

**Russia-Iran Bilateral Relations in Post 9/11 Era****Yousaf Ali Khan**

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abidiqbal@nips.qau.edu.pk**ABSTRACT**

Russia and Iran ties has been considered more of a competition rather cooperation in modern times. The incidents that took place in the era of Soviet made Iran do not trust Russia. Nonetheless Tehran and Moscow have cooperated well since then to boost their economy as both these important states have been the target of West sanctions. Of the latest, the disturbance in the international market of energy and the failing security environment in Syria made the two countries build solid commercial and political ties. With the ongoing time, their bilateral relations which covers so many aspects like economic aspect, military aspect and nuclear aspect keeps on changing with the time. This paper explains the mutual cooperation between Iran and Russia in the fields of Economic, trade, energy, power generation and transportation. The paper also discusses the military and defense relations between Moscow and Tehran. Further this paper covers nuclear relations between both the countries and how Russia support Iran in its nuclear program.

Keywords: Russia, Iran, Bilateral Relations, Post 9/11, Political, Economic, Military.

Introduction

The Russia-Iran relationship has undergone significant transformations in the post-9/11 era, marked by increased cooperation and strategic alignment. Despite historical differences and regional complexities, both nations have found common ground in their mutual interests, particularly in the energy sector, security, and geopolitics. They've collaborated on energy projects, including oil and gas production, to maximize their influence in the global energy market. This cooperation has enabled them to navigate the complexities of the international energy landscape and secure their positions as major energy players. Both nations also share concerns about terrorism and extremism, particularly in the Middle East and Central Asia, leading to cooperation on security issues. Their joint efforts to combat terrorism have strengthened their bilateral ties and contributed to regional stability. Furthermore, their geopolitical alignment, often in opposition to US influence, has further solidified their partnership. This alignment has allowed them to challenge US dominance and promote a more multipolar world order.

The Russia-Iran relationship has significant implications for the Middle East, Central Asia, and global governance. In the Middle East, their partnership has played a crucial role in shaping the regional dynamics, particularly in countries like Syria, where both nations have supported the Assad regime. In Central Asia, Russia and Iran have competed for influence, but also cooperate on regional security issues, demonstrating the complexity of their relationship. The evolving multipolar world order has provided opportunities for Russia and Iran to assert their interests and challenge the existing global governance structure. While US sanctions and regional rivalries present challenges to their cooperation, both nations continue to explore opportunities for economic cooperation and strategic alignment. Their partnership is likely to remain a significant factor in regional and international affairs, shaping the global landscape in the years to come. The depth of their cooperation is evident in various sectors, including

energy, security, and infrastructure development. Russia's advanced military technology and Iran's strategic location have made them valuable partners in the region. As global politics continue to evolve, the Russia-Iran relationship will likely play a crucial role in shaping the future of international relations.

Economic and Trade Relations

President Medvedev have stated on different occasions that "Tehran is a fairly active and also a tested partner in trading with Moscow." As the International politics keeps on changing, so Russia finding itself somewhat alone on the international arena after the international sanction's imposition. It lost its significant trade partners especially the European Union, so this situation prompted Moscow to actively venture out and try to find new economic partners.

As Iran have already been suffering by the sanctions imposed by United Nation Security Council and also by the EU, so it was predictable that Tehran will work with Moscow for the establishment of an amicable and close economic partnership. When two countries reproached each other so at first it is natural that new deals in the spheres of industry and trade along with other projects are bound to happen. This helps in expanding the trade between the countries. The risks are high mutually, for the fact that Iran knowing how in Moscow, huge business connections to the Moscow continue to importantly control Kremlin's foreign policy towards the Iranian vector.

The Energy Sector

Hydrocarbons are the most influential features in the economic and political sphere. The hydrocarbons can overturn the market with a small increase in the price of a barrel, or the ambiguity of hydrocarbons can lead countries to fight and also can lead to skirmishes and even total wars. Mainly when there is a lot of research on them and many theories are presented, then the worth of a state increases very easily if it is rich in hydrocarbons. When we speak of positions in the market, the transfer and transmission of these natural resources are very important. Moscow and Tehran being very rich in gas and petroleum reserves and also the biggest providers, both of these qualities make these energy rich states very influential at the global market (EIA, 2011).

