

Resilient Rohani defies critics in presidential race

Gareth Smyth

London

While scheduled well in advance, Iranian President Hassan Rohani's trip to Moscow in late March could hardly have been better timed. Russian President Vladimir Putin called bilateral relations "friendly and respectful", citing a 70% increase in bilateral trade in 2016.

Barely a week later, talk within the Trump administration of prising Tehran and Moscow apart ended with US missile strikes on Syria.

Internationally and at home, Rohani is proving far more resilient than his critics expected.

With the 2015 nuclear agreement surviving an American president who had vowed to tear it up, Rohani remains favoured to secure a second term in Iran's own presidential poll in May.

In announcing at the end of March sanctions on 15 US companies, largely involved in arms and real estate, which had aided Israeli "terrorism" and the expansion of Jewish settlements, Iran responded to the Trump administration's latest sanctions listing 30 companies and individuals from China, North Korea and the United Arab Emirates for links to Iran's ballistic missile programme or for the supply of restricted goods.

In more tit for tat, parliamentary deputies in Tehran threaten to list the CIA as "terrorist" if the US so brands Iran's Islamic Revolutionary Guards Corps (IRGC).

Tehran's behaviour is symbolic but emphasises to other signatories of the nuclear agreement – Russia, China, Germany, France and Britain – that the United States, not Iran, threatens the deal.

The Trump administration's \$2.1 billion fine on the Chinese company ZTE for supplying Iran with partly US-made goods has done little to deter foreign businesses moving back to Iran.

Iranian government figures put foreign direct investment up from \$1.26 billion in 2015 to \$11 billion in 2016 following the easing of US and EU sanctions after the 2015 agreement. French carmakers Peugeot and Renault have already doubled sales.

In announcing its latest \$3 billion deal with Iran, following the even larger one agreed in December, Boeing referred to the 18,000 jobs it



Favourite. Iranian President Hassan Rohani (R) applauded by the Head of the Atomic Energy Organisation Ali Akbar Salehi (2R) and Iranian Foreign Minister Javad Zarif (2L) during a ceremony marking the National Day of Nuclear Technology in Tehran, on April 9. (AFP)

would retain or create in the United States.

Others, especially energy companies Total, OMV and Royal Dutch Shell, are pausing after signing memoranda of understanding, both to assess US policy and for the outcome of Iran's presidential election in May.

Western banks, some of which have previously faced high US fines for involvement in Iran, are also cautious but it seems likely that if the nuclear deal remains in place later this year, then foreign investment will rise further.

Within domestic politics, Rohani's critics in the principlist camp have still to agree on a single candidate for May.

The Popular Front of Islamic Revolution Forces (PFIRF), a principlist grouping established to agree on a single candidate, has drawn up a shortlist of five, which includes Tehran Mayor Mohammad Bagher Ghalibaf and Ibrahim Raeisi, who heads the Imam Reza

shrine in Mashhad.

In a letter published in the state news agency IRNA on April 9, Raeisi suggested he would run anyway to establish a "powerful and aware administration for serving people and fighting discrimination, poverty and corruption."

■ Iranian government figures put foreign direct investment up from \$1.26 billion in 2015 to \$11 billion in 2016.

This surprised many who expected Raeisi, who was appointed to the shrine in 2016, would wait for the political battle over who will succeed Ayatollah Ali Khamenei as supreme leader.

The looming succession struggle complicates the presidential election as rivals such as judiciary chief Sadegh Larijani will consider

whether being president would hinder Raeisi's chances.

The reformists, aware that anyone from their midst would be unlikely to be ratified by the watchdog Guardian Council, will back Rohani, who as president has eased social restrictions as well as maintained the nuclear agreement.

Clearly, Rohani can benefit from principlist divisions. "Ghalibaf came fourth in the list of five PFIRF candidates still in the running for the front's candidacy," Farideh Farhi of the University of Hawaii said, "but with Raeisi saying that he's running, Ghalibaf's chances have been reduced."

"Apparently PFIRF was negotiating with him to run as Raeisi's first vice-president, but not with much success, at least for now. With the exception of Rohani's definite plan to run, with solid support from the reformist-centrist alliance, nothing is settled yet."

Former President Mahmoud Ahmadinejad has confirmed his sup-

port for one of his vice-presidents, Hamid Baqaei, after announcing he will not himself run.

Ahmadinejad now says he will run. He had been advised by Khamenei not to stand and Baqaei could be barred by the Guardian Council as a member of what principlists call "the deviant current" associated with Ahmadinejad.

Khamenei warned in his Nowruz speech in late March against any repeat of the wide-scale unrest of 2009, when reformists disputed Ahmadinejad's re-election.

