Israel – Iran Conflict

> Mains Syllabus: GS II - Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

Why in the News?

The conflict between Israel and Iran is escalating to higher level of war zone.

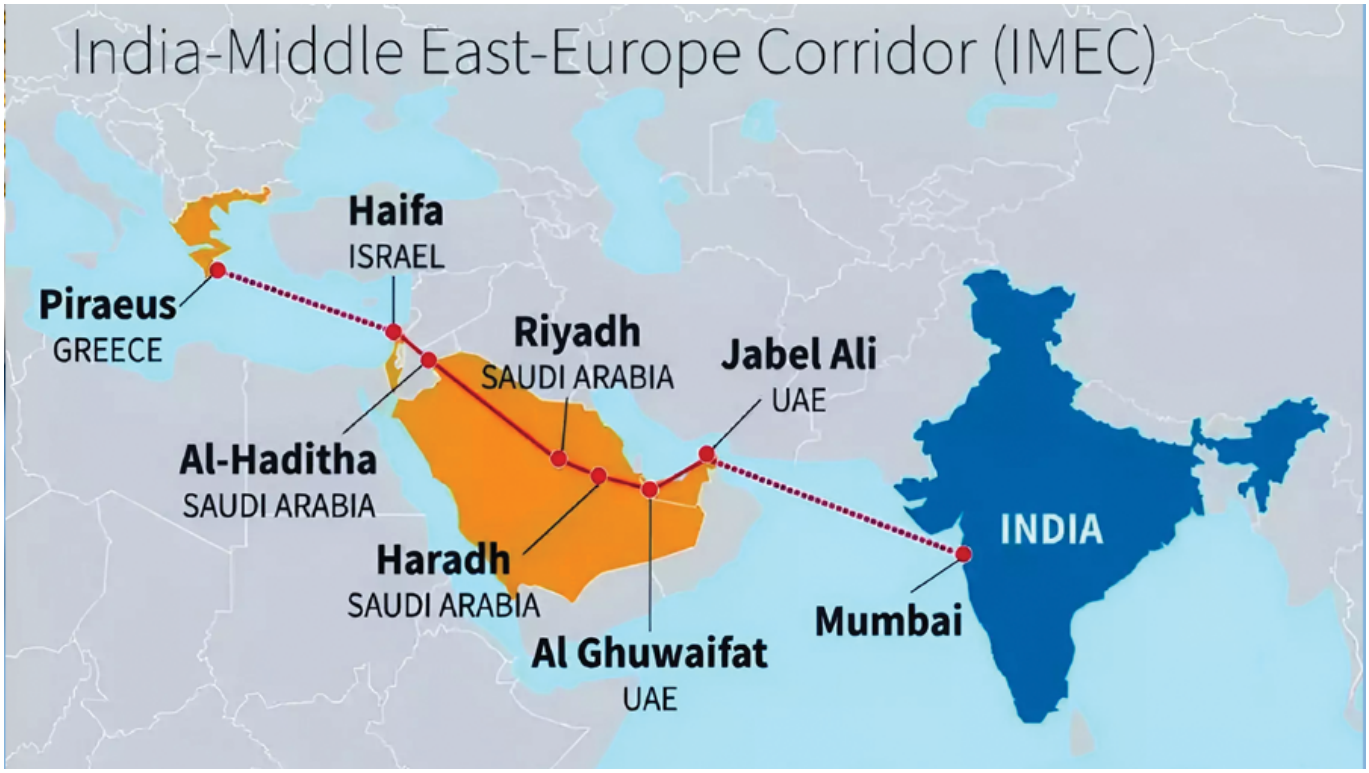
What is the history of Israel – Iran Conflict?