Moscow and Tehran are hydrocarbon giants. They to a great extent unexploited flammable gas stores of Iran rank second on the planet just to that of Russia and the two nations are available in the best ten in demonstrated oil holds. Because of their position as potential contenders, the two nations may not initially give off an impression of being the most regular of patrons in the vitality area (USEIA, 2018).

In pure business terms, the cooperation among Moscow and Tehran agrees with the short and long-haul speculation needs of the two nations. Russia finds in Iran a tremendous part of hydrocarbons still immature that needs innovation and involvement underway, refining and appropriation adequately progressed. Russian organizations have, and are inspired to offer, this innovation and experience to the Iranian organizations, which can get priceless help without the political gear inferred in any promise to vitality organizations in the United States or Europe.

In many cases, the companies of Moscow confirmed their assurance to Tehran market by agreeing on collaborating even when the sanctions from the West were imposed. In the political domain, Moscow is an inspected and relatively reliable partner for Tehran. The National Petroleum Company of Iran (NIOC)

negotiated a series of natural gas distribution and exploration and production (E&P) agreements with Gazprom and a few other companies present in Russia in the early 2000.

In the Year 2013 and then in 2014, Tehran and Moscow signed many agreements which were worth about \$10 Bn. These deals were signed in the fields of exploration and Production (EP) and infrastructure development. The Russia leading company Gazprom requested the NIOC to become partners in the making of the Iran's initial natural gas liquefaction plant. Other Russian oil, gas, and petro chemical companies in Iran include Zarubezhneft, Sibur Holding, Sroytransgaz, Tatneft, Gazprom Neft, Cryogenmash, REP Holding, and others. All of these firms are either negotiating future projects with Tehran or implementing current ones. As many as 12 projects in Iran's petroleum sector have been presented to Russia's Gazprom, Rosneft, Gazprom Neft, Zarubezhneft, Taftneft and Lukoil for development.

Iran have said many times that it wishes to rebuild its major oil and gas industries with the outside powers, since the P5+1 deal. Iranian government said that it had plans to increase its projects of gas and oil worth \$185BN by the year 2020. Most of the projects will be related to the field of exploration. So far around 34 outside oil firms have been recognized for bidding by NOIC. Iran wanted the companies from the EU and also many Russia companies to take part in bidding and raises the energy sector of Iran, so that Iran can invest this money in other fields like education and Technology. The regime in Tehran hopes that as much as \$50 BN will be invested annually by the foreign countries. The companies of EU have already showed interests like France and Italy (Wilkin, 2016).

Moscow and Tehran leadership have met quite a few times and have signed many agreements regarding the energy sector. The Russia energy minister "Alexander Novak" and the oil minister of Iran "Bijan Zangeneh" held a meeting in Moscow and predicted that the Russian oil companies are interested in taking part in the Projects of Iran. The head of the Russia state Vladimir Putin has expressed his views that Moscow is ready to invest in the Iranian oil and gas segment at a level worth \$50 billion. The two Governments also struck a \$4 billion deal with signatures from Iranian oil sector and Russia oil company (JCPOA, 2018).

Moscow looks in Tehran a massive yet immature hydrocarbons segment that is lacking adequately progressive manufacturing, purifying, and spreading technology and knowhow. Still the contracts made by the Iranian administration and the Russia businesses show optimistic signs. The US sanctions on Iran has most of the times stopped the bigger companies from the Europe and Russia to capitalize more, with the lifting of the sanctions, that are to be reimpose in 2018, the investment in Iranian energy sector is huge and fruitful for Russia.

On one side the Russia regime considers Iranian as an ally and a potential partner in the energy sector because of the huge proven reserves of oil and gas with Iran. Russia also thinks of Iran that it can regulate the prices of oil and also can influence the marketing policies with other rich hydrocarbons producers. But on the other hand, Russia sees Iran as a potential rival as it can compete with Russia in providing gas supplies to Europe which will challenge the position of Russia at the global level. That is why Russia has been working hard to work with Iran on other regional and global projects so that it can divert the attention of Iran from the European sides.

