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Trump and the future of Iran's nuclear deal

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A journey to the unknown has just begun with the election of Donald Trump as president of the United States. We, in the Middle East, can only wait to see how the new administration will deal with the declining role of the U.S. in the region. Trump's inward looking campaign and non-interventionist foreign policy suggest that the U.S. may advocate a light footprint abroad, however, Iran might prove to be the exception. If Trump's goal is to renegotiate the Iranian nuclear deal, he will face several major challenges.

The newly elected U.S. president has been vocal throughout his campaign about how "stupid" U.S. policymakers were to sign a deal with Iran over its nuclear program. In his AIPAC speech, Trump said: "My No. 1 priority is to dismantle the disastrous deal with Iran." Whether this will continue to be his top priority remains to be seen, but one thing is certain, Trump will do his best to tarnish Obama's legacy, including the Iran deal.

Looking back on what Trump has said about Iran and the nuclear deal throughout his campaign, one can sense his unease with the way the deal was negotiated. Coming from a business background, Trump often brags about his superior negotiation skills. He claims that Iran was "choking on sanctions" and that the deal would transform a "terrorist" country into a major power.

Assuming that Trump will put his words into actions and work toward scrapping the nuclear deal with Iran, or, more likely, renegotiate it, how easy is this going to be? And what are the challenges and risks he may run into?

Renegotiating the nuclear deal is actually something that has been demanded by political players in both the U.S. as well as in Iran. Initially, Iranians seemed optimistic as hope spread that the deal would put an end to their isolation, revive their economy and open the door for foreign investors.

Despite the initial optimism, economic benefits haven't come large and fast. International banks, although excited about the prospects of opening Iran's markets for investments, are fearing to rush into the unknown, especially with other, non-nuclear, sanctions still being in place, such as those imposed as a result of Iran's ballistic missile program, which Iran has refused to halt.

Another reason behind the fear of doing business in Iran is the potential connection between what could appear as purely commercial entities and those managed directly by Iran's military and other institutions that are subjected to sanctions.

The risk of renegotiating the deal, even with the approval of all parties, lies in the uncertainties that would emerge. Efforts to amend the parameters of the deal by the U.S. will likely be faced by strong Iranian opposition. If one assumes that the new rounds of negotiations will demand tougher restrictions on Iran's nuclear program, then Iran may well choose to end the talks altogether, and respond by restarting its uranium enrichment program.

What is not clear is whether Trump will succeed in creating a momentum for his plans to amend or scrap the deal within the U.N. Security Council and with the other members of the P5+1 group. Iran has already signed big trade and economic

agreements with European partners such as the \$2 billion deal with energy giant Total to develop Iran's largest natural gas field.

Moreover, Airbus has also signed a deal to provide Iran with 118 planes for about \$26 billion, among its biggest sales ever. The Trump administration could, unilaterally, reimpose sanctions on Iran. However, such a move would need the support of America's European and Asian allies to be effective.

Regardless of what Trump really thinks of Iran and its nuclear program, cornering Iran will be a high-risk decision. Renegotiating the deal will also carry the risk of strengthening the hard-liners' position in Tehran, and thus missing a real opportunity to bring Iran closer to the international community.

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