

# Ramifications of the Fourth Gulf Crisis and India's Strategic Options

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## Abstract

*The article analyses current Persian Gulf crisis. It explores relevance and geostrategic importance of Gulf of Hormuz for India and the entire world by highlighting the statistics of International trade transiting through and likely to be affected by further deterioration in the Persian Gulf. The article covers origins and growth of the Persian Gulf crisis from Iran's suspected ambitions and actions to become a nuclear power and the resultant sanctions imposed by USA. Iran's Nuclear Programme has also been discussed in brief. The article also examines Iran's past and present relations with other countries in its neighbourhood and evaluates its relations with India. The article critically examines nature of political, diplomatic and economic challenges for India due to the current Gulf crisis and concludes with suggested India's response options.*

## India's Energy Dilemma

India's growing international stature, and her acknowledgement as a regional maritime power, is evident from the fact that many foreign navies seek to undertake exercises with the Indian Navy. Series of joint naval exercises being regularly held, with the Japanese and the US Navy, French, Russian, Thailand, Malaysian, Indonesian, Australian and with the Singaporean Navy, are indicative of the fact. The US Secretary of State Mike Pompeo's visit to New Delhi on 26 Jun 2019 coincided with India's endorsement of non-permanent seat of the United Nations Security Council (UNSC) for a two year term from 2021 to 2022. The United States (US) has renamed the US Pacific Command as Indo-Pacific

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Command. It is a symbolic move to high light importance of India and to seek its assistance to emphasise a rule based international order in the wake of rising tensions in the South China Sea (SCS).

India finds itself at a crossroad and in a dilemma when it finds the USA enforcing trade sanctions on Iran; its most important crude oil supplier for its power hungry economy. Although India has had good trade relations with Iran since ancient times, its present state of relations with Iran can only be termed as complex. Iran's traditional support to Pakistan on the latter's stand on Jammu and Kashmir has not been welcomed by Delhi. Iran's nuclear programme raises fear of nuclear weapon falling in hands of an Islamic Theocratic State. The present Persian Gulf crises raise important questions for India's foreign, economic and military policy. As it seeks permanent membership in UNSC, India's stand and voting pattern on international issues as a temporary member of UNSC will play dominant role in garnering necessary support for permanent membership when the time comes. She will have to discriminate in supporting right cause from wrong, to ensure rule based international order, while safeguarding her own national interests.

### **The Relevance of Strait of Hormuz**

The Strait of Hormuz connects Arabian Sea and Gulf of Oman to Persian Gulf Strait. The Gulf of Oman is approximately 1500 km from Mumbai coast. Gulf of Oman has Iran and Pakistan to its North, Oman to its South and UAE to its West. The Persian Gulf states, comprising Bahrain, Iraq, Iran, Saudi Arabia, Kuwait, Qatar, and United Arab Emirates (UAE), have the largest reserves of crude oil and natural gas. The Persian Gulf states produce 25 per cent of the world's oil and hold 2/3<sup>rd</sup> of the world's crude reserve. They also have 35 per cent of world's natural gas reserves.

Historically India had robust economic and trade relations with Persian Gulf states. Presently too, India provides the largest number of skilled and unskilled work force to Persian Gulf states. Qatar alone has more than 650,000 inhabitants from India. Presently, India imports 75 to 80 per cent of oil from Gulf States. Indian cinema and satellite channels are extremely popular among local Arabs and the resident Indians. By 2019, India has been exporting more to Persian Gulf states than European Union combined. India's exports to the Gulf Cooperation Council (GCC), amounting to \$41.55 billion, mostly comprise agriculture and dairy

products, garments, jewellery and petro-chemicals; with export growth rate pegged at 5.5 per cent. About 15 to 20 per cent of Indian exports go to Persian Gulf states. India is also UAE's second largest trade partner. Imports from Gulf countries to India until May 2019 amounted close to \$79.70 billion.

### **Iran's Troubled Relations with Neighbours**

Iran, a Shia majority Islamic republic state, has always had troubled relations with its neighbours. The 1979 Iranian revolution brought about considerable foreign policy changes in Iran, which has since been virulently anti-Israel and anti US. Iran was also involved in a series of covert operations and proxy wars in its neighbourhood. Iran has always supported Hezbollah fighters against Israel, including manning their posts by the Islamic Revolutionary Guard Corps (IRGC) during the 2006 Lebanon war. The IRGC have also actively supported Hamas against Israel and supplied them arms and ammunition.

India and Iran have held mostly conflicting political views. During the Cold War era, as well as during the Iranian Revolution, Iran's close relations with Pakistan and India's strong relations with Iraq prevented cementing of Indo-Iran ties. Iran has also supported and consistently backed Pakistan vis-à-vis India in matters pertaining to Jammu and Kashmir.

### **Iran's Trade Relations with India**

India is the world's third-biggest oil consumer and meets 80 per cent of its crude oil requirements through imports. Iran in 2017-18 was its third-largest supplier after Iraq and Saudi Arabia. Iran meets about 10 per cent of India's total oil needs. India imported 24 million tonnes of crude oil in fiscal year 2018. The Chabahar Port in Iran has also been jointly financed by Iran and India. India is also providing financial aid to build a highway in Iran between Zaranj and Delaram (Zaranj-Delaram Highway). Chabahar Port will also provide India access to the oil and gas resources in Iran and the Central Asian states. This will also provide Central Asian states an alternate trade route to the Chinese built Gwadar Port in Pakistan's Baluchistan to complement China-Pakistan Economic Corridor (CPEC)-Belt and Road Initiative (BRI). India, Iran and Afghanistan have signed an agreement to give Indian goods, heading for Central Asia and Afghanistan, preferential treatment and tariff reductions at Chabahar.

### **Iran's Nuclear Programme**

Reports of undisclosed activities pertaining to Iranian nuclear programme in 2000 had raised several eyebrows around the world. In 2003 International Atomic Energy Agency (IAEA) reported that Iran had not complied with Non-Proliferation Treaty (NPT) of Nuclear Weapons and had not declared sensitive enrichment activities and possibilities of enrichment of weapon grade uranium. The UNSC imposed sanctions on Iran. