

India braces for more U.S. pressure

Nikki Haley recently said that India should rethink its relationship with Iran. AFP/AF

The government is bracing for more “pressure” from the U.S. on Iran sanctions in the upcoming weeks, but hopes that there may be an exception made for its dealings on the Chabahar port, as officials meet with a U.S. delegation in the next few weeks.

However, sources said the government had yet to take any decision on cutting oil import from Iran, as the U.S. had demanded, when its U.N. envoy Nikki Haley visited India last week.

“We heard very clearly what Nikki Haley said and we are in no doubt the U.S. will use pressure, not just on us but around the world. Question is what do we see as our national interest and how we respond to [the pressure], and how do we make our case to the U.S.,” a source said, adding that U.S. officials have given “informal indications” that they understand India’s reasoning for progressing on its Chabahar port and railway project. The U.S. team is expected to travel to India in July to hold talks with Indian officials.

‘Important neighbour’

According to the source, Iran remains an “important near neighbour” for India, and a major oil supplier, and the government hoped to have discussions with the U.S. to understand the options it has on dealing with Iran given the sanctions proposed to kick in by November 4. India is second only to China when it comes to the import of oil from Iran, and in February, after President Hassan Rouhani’s meeting with Prime Minister Narendra Modi in Delhi, India had committed to increase that intake by 25% this year.

However the U.S.’s decision to walk out of the multilateral nuclear agreement with Iran and re-imposition of sanctions by November has cast a shadow on future engagement. This week, the U.S. State Department reiterated its intention to get tough with all countries engaging with Iran for trade, energy and infrastructure projects.

“We are not looking to grant licences or waivers because doing so would substantially reduce pressure on Iran and this is a campaign of imposing pressure on Iran ... We are prepared to work with countries that are reducing their imports on a case-by-case basis, but as with our other sanctions, we are not looking to grant waivers or licences,” said Brian Hook, Director of Policy Planning at the U.S. State Department, on Monday, when asked specifically about concessions for India.

The discussions on Iran sanctions, as well as on impending sanctions under the new American CAATSA law that imposes strictures on trade with Russian and Iranian entities, were expected to have been taken up during the “2+2” meeting between External Affairs Minister Sushma Swaraj, Defence Minister Nirmala Sitharaman and their counterparts in Washington this week, but the talks were cancelled by the U.S., owing to another meeting in North Korea for nuclear talks.

Government officials called speculation over the cancellation “unfounded” and said the two sides were working to reschedule the 2+2 engagement soon.

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