

## US-Europe Relations - Iran Nuclear Deal

### What is the issue?

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- The United States has pulled out of the Iran nuclear deal.
- The decision seems to be complicating the future US relations with EU and Britain.

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### What is EU's and Britain's stance?

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- Britain is of the opinion to not junk the nuclear deal with Iran completely.
- It instead wants the US to work with its European allies.
- It is inclined to find solutions to what US describes as flaws.
- It prefers working around the existing deal rather than rejecting it outright.
- France and Germany also seem to be taking a similar stance.
- In a joint statement, the leaders of Britain, France and Germany emphasised their continuing commitment to the JCPOA.

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### Why is the deal significant for European countries?

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- Europe has had strong ties with Iran for long.
- It had been Iran's largest trading partner until the sanctions regime (2006 - 2010).

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- This role was however overtaken by China and the UAE.
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- The EU currently accounts for just around 6% of Iran's trade.
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- But trade and investment had begun to recover swiftly since the 2015.
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- The deal with Iran and lifting of sanctions significantly contributed to this.
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- European firms have entered into investments in Iran.
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- European countries are thus particular in saving the deal in some form with Iran.
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### **Why is the US crucial for Europe?**

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- Britain has made plain its eagerness to maintain strong ties with the US.
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- It is particular of a comprehensive trade deal with the US.
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- This is seen as one of the great deals for a post-Brexit Britain.
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- European countries have adopted an accommodating stance towards the US in the past.
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- It has received some special treatments from the US, in return, in the past.
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- E.g. exemptions (temporarily) accorded to Europe from the US global tariffs on aluminium and steel products.
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### **What lies ahead?**

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- So far Europe has presented a united front.
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- It remains to be seen if this would continue with developments in the Iran issue.
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- Iran had indicated that Europe had “limited opportunity” to preserve the deal.  
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- It has emphasized that the countries clarify their position and intentions.  
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- This will inevitably force European countries to reassess their approach to the US administration.  
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**Source: Business Line**

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