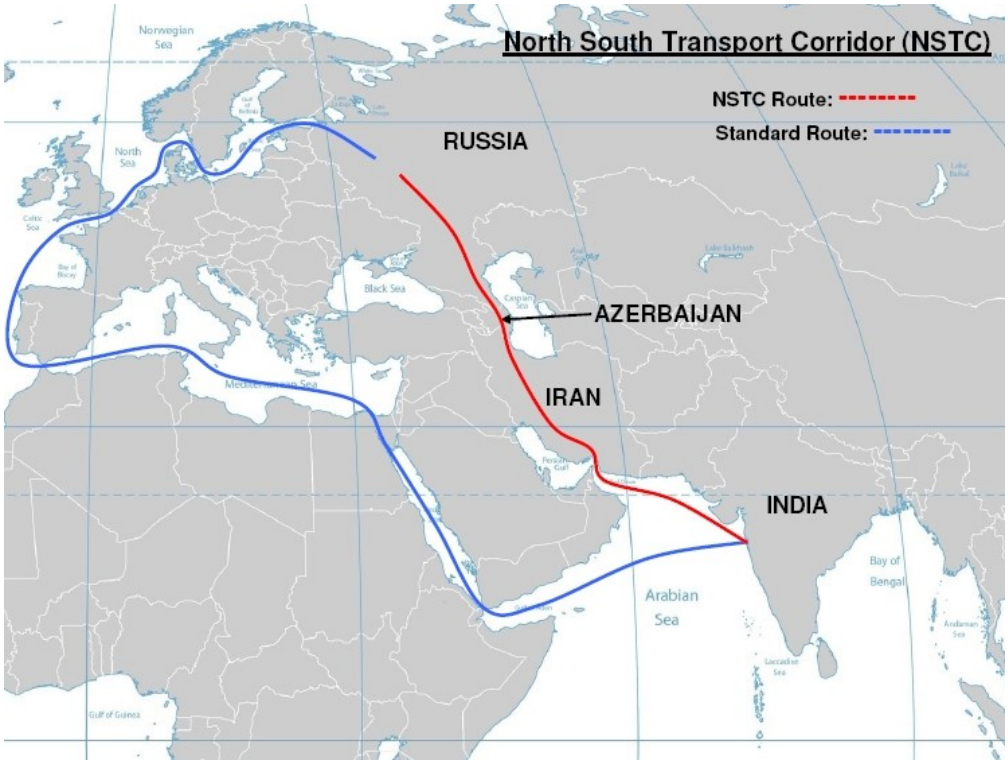
- **Early US Iran Cooperation** – In 1953, US helped the overthrow of Iranian popular Prime Minister Mohammed Mossadegh restoring Shah Mohammed Reza Pahlavi to Power.
- **Iran US Nuclear Cooperation** – In 1957, Iran US nuclear deal was signed and US provided nuclear reactors and uranium enrichment facility to Iran.
- In 1970, Iran ratified Non-proliferation treaty , giving it the right to civil nuclear programme.
- **Government Change in Iran** – In 1979, Iran's Islamic Revolution forced shah to flee and upended ties with US and other major powers.
- **US and Iraq** – In 1984, US resorted it's ties with Iraq and supported it in it's war against Iran.
- **Iran Russia Nuclear Support** – In 1995, Russia agreed to support Iran in building nuclear reactor.
- **Nuclear Problem** – In 2002, western intelligence services revealed the secret uranium enrichment facility of Iran.
- **Cyber Attack on Iran Nuclear Facility** – In 2010, The Stuxnet computer virus , widely believed to be a joint US-Israeli creation, disrupted and destroyed Iranian centrifuges.
- **Comprehensive Nuclear Agreement** – In 2015, World powers and Iran announced a long term comprehensive agreement to limit Iran's nuclear enrichment program.
- **Withdrawal of US** – In 2018, U.S. withdrew from the Iran's nuclear deal with world powers.
- **Israel attack on Iran** – In 2020, alleged Israel attacks against Iran's nuclear program were stepped up and Iran's top nuclear scientist and commanders of Iranian revolutionary guard ware assassinated.
- **Iran Upgrades Uranium Enrichment** – In 2021, Iran began enriching Uranium upto 60% level, it's highest purity ever and a technical step from weapons grade levels of 90%.
- **Hamas Attack on Israel** – In 2023, Iran supported the Hamas attack on Israel from Gaza strip.

- **Escalated Attacks** – In 2024, Iran and Israel have started directly attacking each others infrastructures and territories.
- Israel launched 'Operation Rising Lion' against Iran and Iran launched 'Operation True Promise 3' in retaliation.

What are the significances of Israel and Iran to India?

