

Israel-Iran Conflict

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Israel-Iran Conflict: Escalation and Implications for India

Current Status:

The Israel-Iran conflict has escalated into a full-blown warzone, with both nations now attacking each other's territories and infrastructures directly.

Brief History of Israel-Iran Tensions

- 1953: US backed a coup in Iran, reinstating Shah Pahlavi to power.
- 1957: US-Iran nuclear cooperation began with reactor and uranium support.
- 1970: Iran ratified the Nuclear Non-Proliferation Treaty (NPT).
- 1979: Islamic Revolution toppled the Shah, severing US-Iran ties.
- 1984: US supported Iraq during its war with Iran.
- 1995: Russia aided Iran in building a nuclear reactor.
- 2002: Western intelligence exposed Iran's secret enrichment program.
- 2010: Cyberattack (Stuxnet virus) damaged Iran's centrifuges allegedly by US-Israel.
- 2015: A global deal was signed to limit Iran's nuclear activities.
- 2018: US exited the deal under Trump administration.
- 2020-2021: Israel intensified attacks; Iran enriched uranium up to 60%.

- 2023: Iran supported Hamas's attack on Israel from Gaza.
- 2024: Direct attacks began: Israel's "Operation Rising Lion" vs. Iran's "True Promise 3".

Why Israel and Iran Matter to India

- West Asia's Role: Provides 54% of India's oil imports and 40% of remittances.
- Israel: A key defence partner, with imports rising from \$5.6M (2015) to \$128M.
- Iran: Though trade fell to \$1.4B in 2024, Iran remains vital for energy and connectivity.
- Diaspora: Around 10,000 Indians in Israel and 25,000-30,000 in Iran.
- Strategic Routes: Projects like the India-Middle East-Europe Corridor (IMEC) and International North-South Transport Corridor (INSTC) rely on both nations.

Impact on India

- Trade Disruption:
 - India-Israel trade dropped from \$11B (2022) to \$3.75B (2024).
 - Iran trade declined to \$441M amid payment delays and risks.
- Energy Risk:
 - 60-65% of Indian oil imports pass through the Strait of Hormuz, now under threat.
 - Rising oil/LNG prices could strain the Indian economy.
- Connectivity Delays: Conflict affects progress on IMEC and INSTC.

• **Spiraling Costs**: Shipping, insurance, and import costs could rise, affecting inflation.

Geopolitical Challenges for India

- Balancing Act: US and G7 back Israel, while the Global South sympathizes with Iran.
- Pakistan Angle: Potential US-Pakistan cooperation in Iran may complicate India's stance.
- BRICS Dilemma: With Iran in BRICS, India must navigate group positions carefully.
- Gulf Relations: India must also manage ties with other Gulf nations amid rising tensions.

India's Response So Far

- Calls for Peace: India urged restraint and dialogue from both sides.
- **Diplomatic Outreach**: EAM Jaishankar held discussions with Iranian leaders.
- **Neutral Stance**: MEA avoided direct criticism of Israel or Iran.
- SCO & UN Abstentions: India dissociated from SCO's anti-Israel statement and abstained from a UN ceasefire vote.
- Evacuation Effort: Launched Operation SINDU to bring citizens home safely.

The Road Ahead for India

- **Diplomatic Role**: Push for de-escalation through **Track II dialogue** involving regional and global players.
- Energy Diversification: Reduce dependency on Gulf oil routes.
- Strategic Navigation: Balance ties with Israel, Iran, the Gulf, and global blocs like BRICS,

