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The Iran Nuclear Deal is Likely To Be Destroyed by the U.S. Sanctions

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Donald Trump has formulated a clear U.S. policy toward the Middle East since he took power more than a year ago. The Trump administration is attempting to isolate and impose blockade on Iran with its abrupt withdrawal from the Iran nuclear deal, and thereby to further achieve the denuclearization of the Middle East and promote breakthroughs in Palestinian-Israeli relations. Judging from the past experience and the current situation, the other five major countries involved in the Iran nuclear deal (namely China, Russia, the United Kingdom, France, and Germany) simply feel powerless and may not be able to counteract all the direct or indirect sanctions imposed by the United States, therefore these countries are unlikely to save the Iran nuclear deal from a complete abolition. In the face of the carrot-and-stick policy of the United States, Iran finds itself in a dilemma. Although Iran hopes that other partners can preserve the nuclear deal to consolidate the existing progress, the prospects are not optimistic.

On June 6th 2018, Reza Najafi, Iranian ambassador to the International Atomic Energy Agency (IAEA), said that Iran would restart its nuclear program should the 2015 Iran nuclear deal sign fail. Najafi revealed to the Iranian media that Iran had already begun the relevant preparations for the program, and that

its first preparation plan was the restart of the uranium conversion facility for the production of UF₆ in Isfahan, with another preparation plan involving the infrastructure that might be used to produce new centrifuges. The Iran nuclear deal requires that Iran substantially reduces the amount and abundance of the enriched uranium extracted by Iran so that it shall not be able to obtain any weapons-grade nuclear material within ten years. The latest official statement indicates that Iran has intended to return to path of establishing its nuclear forces after the nuclear deal is overturned. Judging from all aspects of the current situation, the prospects for the preservation and maintenance of the Iran nuclear deal are remarkably dim, and the United States is fully capable of using its superior economic, financial, and technological power to force other partners, who also signed the nuclear deal with Iran, to make compromises, thus leading to the complete abolition of this nuclear deal.

I. The Trump Administration is Attempting to Resolve the Middle East Issues with its Own Package Deal by Taking Advantage of Its Withdrawal from the Nuclear Deal.

On May 21st, following Trump's personal announcement of the withdrawal of the United States from the Iran nuclear deal, the United States launched a complete "Plan B" against Iran, aiming not only to thoroughly lift the nuclear threat from Iran, but also to destroy the hard-won geopolitical outcome of Iran in the Middle East and further reshape the regional pattern and the relations between the United States and Israel. This package deal is in fact a reproduction of the U.S. solution to the nuclear issues of North Korea and is a typical road map of carrot-and-stick policy. However, compared with the demands made on North Korea, the conditions imposed by the United States on Iran are more stringent and feature a much broader vision and longer-term considerations. Therefore, this package deal is a systematic plan aimed at resolving various historical and realistic conflicts in the Middle East and promoting the return of a framework of balance of relative power to the Middle East.

On the same day, the U.S. Secretary of State Mike Pompeo said in his speech at The Heritage Foundation that Iran must comply with all the twelve demands in exchange for the exemption from all the economic sanctions by the United States as well as the comprehensive re-establishment of bilateral relations between the two

countries, otherwise it would face “the strongest sanctions in history”. These twelve demands of different types urge and demand Iran to permanently abandon all its nuclear weapons and ballistic missiles, release all the detainees, stop supporting “terrorism” and stop interfering in the internal affairs of other countries in the region or pose any threat to the security of its neighboring countries.

The four demands regarding nuclear weapons and ballistic missiles are illustrated as follows: Iran must declare to the IAEA a full account of its military nuclear program and permanently and verifiably abandon such work; Iran shall halt all uranium enrichment activities, never pursue the plutonium reprocessing and close its heavy water reactor; Iran shall provide the IAEA with unconditional access to all sites throughout the entire country for investigation; Iran shall end its proliferation of ballistic missiles and halt further launching or development of nuclear-bearing missile systems. Judging merely from the perspective of maintaining the nuclear non-proliferation mechanism, the above demands are far beyond the limits of the Iran nuclear deal and are aimed at completely depriving Iran of its ability to possess any nuclear weapon and to launch and deliver any long-range nuclear weapon.

The three demands regarding the relations between the non-state actors are stipulated as follows: Iran must immediately end its support to the Middle East “terrorist” groups, including Hezbollah, Hamas and Islamic Jihad; Iran shall end its support for the Taliban and other “terrorist groups” in Afghanistan and the region and cease harbouring all the senior al-Qaeda leaders; Iran shall end the Islamic Revolutionary Guard Corps’ support and especially its corps-linked Quds Force’s support for all the “terrorists” and “terrorist militant groups” around the world. The United States believes that Iran is the main supporter or an ally of various extremist groups in the Middle East, and in particular, it serves as a key holdout and a strategic source that hinders Palestine and Arab countries from making any concession to Israel, and also acts as a troublemaker that prevents the Middle East peace process from progressing. Therefore, in order to resolve the Middle East issue, the United States must put the knife around the neck of Iran.

