This deal is more or less a stamp on the partnership that has been in place between China and Iran since 1979

when the Shah of Iran, Mohammad Reza Pahlavi, was overthrown and Ayatollah Ruhollah Khomeini, the spiritual leader of the Islamic revolution, returned after 15 years of exile to take control.

- Around the same time in China, after the death of Mao, Deng Xiaoping was busy recalibrating Beijing's foreign policy, dismantling the bamboo curtain, retracing from the Cultural Revolution, and forging new alliances with countries considered friendly.
- The Chinese defence industry found a ready market in Iran, which was actively engaged in the Gulf wars and the protracted Iran-Iraq war of the 1980s.
- China needed a steady supply of oil to fuel its manufacturing sector. So it was a partnership of convenience.
- Besides, China was also instrumental in restarting Iran's nuclear programme after the 1979 revolution. Chinese support during this period was, strategically and technically, an important element in Tehran's quest for a "Shia bomb" and power posturing.
- China reportedly sold to Iran "uranium hexafluoride feedstock for enriched uranium and HY-2 'Silkworm' anti-ship missiles".

## **India's Concerns**

- **Chabahar Port:** With a growing Chinese presence in Iran, India is concerned about its strategic stakes around the Chabahar port project that it has been developing.
- **Military Partnership:** China is also concluding a security and military partnership with Iran. The sizable Chinese investments in Iranian ports development may eventually be turned into permanent military access arrangements with Iran.
- **Geopolitical Concern:** India finds itself caught in the geopolitical rivalry between the US & China over Iran. India's dilemma also stems from the fact that

robust support from the US is essential when it is locked in a border stand-off with China.

- **Afghanistan and Central Asian nations:** Growing Chinese footsteps in Iran will have a long-lasting impact on India's relationship with not only Iran but also on Afghanistan and Central Asian nations. Like India, it has also in parallel cultivated closer relations with Saudi Arabia and the UAE, which are currently bigger suppliers of oil and gas to China than Iran is.