Being left out of the European market since long, Iran made a firm step forward to join the Southern Gas Corridor once the negotiation process was launched. Russia perceived this as a threat. Even though Russia is making grave investments into the gas sector of Iran, it is in the interest of the European market, the largest consumer of its products, to have already made its intentions stark to find more advantageous agreements elsewhere.

Power Generation Sector

One of the most potentially profitable market for Moscow and Tehran is the construction of nuclear power plant. The atomic company of Moscow named Atomstroyexport struck a deal with the leadership in Tehran back in 1995 to build and finish the Bushehr nuclear power plant, which was partly built in the pre-1979 Islamic Revolution and suffered serious damage in the long going, Iran and Iraq war. Notwithstanding postponements, both procedural and political, Moscow finished the construction of the plant and started supplying it fuel in the year 2007 (Anton, 2005). It became active in 2011 and since then have been satisfying a significant proportion of Iran's increasing power demand. The plant first assists as a preliminary idea for Tehran's nuclear energy motivations: the states national renew-able energy project comprises a goal to five thousand Mega Watt of renew-able energy (Sullivan, 2018).

The two states struck a deal to make two new power units in Bushehr on November 11, 2014, and also a deal was full filled on the building of eight units for nuclear power plants on Russian technologies. Russia has "unlocked a credit line of \$ 5 billion" and has plans to "construct two new reactors at the Bushehr nuclear power plant.

Moscow and Tehran are getting benefits in this field. The companies of Moscow have the practical know-how and the incomes to assist Tehran in meeting its objectives in nuclear power generation while Iran is prepared to offer its companies partial moments due to their geopolitical dispute with the EU and the US. In 2014, Russia approved to construct two new nuclear power reactors (The New York Times, 2014). The agreement also includes the option of additional six Russian-made nuclear reactors.

Outside the nuclear energy, Moscow has approved a credit of \$ 2.2 billion to Tehran so that it can help finance and builds a new thermal power station close to the Iranian city of Bandar Abbas. This loan will also help the Iranian authorities in the electrification of a railway in north-eastern Iran. It is expected that the progress of countries in the field of electrification will increase in the foreseeable future, as both Moscow and Tehran pursue to harmonize their electrical schemes via Azerbaijan (Trend News Agency, 2018).

Transportation Infrastructure Development Sector

Moscow and Tehran are no more attached on land borders but as have some comparable geo-political happenings, both want to invest in transportation routes to obtain more profits and exports of their hydrocarbons. Iran has so many different clients and parties regarding the export of Hydrocarbons but the problem is the transport routes which are quite limited.

Tehran and Moscow having same geo-political courses just like India, have been forced, within the span of the last five, years, to oppose (with varying degrees of success) attempts to isolate them internationally, including attempts to exclude them from the emerging global transit communications. In this regard, India's desire to ship cargo and goods via Iran's ports to the EU countries suits the interests of both Russia and Iran. Besides, the revitalized North-South international transport corridor (ITC) with Russia's participation increases, even if only nominally, Iran's geopolitical weight, and with India remaining neutral, enhances Iran's political influence in the Persian Gulf.

Most of the exports of Iran are transported via two main routes, first is the overcrowded port of Bandar Abbas where the exports are shipped and the second one is The Island of Khard in the Strait of Hormuz (Freedman, 2009). where containers are loaded for exportation. When these tanks are loaded and start travelling in the direction of Europe, the first barrier in the way is the Sumed pipeline connection (It is a portion of the Suez Canal).

Unfortunately, the link comes under the control of a consortium which is in the hands of the rivals of Iran, the Saudi, Qatari and the Kuwaiti state-run companies of oil. Two years ago, two of Iranian oil tankers were denied by Egypt on that very link, quoting obedience with Global sanctions. Most of the analysts are of the view that the main aim behind the incident was to stop Iran from the re-entering the European markets by the rich, oil producing nations (Wilkin, 2016).