- **Significance of West Asia** - West Asia is not just the source of 40% of its remittances but also 54% of oil imports and the region accounts for over $170 billion in trade.
- **Israel Defence Partner** - India's defence imports from Israel have soared in the past decade, from about $5.6 million in 2015 to $128 million presently.
- **Iran Energy Supplier** – Though trade with Iran dropped from about $14 billion in 2017 to $1.4 billion last year, It is still an important energy supplier to India.
- **Indian Diaspora** – There are about 10000 Indians in Israel and 25000 to 30000 in Iran as students and working professionals.
- **Connectivity** - India's connectivity plans for the India Middle East Europe Economic Corridor, International North-South Transport Corridor depends on Israel and Iran respectively.





What are the impacts of the conflict on India?

- **Declining Trade** - India has had declining levels of trade with both Iran and Israel in the last few years due to tensions in the region.
- **Decline in Israel Trade** - Tensions in the Gulf region post-attacks as well as Israeli operations on Gaza have also sent trade with Israel down from $11 billion in 2022 to $3.75 billion last year.
- **Decline in Iran Trade** - India's imports from Iran dropped to $441 million in FY2025, down from $625 million the previous year and exporters are increasingly cautious and some are holding back shipments due to payment delays and heightened risks.
- **Trade Route Disruptions** – The Tensions in the region will affect the trade through the red sea , particularly the Strait of Hormuz.
- **Impact on Energy Security** – About 60–65% of India's crude oil imports pass through the Strait of Hormuz, a critical maritime route bordered by Iran.
- Disruption in Strait Hormuz, could sharply increase oil and LNG prices, given that 40-50% of India's energy imports come through the area.
- **Impact on Connectivity Plans** - Prolonged Israel-Iran conflict will affect India's connectivity plans for the India Middle East Europe Economic Corridor, International North-South Transport Corridor.
- **Spiraling Economic Effect** – The rise in Shipping costs, security, and insurance premiums lead to more costly imports, less competitive exports, and inflation.

What are the geopolitical challenges for New Delhi?

- **Criticism of US and allies** - The U.S. and G-7 countries have largely backed Israel strikes as its "right to defend itself".
- **Involvement of Pakistan** - The U.S. may ask Pakistan for support in a possible operation in Iran, from logistics to overflight and refuelling to intelligence sharing, will make India's path more difficult.

- **Global South Sympathizes Iran** - The Global South, which has been very critical of Israel's war in Gaza, has also expressed sympathies with Iran during the current crisis.
- **Iran in BRICS** – Since Iran joined the BRICS and has the support of BRICS members, India will face a harder challenge in separating itself from any statement that is issued there.
- **Gulf Challenge** - There's also the possible cost to India's ties with the Gulf region that has to be factored in.

What were the reactions of India?

- **Expressed Concerns** – India has shared It's concern and emphasised the need for early restoration of peace and stability in the region.
- **Dialogue with Iran** – Indian External Affairs Minister S. Jaishankar expressed deep concern of the international community at the turn of events," and urged against retaliation and for diplomacy.
- **Balanced Approach** - The Ministry of External Affairs (MEA) played safe, calling for dialogue and diplomacy while making no criticism of Israel for launching the strikes.
- **Disassociation from SCO Statement** - India also disassociated from a statement of the Shanghai Cooperation Organisation (SCO), which includes China, Russia, Iran, Pakistan, Belarus and Central Asian states, that had condemned Israel's "aggression".
- **Abstention from UN Resolution** - India had abstained in a UN resolution for a ceasefire in Gaza, even when Every other member of BRICS, SCO and SAARC and even all G-7 members minus the U.S. had voted in favour of the resolution.
- **Operation Sindu** – It was launched to evacuate Indian citizens from conflict-affected regions of Iran and Israel.

What lies ahead?

- Dealing with the Israel-Iran conflict has always meant a tricky tightrope balance for New Delhi, given its strong ties with both countries.
- India can actively advocate for diplomacy and dialogue, urging both parties to de-escalate and return to negotiations.
- To mitigate risks from disruptions in the Strait of Hormuz and trade with Iran, India can accelerate diversification of its energy sources and trade routes.
- India can leveraging its upcoming G20 presidency and leadership within the Quad, India could initiate a "West Asia Stability Dialogue" — a Track II peace process involving the Arab League, the EU, Iran, and Israel under one neutral platform.

References

1. The Hindu | Impact of Israel-Iran conflict
2. The Hindu | A brief history of Iran and Israel's escalating conflict

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