Iran-US relations - Nuclear Deal

What is the issue?

- Iran announced that it had breached the limits for stockpiling low-enriched uranium set by the 2015 nuclear deal, which was a 300-kg cap.
- Later, it also announced that it would breach another crucial term of the deal - the enrichment limit, which was set at 3.67% purity cap.

What is the recent development?

- Iran wanted to have talks with U.S. regarding the nuclear deal with the aim of saving it.
- But U.S. was not open for talks.
- Iran even turned to other signatories to save the deal, but they were feared of the U.S. sanctions on them.
- So, with the nuclear deal being a crucial bargaining card with it, Iran decided to use that as a pressure tactic.
- It said that from July 7, 2019, it will enrich uranium in any desirable amount it wants.

Why is Iran breaching the terms?

- These steps come in the wake of increasing tensions between the U.S. and Iran following the **shooting down of an unmanned U.S. drone** over the Strait of Hormuz in June, 2019.
- The current crisis was set off when **U.S. unilaterally pulled out of the nuclear deal** in 2018.
- U.S. **reimposed the sanctions on Iran** against foreign companies doing business with Iran and against countries buying Iranian oil.
- Over the past year, most foreign companies that had promised investments in Iran pulled out of the country fearing American sanctions.
- **Iran's oil exports dropped** when countries started cutting back on Iranian imports, including India.
- Inflation has soared to 35%, and Rial, the Iranian currency, has fallen by 70% since early 2018.
- Given these, Iran decided to confront the U.S. and put pressure on other signatories to take bold steps to save the deal.
- In May 2019, Iran gave a 60-day deadline to other signatories to fix the deal

and vowed to keep unspent enriched uranium and heavy water with itself.
- As the deadline was almost over, Iran has announced that it has breached the uranium stockpile limit and later the enrichment limit too.

What is the U.S.'S reaction?

- These steps have angered the U.S., with its President issuing fresh threats.
- The U.S. President first ordered a **retaliatory strike on Iran** and then **rescinded it**.
- Had this strike taken place, it would have become the first act in a major military confrontation between the U.S. and Iran.
- Other signatories to the deal have also expressed concern over Iran's move.
- This endangers the very survival of the agreement.

What are the possible implications?

- The chaos could have spread to the entire West Asian region with Iran attacking strategic American, Saudi and Emirati targets around the Gulf.
- Iran could have blocked the Strait of Hormuz in an effort to choke off the supply of Gulf oil to the international market.
- Iranian allies in Lebanon, Iraq and Syria might have launched attacks against American troop concentrations as well as against U.S. ally Israel.
- This could have dragged the U.S. into its third major war in the region.
- In order to maintain its stand with the populace, Iran could have further heightened the political temperature in the Persian Gulf.
- In all, if taken to its logical conclusion, this scenario can turn out to be catastrophic for the entire West Asian region as well as for the international economy.
- Oil supplies from the Persian Gulf are likely to be greatly reduced if not totally eliminated sending oil prices sky-rocketing, especially threatening the vulnerable economies of the global South.
- It is now for the countries involved to negotiate and find an amicable solution.

Source: The Hindu

Quick Fact

Iran Nuclear Deal

- It is also called Joint Comprehensive Plan of Action (JCPOA).
- In 2015, Iran agreed a long-term deal on its nuclear programme called

JCPOA with a group of world powers known as the P5+1.

- P5+1 - the US, UK, France, China, Russia and Germany.
- It came after years of tension over Iran's alleged efforts to develop a nuclear weapon.
- Under the accord, Iran agreed to limit its sensitive nuclear activities and allow in international inspectors in return for the lifting of crippling economic sanctions.
- It is implemented by International Atomic Energy Agency (IAEA).

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