The North-South International Transport Corridor (ITC) Project

This project is a multi-modal transport course which will carry passengers and for exportation purposes it can also take cargo. The starting point will be the famous city of St. Petersburg, (Russia) and will travel through to the port of Mumbai (India). In 1993, this idea for the seven thousand km NSITC was proposed. Though the work has still been pending on the project. The agreement was signed by Russia and India in the year 2000 and it was ratified in the year 2002. In 2005, Azerbaijan joined the undertaking pursued by in excess of twelve states, a significant number of which guarantee a travel job. The key preferred standpoint of ITC "North-South" over different courses (specifically, before the oceanic course through the Suez Canal) is a decrease in at least multiple times the separation of movement, just as a lessening in the expense of transport of holders when contrasted with the ocean courses transportation and expenses (Mamedova, 2015).

Moscow sights the NS-ITC project mainly as course to initiate a new way to import commodities from India and also China through Tehran. In the coming time, this project will regulate the circumstances for flow of shipment in transportation among the Baltic nations and the Persian Gulf, if this visibly beneficial project gets political backing for Tehran and Moscow. Without such backing, it can be predicted that such an initiative has no future. The North-South route basically offers a substitute way to the Suez Canal or a route that avoids substantial remoteness. In the meantime, it ought to be considered that the channel was stretched out in 2015 (a second path was incorporated and would now be able to oblige 97 pontoons for each day without holder travels in transit (for instance, because of various railroad checks). Also, Somali pirates are never again a risk. These conditions will scarcely urge senders to change their set up propensities within a reasonable time-frame (Gholamreza, 2014).

As the transport route for Iran is quite limited, with INSTC numerous pieces are of critical significance for Iran. First, it wishes that its deep-water port, as Bandar Abbas has limitations on the draft of the landing containers, and it also wants to "get close" to the Indian Ocean transit canal. This would help Iran in opening great chances to trade with additional oceanic powers. Furthermore, Iran is concerned in diminishing the possibilities of a sea blockade by building a harbor East of the "Strait of Hormuz" that accommodates almost 20% of all oil traffic in the world. Third, the plan allows quickening the socio-economic growth of the depressing and unstable province of Sistan and Baluchistan (Tsatirian, & Nersinyan, 2015).

The NS-ITC course is required to enable Russia and Iran to sidestep existing sea shipping courses, decrease complete delivery periods and, possibly, will enable Iran to develop its exchange with Russia and furthermore another financial goliath India. A couple of have even hypothesized that the course could rival the Suez Canal as far as position as a critical provincial transport hallway. The course would likewise enable Russia to re-trade Iranian hydrocarbons through its exceptionally created foundation at the focal point of Europe's last markets. In any case, being rivals in upstream oil fabricating, these advances recommend that Iran and Russia structure a conceivably gainful monetary vitality square to all the more proficiently counter their foes in OPEC (RBTH, 2016).

Bilateral Trade Relations of Russia and Iran

Russia and Iran, despite having enough opportunities and space to increase their bilateral trade, have not been up to the task. Bilateral trade relations have not risen as much as the different analysts expect. The areas of cooperation are very large, but due to the political tensions and sanctions faced by Iran, trade between the two countries has been very low.

The bi-lateral trade between Moscow and Tehran have always been hit by the sanctions imposed on Iran from the West. The bi-lateral trade ties that reached to its top level in the year 2010-2011, was hit by the sanctions and kept on coming down. In the year 2013, when new sanctions were imposed on Iran by the West, their bi-lateral trade fell by almost 60% to \$1.6 billion (Mamedova, 2015).

Iran has been a consistent and important market for the industrial products of Russia since long, though statistically the foreign trade between the two sides is less than 1%. Russia when made a huge increase in exporting grain to Iran (almost an increase of 40% was seen) in the year 2014, yet the industrial products are half of the exports made by Moscow to Tehran. The trade-surplus from the Russian side have always been positive but if we see the Iranian side, it has been mostly negative (WTO, 2017).