His criticisms of Rohani, however, were muted. This suggests that while the leader would lose no sleep if Rohani were re-elected and would welcome a competitive election to demonstrate the vitality of "Islamic democracy", he may also be concerned at passions becoming too heated.

Gareth Smyth was chief correspondent for the Financial Times in Iran in 2003-07.

GCC-Iran détente depends on Riyadh and Tehran

Jareer Ellass

Washington

Even as the Gulf Cooperation Council (GCC) deliberates beginning a dialogue with Tehran to ease tensions in the region, its six Gulf Arab members are repeating the same harsh rhetoric towards Iran that has become a familiar mantra over the past few years.

That strong language against Tehran was on display following a GCC foreign ministers March 30 meeting in Riyadh. They reportedly reviewed steps that had been taken between Iran and GCC members Kuwait and Oman since December, when GCC heads of state agreed to offer to initiate a strategic dialogue to improve relations with Tehran.

The GCC foreign ministers pressed Tehran to "abandon politics that lead to nourishing sectarian and confessional conflicts and to stop forming and supporting groups and militias that fuel these conflicts in Arab countries". They specifically decried Iran's support of "terrorist gangs" in Bahrain and condemned "the provocative and

irresponsible statements and acts of aggression by the Iranian regime towards the kingdom of Bahrain".

Saudi Arabia and Bahrain cut diplomatic relations with Iran in January 2016 while Qatar, Kuwait and the United Arab Emirates recalled their ambassadors in solidarity with Riyadh after its embassy in Iran was stormed by protesters following the Saudi regime's execution of outspoken Shia cleric Nimr al-Nimr.

While the GCC and Iran may seek to tame regional tensions, it is probable that any progress going forward will be achieved on a bilateral level between Tehran and individual GCC members. Less likely is a comprehensive political rapprochement between chief Gulf antagonists and sectarian rivals Saudi Arabia and Iran, particularly now that Riyadh seemingly has an eager ally in the administration of US President Donald Trump in seeking to curb Shia Iran's hegemonic reach and contain its nuclear ambitions.

Following the GCC's declared intent to initiate an opening with Iran, Kuwaiti Foreign Minister Sabah Khalid al-Sabah met with Iranian President Hassan Rohani in Tehran on January 25 and delivered

a written message from Kuwaiti Emir Sheikh Sabah Ahmad al-Jaber al-Sabah.

The message reportedly spelled out a "basis for dialogue" – GCC conditions that Tehran must accept as part of negotiations with the group, including final negotiations on Emirati islands occupied by Iran, non-interference in the internal affairs of Arab countries and dropping support for militias including Hezbollah. While Iran will likely balk at these preconditions, they are considered a starting point from which preliminary discussions can begin.

■ Tehran has demonstrated its ability to withstand Saudi-led efforts to reduce its influence.

Rohani reciprocated by travelling to Oman and Kuwait in February, meeting with Omani Sultan Qaboos bin Said Al Said and Emir Sheikh Sabah. He also sent a letter to the Kuwaiti leader, the contents of which presumably were addressed by the GCC foreign ministers at their March gathering.

One move that can be perceived as conciliatory in spirit was the announcement by Saudi Arabia in March that it had reached agreement with Iran on allowing its pilgrims to perform the haj. Tehran barred Iranian pilgrims taking part in the haj in 2016, saying it was unsafe for them after Riyadh refused to provide Iranian pilgrims with consular support or guarantee their safety.

Ultimately any success the GCC has in mending ties with Tehran rests in the hands of Saudi Arabia and Iran. It may be the case that the two Gulf powers want the public perception of having tried to pursue a dialogue under the auspices of the GCC that goes nowhere rather than investing heavily in improving relations at a time when such deep mistrust exists between the two.

Tehran is relatively free of the most crippling of international sanctions and is restoring its oil production and economy, without having had to bend over backward to appease its Gulf neighbours. It has also demonstrated its ability to withstand Saudi-led efforts to reduce its influence in Yemen and Syria.

Riyadh has shown it has little

faith in Iran changing its stripes. Just days after Rohani's visits to Oman and Kuwait, Saudi Foreign Minister Adel al-Jubeir, speaking at the Munich Security Conference in February, made clear his government's expectations of conducting a constructive dialogue with Tehran.

Mincing no words, Jubeir said: "Iran remains the single main sponsor of terrorism in the world. It's determined to upend the order in the Middle East... [and] until and unless Iran changes its behaviour it would be very difficult to deal with a country like this."

Citing Tehran's sustained support of the government of Syrian President Bashar Assad and the funding of Houthi rebels in Yemen and violent groups across the region, Jubeir called on the international community to establish "red lines" to curb Iranian transgressions by enacting banking, travel and trade bans.

Without Saudi support, any GCC-Iranian dialogue about a new relationship has no teeth.

Jareer Ellass reports on energy issues for The Arab Weekly. He is based in Washington.