

# XI HAILS RAISI VICTORY UNDER SHADOW OF NUCLEAR TALKS

But Beijing to remain cautious on economic ties with Tehran, even if sanctions are eased, experts say

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Beijing has congratulated the new Iranian president, but is still treading carefully as the talks between Tehran and Washington over the revival of a nuclear deal continue to overshadow relations with the Islamic Republic.

President Xi Jinping has personally welcomed the victory of hardline judiciary chief Ebrahim Raisi, whose major rivals were banned from running in the June 18 presidential election.

"I attach great importance to the development of China-Iran relations," Xi said, according to an official statement.

The new Raisi government, which officially takes power in August, will define much of China's future relations with Iran and the Middle East as it enters new negotiations on the 2015 Joint Comprehensive Plan of Action, commonly referred to as the Iran nuclear deal.

Soon after he won the presidency, Raisi said he had high expectations for the development of relations with China, which has been giving Tehran political backing over the past two years.

"We have a good bilateral relationship at the moment, and it has a lot of potential to develop fur-

ther. Iran will continue to work hard and develop such potential and push for a friendly development of relations," Raisi said.

China, together with the US, Britain, France, Germany and Russia, signed the 2015 deal with Iran to ease sanctions in exchange for restricting the Iranian nuclear programme.

After former US president Donald Trump unilaterally left the deal in 2018 and imposed new sanctions, Iran has been hit with an economic downturn and stopped adhering to several key provisions in the previous deal. In April, it started enriching uranium at 60 per cent purity.

Beijing has stated it wanted to salvage the deal, one of the few issues where the US and China have found common ground since Joe Biden took office. While the US said the election had not been "free and fair", the state department said Washington would nonetheless continue indirect talks with Tehran about rejoining the deal. Negotiations are currently deadlocked after Biden and Iran's supreme leader Ali Hosseini Khamenei each demanded the other side make the first move.

Mohsen Shariatnia, an assistant professor at the Tehran-based Shahid Beheshti University, said he expected the nuclear deal to be revived before the next

government took office. "With the reduction of sanctions on Iran and the political will of the new Iranian government, there will be more grounds for the implementation of the strategic cooperation agreement between [China and Iran]," Shariatnia said, referring to the 25-year strategic cooperation agreement signed in March.

According to the official announcement, the agreement covers a variety of economic activity, from oil and mining to transport and agricultural collaborations, but no other details were made public. However, previous reports have said the deal could be worth up to US\$400 billion.

Regional experts viewed it as largely a sign of China boosting its relations with Iran in a way that could counter US dominance in the region. China already had close ties with Tehran. It has long been the biggest market for Iranian oil, its top trading partner and has been supplying weapons since the 1980s.

Trade between the nations has been worth some US\$20 billion annually in recent years, down from nearly US\$52 billion in 2014 because of US sanctions.

Fan Hongda, a professor at the Middle East Studies Institute at Shanghai International Studies University, said he expected a deepening of economic ties

following the potential revival of the nuclear deal, but the new government was unlikely to change either side's careful approach to developing their relationship.

"I think for China's foreign policies, the US is still a huge factor. Especially at a sensitive time like this, China does not only need to consider the US, but also other



**China does not only need to consider the US, but also other Middle Eastern countries**

FAN HONGDA, ACADEMIC



Ebrahim Raisi is expected to bring many changes to ties with China.

Middle Eastern countries, like Saudi Arabia and Israel ... Many Chinese experts are worried that forging a closer dialogue with Iran will upset these parties," Fan said.

"As for Iran, traditionally it is still more keen on working with the West, if they are able to get more concessions."

Saudi Arabia and other Gulf states continue to put pressure on Iran over its ballistic missiles and nuclear programme, which Tehran says is entirely peaceful.

US intelligence agencies and the International Atomic Energy Agency believe Iran had a secret, coordinated nuclear weapons programme that it halted in 2003.

Jonathan Fulton, an assistant political science professor at Zayed University in the United Arab Emirates, said he did not expect Raisi's presidency to bring many changes to China's bilateral relations with Iran, as "a lot of what's been driving the bilateral relationship ... has been structural rather than personal".

However, he expected mainland firms to remain cautious, even if the nuclear deal gets back on track.

"If it leads to Iran's economy getting out from under sanctions it could mark an improvement, although I suspect most [Chinese state-owned enterprises] and private companies will tread lightly until they see evidence that the US isn't going to change direction again," Fulton said.