Main Areas for Trade and Cooperation:

As the nature of business in Moscow and Tehran are quite different, so their companies on the global level are also different and therefore they are not capable to compete with each other on the global level. The main exports of Russia to Iran are wood, medicine, metals, products made of wood, mechanical and technological tools, paper products and cardboards. Iran in the year 2014, imported grain which surpassed the metal commodities, but grain is a volatile import for Iran, and they are planning not to import it in the coming years. On the contrary, Russia imports farm products, vegetables and processed fruits. Russia have also been importing sea food and fish from Iran. Iran supplied Russia more than 1 million tons of dairy stuff, in return Iran will be getting supply of beef, poultry meat and venison (Gholamreza, 2019). The main areas for trade and economic collaboration between these countries are as follows;

Automobiles Industry

The auto-mobiles industry in Iran is quite huge and they are eager to develop it even more. They have launched a program to change the old trucks to new trucks. KAMAZ being the sole company that has been making investment in auto-mobile industry of Iran. Another company from Russia, GAZ may join this sector, as GAZ have been working with an Iranian company ZAMYAD and both have predicted to launch a few projects together.

Aviation Industry

The major trade project in the aviation industry for both these states have been the supply of Sukhoi Super Jet 100 traveling, and it has the protentional to become the heart of the aviation industry. Though the main issue in this sector is the eagerness of Russian companies in manufacturing and keeping the quality of the Aircrafts (Tsatirian, & Nersinyan, 2015).

Infrastructure Industry

This is one area where Russia have been working in collaboration with Iran for quite some time now. Russia infrastructure companies have been working on the development of roads and railway projects in Iran. They are also working on the building of power plants in the northern parts of Iran. For the operation of infrastructure projects, Moscow gave Tehran a loan of 2.5 billion (Euros). This loan will help in the development of Gramsar-Inche Burun railway, will complete another railway named Rasht-Astara and are planning to build a Thermal power plant on the port of Bandar Abbas (Tsatirian, & Nersinyan, 2015).

Scientific and Technical Industry

The term “Academic Jihad” used by the leadership of Iran actually meant that they want to accelerate and develop the fields of science and Technology. They want the share of the GDP in research to reach to 2.5% by the year 2025. Two companies from both sides, Nanocertifica from Moscow and Nanotechnology from Tehran signed a deal. The deal main areas were improvement of techniques of methodologies, testing products jointly and to promote safety in Nano industry. A new joint fund for investment was also developed (Tehran News, 2012).

Bilateral Trade Relations: The Current Status

Tehran is ranked 60th in the exports list of Moscow while on the list of Moscow imports, Tehran stands on 53rd. The bi-lateral trade between Moscow and Tehran have always been hit by the sanctions imposed on Iran from the West. The bi-lateral trade ties that reached to its top level in the year 2010-2011, was hit by the sanctions and kept on coming down. In the year 2013, when new sanctions were imposed on Iran by the West, their bi-lateral trade decreased by almost 60% to \$1.6 billion. The current Bilateral trade between Russia and Iran stands at a minimal value of \$945M.

The major exports of Iran to Russia are fresh and dry fruit, fresh and preserved vegetables, tomato sauce, date, salt and Sulphur, organic chemical goods, plastic products, medicine, glass, carpet, automobile, goods making out of iron and cement etc.

Iran, on the other hand, imports Russian products including flat rolling products, flour, hot rolling bars barley, iron, steel, coke and semi-coke, coal, feed grain, newsprint paper, carbon electrode, sunflower oil and products of the mixed rolling steels.

Russia is currently doing trade with Iran under some obligations, which is not beneficial for Iran. Russian business grew more active as soon as certain legal acts came into effect. President Vladimir Putin signed a decree for the country to comply with the UN Security Council Resolution 2231, i.e., on the lifting of sanctions by Russia. According to the document, in the period to 18 October 2025, Russian organizations will be required to receive preliminary authorization from the UN Security Council to deliver, sell, or directly transfer to Iran “all the items on the List of nuclear materials, equipment, special non-nuclear materials and the corresponding technologies subject to export control (Lenczowski, 1978).

Moscow and Tehran have additionally been looking at forsaking the U.S. dollar and utilizing their own national monetary forms in their respective exchange. However, while there may some “feel good” advantage to this, the shortcoming of both the Russian and the Iranian monetary forms opens up the likelihood of unending conflict over how to esteem trade.