The four demands concerning the relations with other countries in the region are illustrated as follows: Iran shall respect the sovereignty of the Iraqi government and permit the disarming, demobilisation and reintegration of Shia militias supported by Iran; Iran shall end its military support for the Houthi rebels in

Yemen and work towards a peaceful, political settlement of the Yemen issue; Iran shall withdraw all its military personnel in Syria; Iran shall end all its threatening behaviour against its neighbouring countries, including its threats to destroy Israel and its firing of missiles at Saudi Arabia and the United Arab Emirates, its threats to international shipping and threats to initiate destructive cyber-attacks. In addition, the United States also demands that Iran releases all the U.S. citizens as well as citizens of the U.S. partners and allies who are being detained in Iran. These above-mentioned eight demands, being unrelated to Iran's nuclear weapon and missile program, further exceed the scope of the nuclear issue itself, indicating the fact that the United States is attempting to fully restrain and contain Iran's military and diplomatic actions in the Middle East and even around the world. These demands also serve as a strategic countermeasure against Iran's excessive strategic expansion in the Middle East, the direct threat from Iran to other moderate forces including Israel, a strategic ally of the United States and other oil-producing countries in the Gulf, as well as Iran's attempts on intensifying the sectarian and ethnic conflicts in the region, which are aimed at forcing Iran to fully stop exerting its influence on other nations and to give up its "sphere of influence" established during its previous expansion.

As a "compliance" return on these twelve demands, the United States promises that not only will it sign a new nuclear agreement with Iran, but it will also end all sanctions against Iran, gradually resume all the diplomatic and economic ties between the United States and Iran, grant Iran access to high technology and further support Iran's efforts to promote the economic modernization and integration into the international economic system after Iran has made concrete, evident and sustainable changes. Apparently, this is the new Iran policy introduced by the Trump administration, which serves as a road map for coordinating and completely resolving the hostile relations between the United States and Iran as well as reshaping the geopolitical relationship and the power structure in the region. This new policy not only has a large "spike stick" swing towards Iran from different angles, but also has a considerably lucrative "carrot-like" vision. It intends to change the current status of Iran as a "regional superpower" and push Iran back to the its status as a common regional power before the Islamic revolution in 1979 so that all the security concerns facing the United States and its allies can be further resolved.

II. The United States Relies on Its Direct and Joint Sanctions to Coerce Other Partners into Withdrawal from the Nuclear Deal.

The Iran Nuclear Deal was signed by the governments of various countries and was further approved by the UN Security Council, therefore the nuclear deal maintains the status of an international law to a certain extent; the other five countries signing this deal beside Iran are all opposed to the United States' withdrawal from the nuclear deal, and have been emphasizing that they will continue to maintain the operation of this framework and fulfil their relevant obligations to maintain the nuclear non-proliferation mechanism in the Middle East. Despite all these above-mentioned facts, the current situation is far beyond the control of all sides participating in the issue. Judging from Trump's tough and aggressive demeanour, the close economic, scientific and technological ties between the United States and other participating countries and the strong reliance of these countries on the United States, the "strongest sanctions in history" implemented after the withdrawal of the United States shall either force other countries to withdraw from the nuclear deal through its relentless crackdowns and various joint sanctions, or cause the failure of other countries to grant Iran its reward for complying with the nuclear deal, which thereby leads to the de facto abolition of this deal.

First of all, the U.S. withdrawal from the Iran nuclear deal is the latest update and component of a series of "withdrawals" by Trump. It is not only a major decision aimed at fulfilling Trump's promise during the election campaigns and focusing on the mid-term elections in Congress as well as his own pursuit of another term in office, but also the latest strategy to safeguard the core interests of the United States and maintain its hegemonic status in the world. Therefore, Trump will never give up until he reaches his goal and will definitely live up to his words.

Second, there has been a split among the allies standing by the Iran nuclear deal. France and Germany have been hesitating and are willing to consider additional conditions or updating the contents of this deal. Right before the visit by the French President Emmanuel Macron to the United States, Macron vowed to stand by and keep the Iran nuclear deal. However, after the meeting with Trump, he mentioned that he could consider amending this deal; German Chancellor Angela Merkel also ambiguously acknowledged the flaws in the Iran nuclear deal after her visit to the United States. The intention of France and Germany is obvious: as long

as they can persuade the United States to stay in the nuclear deal, they are willing to add relevant conditions to this deal. The position of Russia and China regarding this issue has not changed. However, it is unlikely to maintain the effectiveness and validity of this deal simply with the strength of these two countries.

Third, the use of its economic and trade leverage by the United States is easy to cause other countries to waver from their positions concerning this issue, and it is almost impossible for the governments and enterprises of these countries to pay the huge price in terms of their trade with the United States and their relevant development for the sole benefit of Iran. In 2017, the total trade of the European Union with the United States reached nearly US\$ 700 billion, with its trade surplus with the United States being US\$ 151.4 billion, while the total trade between the European Union and Iran only reached US\$ 25 billion. In the same year, China's trade with the United States totalled US\$ 635.97 billion, with its trade surplus with the United States being more than US\$ 320 billion, while the total trade between China and Iran only reached US\$ 37 billion. The answer is obvious as to which side weighs more in terms of the trade.

