

US pressures India to back sanctions against Iran

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Two weeks after supporting the United States-backed resolution against Syria in the United Nations Security Council, India is now under intense pressure to comply with US and European Union sanctions against Iran.

Pressure from Washington against Iran has created a crisis of strategic orientation in New Delhi. Iran is one of India's most important suppliers of oil, contributing 12 percent of all imports. These imports have been affected by fresh US and EU sanctions, part of a stepped-up campaign that is ultimately directed at military intervention. Sanctions authorised by President Barack Obama on December 31 will penalise any financial institution that deals with the Iranian central bank, making it more difficult for India to clear its oil payments to Iran.

India's vote on Syria was made only after intense internal deliberation and US pressure aimed at integrating New Delhi more fully into Washington's strategy for global domination. The US and its allies in Europe are seeking justification for military intervention, as was the case in Libya. The eventual aim is regime-change in Syria, ousting current president Bashar al Assad and installing a government more directly subordinate to US dictates. Through its vote on Syria, India has lined up with this openly imperialist move.

On Friday, US State Department spokesperson Victoria Nuland told reporters that Washington is talking to India, Pakistan, Russia and China about "doing what they can to increase sanctions, particularly to wean themselves from Iranian crude."

While working keenly on developing its ties with Washington, New Delhi is also seeking a way to keep its Iranian oil imports. India's current mediator for Iranian oil payments, Turkey's HalkBank, is reportedly going to suspend its transactions under US pressure.

India has managed to negotiate an agreement with Iran to make 45 percent of its oil payments to that country in rupees, avoiding sanctions. And New Delhi is discussing with Iran a settlement of part of its oil payments in the form of exports to Iran. Here India is also exploiting Teheran's isolation under US-led provocations, including sanctions, to achieve more favorable terms.

At the same time, Israel has fingered Iran as responsible for an attack on a car carrying the wife of an official at the Israeli embassy in New Delhi. This has served to increase pressure on India to support US-led sanctions. Israel, as the main client of the US in Middle East, is in the forefront of provocations against Iran. India maintains close ties with Israel, which is a major defence supplier. Thus, India faces an increasingly difficult balancing act to reconcile its ties with the US and Israel on the one hand, and with Iran on the other.

Teheran has denied Israel's accusation and blamed Israel itself for the New Delhi attack, saying it was an effort to hurt the India-Iran relationship. For its part, India has been careful not to blame anyone. Indian Home Minister Palaniappan Chidambaram called it a "terrorist attack" perpetrated by a "well-trained person." He said it would be premature to assign blame to any country or group.

During his visit to the US last month, Indian Foreign Secretary Ranjan Mathai said that India's relationship with Iran is not "in contradiction with the relationships that we have with our friends in West Asia or with the United States and Europe." Mathai's remarks, delivered at the Centre for Strategic and International Studies, indicate New Delhi's attempts to keep the balance between its strategic partnership with the US and its ties with Iran.

Nevertheless, India's vote on Syria indicates the possibility of its capitulation to US pressure in relation to Iran as well. When asked about that vote, Iranian ambassador to India Seyed Mahdi Nabizadeh said: "We are not unhappy. But India should give more attention to realities of the present." His words were aimed at expressing Teheran's concerns over India's vote on Syria in a mild and diplomatic way, and also to urge New Delhi not to do the same against Iran.

Indicating New Delhi's desperate attempts to avoid any impact on either its oil imports or its strategic ties with Washington, Lalit Mansingh, a former Indian ambassador to the US, said, "We've been at pains to explain to the US that we have a special problem here."

During a visit to Chicago in early January, Indian Finance Minister Pranab Mukherjee said: "It is not possible for India to take any decision to reduce the imports from Iran drastically, because among the countries which can provide the requirement of the emerging economies, Iran is an important country amongst them."

However, just five days ago, on December 24, the Indian ambassador to the US, Nirupama Rao, admitted that India's oil imports from Iran "have declined a little, not very much, but a little over the last couple of years, last two years or so." Significantly, she added: "And...given the sanctions and given the difficulties in operating banking channels vis-à-vis Iran, obviously the volume can't be expected to go up in such a situation."

Those remarks by Mukherjee and Rao indicate some divisions within the Indian political establishment over how to deal with Iran.

India has mainly toed the US line over Iran in the past. The US-India civil nuclear deal, signed in 2008, treated by both sides as a major step in their growing strategic partnership, obliges India to support the US against Iran.

Saudi Arabia, a close US ally in the Middle East and India's largest oil supplier, has offered additional crude supplies to India. This is obviously related to US efforts to persuade India to come into line with US sanctions. India imports 45 percent of its oil needs from the Persian Gulf region, including Saudi Arabia.

Significantly, India's defence minister, A.K. Antony, led a high-level delegation to Riyadh to enhance bilateral ties. On Tuesday, he met with his counterpart,

Prince Salman bin Abdulaziz, and the two sides decided to form a joint committee on defence cooperation.

As an indication of its attempt to reduce its dependence on Iranian oil, India's Hindustan Petroleum Corp. will reduce its imports of Iranian oil from 70,000 barrels per day (bpd) in this financial year to 60,000 bpd in 2012-2013, while almost doubling imports from Saudi Arabia.

In the past, India has capitulated to US pressure over Iran by voting against Teheran in the International Atomic Energy Agency (IAEA). India has also effectively dropped its plans for joining Iran and Pakistan to develop an Iran-Pakistan-India pipeline to transport gas from Iran.

Although India has found a way for avoiding current US sanctions in its oil imports from Iran, if the US and EU move to expand their sanctions, India will find it difficult keeping its trade ties with Teheran.



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