Russia and Iran: Strategic Relations

Iran wants it self to be recognized as the major power in the regional perspective. So, in order to counter the rivals and the threats hanging around it, it wants to have a strong military and sufficient defense technology in order to deter all his enemies, like Israel and Iraq. This quest to lead the Islamic world and also become an influential regional player, drove it to revitalize its Naval power and show its existence in the Persian Gulf. For all these objectives Iran wanted to have a strong domestic Military industry and wanted it self to be self-sufficient in technology so that it may not ask any foreign player for immediate help. Moscow being one of the finest in defense capabilities, sort out this problem and provide the technical assistance and weaponry to Iran so that it can revolutionize its conventional armed forces and built ballistic missiles, chemical weapons and civil nuclear technology (LaFraniere, 2001).

Apart from other areas, this is one area where Russia and Iran have somewhat gone smoothly as compared to other arenas. The military, defense and nuclear relations of Russia and Iran have evolved quiet well. Russia has been selling Iran its arms and nuclear technology throughout the twentieth century. Apart from some mishaps, which made the strategic relations down, Iran and Russia are going well in this sector. The recent military cooperation in Syria is an example of Russia and Iran where both collaborated to defend the regime of Bashara’s well.

Russia and Iran: Military and Defense Relations

The primary phase in the Moscow and Tehran strategic ties was to create and keep business. Russia needed hard currency in the form of Petro dollars and on the other hand Iran wanted to modernize strategic technology and know-how. Though both the states profited from the association, Iran was forced to pursue help from Russia for a couple of reasons. The first reason was that Iran was not that strong after its long eight wars with Iraq and secondly, Iran cannot develop modern strategic technology due to the denying of West.

Iran became the third largest importer of the Moscow arms, after China and India respectively. Russia has been helping Iran in making some military weapons and technology too. As the West has denied Iran to give arms Iran, Tehran asked for the help of Russia and since then, the Russian military advisors in Tehran have increased very much. These advisors have helped Iran in attainment of missile and arms technology for strengthening its military abilities.

Iran-Russia military cooperation against developing military cooperation of America and Turkey is a kind of cold war era’s stereotypes reconstruction. Expansion of ‘the New Great Game’ in Caspian region has made their military cooperation more prominent. Continuation of Iran-America and Israel conflict helped to expansion of their military cooperation. It is noteworthy that Russia and Israel have also experienced multilateral developing cooperation. Gore-Chernomyrdin agreement was cancelled by Vladimir Putin, and paved the way of expanding their military relations. Russia tried to play role in modernization of Iran’s military forces. Iranian military forces access to Russia’s advanced military systems providing them with an opportunity to satisfy their needs. It has been one of the most important concerns of the West. Of course, Russia has always defined this cooperation as a fulfillment of Iran’s defense needs based on the international commitments (Freedman, 2003).

Through the building of its own military-industrial bases, Russia have assisted Iran in the improvement of building its own domestic arms and weaponry. “Jihad-e-khodkefayee” which means the fight for self-sufficiency has been the corner stone of the Tehran revolutionary tactics. As Iran was isolated so this step was taken in response to that policy and also to make Iran a high-power role in the region. Self-sufficiency has been one main objective of the defense and procurement ministry of Iran.

Modernization of the navy is another top priority in Iran's defense policy. Its Persian Gulf fleet could play an effective part in implementing Tehran's goal to control the Strait of Hormuz. The Iranian navy has been showing a higher profile since the Gulf War, in part as a response to the stationing of US forces in the region. Iran conducts about 40 naval exercises and maneuvers annually in the Persian Gulf. However, the Iranian navy is probably the least developed element of the country's regular armed forces. The vessels are 30 to 50 years old, and some are not operational. According to Jane's Intelligence Review, only ten Chinese-made “Thodor-Class” craft are operationally reliable. The navy suffers from the lack of adequate air cover and air reconnaissance capability. Although Iran is the only submarine-owning country of the Persian Gulf, the mission of its three Russian-made Kilo-class submarines is limited to laying mines in

undefended waters. During President Khatami's March 2001 visit to Moscow, Russian officials said Moscow might sell more diesel-powered submarines to Iran despite objections by the United States (Oksana, 2001).

Russia Arms Sale to Iran

Russia has been pitching arms and traditional weapons to Iran since quite a while. Both the states need each other assistance in this regard. Iran gets the desired technology and military arms as it wanted itself to be self-sufficient while on the other side, Russia wants hard currency to boost its economy and make Iran stronger. Russian gets a lot of hard currency in return to the sales it makes to Iran. This helps it in paying of her loans and debts.