A few years ago, the BNP Paribas was fined nearly US\$ 9 billion for violating the U.S. law to help the countries sanctioned by the United States to transfer funds; this year, China's ZTE Corporation was fined US\$ 800 million for illegally doing business with Iran. In addition, ZTE Corporation was later fined more than US\$ 1 billion and was ordered to reshuffle its board of directors. Later, a more stringent punitive measure required that the ZTE Corporation would have to accept a compliance team selected by the United States Department of Commerce for the supervision of the enterprise for a period of ten years. In the face of the historical lessons learned and the pressure from reality, the Chinese telecom giant ZTE that first entered Iran have completely withdrawn from the Iranian market. These harsh examples indicate that it is almost impossible to resist the U.S. sanctions. The trade of Russia with the United States normally only totals US\$ 50 billion, and the sanctions against Russia in recent years have made the bilateral trade between Russia and the United States almost negligible. Regardless, Lukoil, Russia's second-largest oil company, announced on May 29th that it would halt all its investment in Iran to circumvent the sanctions from the United States. All these facts fully indicate that companies in all countries will be forced to withdraw from the Iranian market due to the U.S. sanctions.

III. Iran Finds Itself in a Dilemma and the Prospects for Preserving the Nuclear Deal Are Remarkably Dim.

Iran has been urging its European partners to stick with the fulfilment of the Iran nuclear deal which includes maintaining regular oil imports, and has also been upset about the signs of withdrawal of the European companies from the Iranian market. On May 30th, Iranian Oil Minister Bijan Zanganeh urged the French oil giant Total S.A. to obtain an exemption from the sanctions of the United States Department of Commerce within two months, or otherwise all the shares of Total S.A. in the oil and gas field project in Block 11 of Iran's South Pars would be handed over to China National Petroleum Corporation by Iran. Total S.A. said on May 16th that unless France and the European Union could win the exemption from the U.S. sanctions, the company would gradually reduce or even halt its investment in the Iran natural gas project by November 4th; Maersk Tankers, a Danish oil product and shipping company, said that it would terminate the contract of carriage signed with the Iranian oil companies by November; the German insurance company Allianz also promised to gradually suspend its business related to Iran; the Boeing company in the United States announced that it would follow the new policy of the U.S. government as well and it would phase out its export business with Iran Air after a 90-day transition period. It is conceivable that all the emerging markets formed after the conclusion of the 2015 Iran nuclear deal would soon be closed to the European and American companies and capital.

Although the European Union is still seeking investment and trade exemptions from the United States under the framework of the Iran nuclear deal, the prospects are certainly not bright. With the rapid recovery of the economic strength of the United States along with the strengthening of its military power, as well as Trump's rough and tough demeanour, Iran shall face much greater containment, strangulation and pressure in the future than it did during the Bush administration when the United States was fully engaged in two wars and during the Obama administration when the policy of strategic contraction was implemented. Even if other participating parties are reluctant to make way for the U.S. unilateralism, they are ultimately unable to resist and counteract the superior economic, financial, and technological power of the United States as well as its collective sanctions, and will eventually have to alienate Iran.

The "Plan B" of the United States starts from the U.S. withdrawal from the Iran

nuclear deal, but its goal goes far beyond preserving the nuclear non-proliferation. The new plan attempts to resolve once and for all the Iran issue that has plagued the United States and the Middle East for nearly 40 years, and has demonstrated the view of regional order and a tough stance of Trump himself as well as his hawkish diplomatic and security team. The proposal of this plan will undoubtedly intensify the U.S.-Iran conflict and poses new obstacles for the bilateral relations between these countries aside from the nuclear crisis.

For Iran, which has long been devoting itself to exporting the Islamic revolution and pursuing the glory of the Persian Empire, these harsh demands are undoubtedly some doomed petitions. Before getting the lucrative reward from the United States, the demand for Iran to abandon its huge strategic investment and all the rich gains achieved during the last several decades is obviously too harsh and almost impossible for Iran. However, once the United States implements its unprecedented savage sanctions and successfully coerces other members of the international community to participate in similar actions, Iran shall once again become an alienated nation isolated from the world's economy, trade, and finance. Iran's foreign exchange earnings shall then plummet precipitously, and the three-line strategy of "supporting the development of the economy, stabilizing people's livelihood and governance planning for the Middle East" aiming at maintaining the function of the Iranian regime can hardly be sustained, causing Iran to be plunged into a serious crisis. If Iran returns to the path of the nuclear proliferation with a belligerent attitude and further triggers a new nuclear arms race in the Middle East, it will certainly lead to a war between Israel and Iran, and as a result, the United States would be forced to participate in collective defence. By then, the Middle East would face a new regional war.

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