When President Khatami paid a visit to Russia back in March 2001, along with Caspian Sea problem, the arms agreement was on top of his list, the Ambassador of Iran Mehdi Safari, appointed to Russia, in an obvious effort to appeal for funding from Rosoboronoexport, which hung the possibility of a \$7 Bn in weapons contract to Tehran, that was lagged worth an amount of almost above \$300 Million annually, dealt by "Rosoboronoexport's" administrative chief Viktor Komardin.

Russia has sold Iran hundreds of major weapons systems, including twenty T-72 tanks, ninety-four air-to-air missiles, and a handful of combat aircraft like the MiG-29. Late last year, Russia agreed to sell Iran a \$700 million surface-to-air missile defense system (SA-15 Gauntlet) along with thirty TOR M-1 air-defense missile systems, ostensibly to defend its soon-to-be-complete, Russian-built nuclear reactor at Bushehr. Moscow also plans to upgrade Tehran's Su-24, MiG-29 aircraft, and T-72 battle tanks.

Moscow and Tehran ties have gone underneath expanded global consideration since Russia's declaration in the end of 2000 to continue weapons deal to Tehran and grow mechanical participation with Iran. That choice finished the controversial Gore-Chernomyrdin agreement, back in 1995, which submitted Russia not to pitch armed hardware to Iran. This collusion picked up another energy deal subsequent to the endorsed visit by the President of Iran, Khatami to Moscow in the spring of 2001, on that occasion Khatami trusted would check "another spring" in the two nations' participation. Russia agreed to a deal on 2nd of October 2001 to offer Iran up to \$300 million every year in routine arms (LaFraniere, 2001).

Most of the strategic trade partnership has been revolved around the military porches of Iran from Russia. However, some confrontations did come in the way and the ties have not gone smoothly. When Russia suspended the sale of S-300, to Iran falling to global pressure, after the deal was done earlier. Iran agreed to buy the system for \$800 million. After the suspension, Iran filed a case against the Russian arms company Rosoboronexport, worth \$4 billion in breach of the agreement. Later Tehran dropped the case it filed in 2007, after Russia delivered the initial delivery, it had promised.

As the S-300 disagreement was fixed and many global sanctions were lifted on Iran in 2016 as a consequence of the JCPOA and its corollary UNSC Resolution 2231, Iranian representatives wanted to quickly enlarge both aircraft and military buying's from Russia. Tehran have for example, explored and reportedly confirmed the buying of Sukhoi Super-jet 100 and also agreed to license the production of Russian tanks in Iran (BBC News, 2013).

Russia and Iran: Nuclear Relations

The Moscow administration contradicts Tehran procurement of atomic arms, trusting that such an improvement would radically alter the equalization of intensity in the area, and not to support Russia. As expressed by some administration specialists, an atomic Iran could be relied upon to direct increasingly forceful and autonomous approach in the Caucasus and Central Asia, while some other imagine that the debate is viewed as an ironclad

method for avoiding American Iranian rapprochement. Russian government officials unequivocally trust that Russia would drop its political and monetary location in Iran following the restoration of conciliatory ties between Iran and America.

In other words, the Russian position on the nuclear issue cannot be called either pro-Iranian or pro American. Instead, Moscow balances between the United States, Europe, and Israel on one side, and the Islamic Republic on the other, without any attempt to join them. It also insists that the nuclear issue be settled diplomatically because it does not want a new zone of conflict and instability near the Russian border. So, all Russia want is to stammer the process and freeze it as long as it can to get the maximum benefits.

Encounter of Russia and America, particularly with respect to finishing of Bushehr atomic power plant, which none of the Western nations did not make any assistance, has entered another stage. Russian authorities have constantly stressed on controlled and tranquil nature of Iranian exercises. Russia has denied every one of the claims about generation of ballistic rockets for Iran. US authorities have constantly rehashed their claim about Iran's intends to finish Bushehr control plant with the assistance of Russians so as to access to atomic weapons. A portion of the Russian specialist's credit US weight to financial misfortunes of America in this undertaking. From their point of view, Russian atomic participation with Iran is the equivalent of American atomic collaboration with North Korea, which have been guaranteed by America rather than a conclusion to its atomic program (Freedman, 2007).

For Russians, Iran's preparation to universal examinations has dependably been a pointer of her straightforward lead in this area. For Russia, Iran is a country that could play a positive role in Russian's Middle East policy. Some of American exports believe that Russia is using Iran as a buffer zone against America. In a C.I.A report in the same year, Russia was accused of helping Iranians to achieve nuclear technologies for their military goals. In respect to Russian economic needs, this kind of cooperation could provide Russia with a better opportunity at the bargaining table with America. Slow process of Bushehr power plant construction is a good indicator of their non-confidential conduct toward ending this project. Russia clearly is pursuing Mini-max policy in regard to Iran: increasing its influence on Iran, and at the same time reducing its negative effects on US-Russia relations.

The United States objects to the Buescher Nuclear Powerplant issue on the ground that energy-rich Iran lacks requirement of nuclear generation capacity and that the reactor would be utilized in the secret Iranian nuclear weapons program. However, Moscow says the project is non-military in nature and under the International Atomic Energy Agency (IAEA) control. According to the Russian Atomic Energy Ministry the deal is a Russian-Iranian long-term commercial business. Russia forecasts the sale of at least three nuclear power plants to Bushehr location and two coal-fired power plants to be installed elsewhere. With the installation of additional reactors, it would become even more cumbersome to the United States and international watchdogs to establish the use of the facilities in weaponization. Washington can slap sanctions on Russian companies or even the Russian government nuclear related cooperation with Iran. In 2003 it punished seven Russian firms and three institutes accused of assisting Iran in the development of nuclear technology. Recently, Russian President Putin acknowledged that not every state structure and institute was trying its level best to keep the export controls strict (Jalali, 2001). At present Russia is also a member of a 33-country Missile Technology Control Regime (MTCR), an informal export control system designed to limit the proliferation of ballistic and cruise missiles with a payload of 500 kilograms or more to a range of 300 kilometers or more. The agreement does not require any sanctions, yet the US laws allow the

administration to impose sanctions on the violators. In 2002-03 the US slapped sanctions on eight Russian organizations which were accused of assisting Iranian missile program. Even though the international obligation will see Moscow greatly reducing its assistance to the missile programs in Iran, there is a likelihood that smaller companies will still aid Iran (Mistry, 2005).

Russia and Iran should proceed with their bi-horizontal, financial and key association within a reasonable time-frame. The affiliation not just adds to the two nations outside arrangement objectives yet in addition advances their inner security and upgrades soundness in the district. Giving its significance to Moscow and Tehran, the connection is probably not going to be debilitated by the danger of authorizations from America. Both the nations will ensure that their disparities don't influence the progression of their vital coalition. Iran sees its organization with Russia as an approach to exceed the US-forced confinement and enhance its political and financial choices in the locale and past. As far as it matters for it, Russia don't share US worries that Iran is against harmony in the Middle-East and backings fear-based oppression. Nor does Moscow buy in to US-Israeli feelings of trepidation of Iran's dynamic improvement of weapons of mass destruction.

Conclusion

The Bilateral trade relations between Moscow and Tehran rests on the sanctions imposed on Iran by the USA, they are doing well in the military and defense cooperation's but the annual trade between Russia and Iran is still lagging behind and is too low to back up the sanction hit economy of Iran. The world is now an economic centric world and economy act as the function of a heart for a country. The most serious challenge Tehran is facing today is the its economic isolation and stagnation. Iran should make its policies economic centric so that it can overcome this stagnation. The economic sanctions have affected the economy of Iran very badly. The boost in the GDP of Iran can be clearly seen after the sanctions were lifted. Bilateral relations between the two countries have been very strong and seems to further improve as both countries trying to cooperate with each other in every aspect which would be helpful in their development. Russia and Iran will have a stronger bond in their bilateral relations in the future and will be benefit from one another's resources and cooperation. The strong support from both sides and mutual cooperation helping them to resist any external pressures on their bilateral relations. Good relations with world's great power will make Iran a regional power in the Middle East because Iran wants to become great power in the region since it has many challenges from different countries in the region.

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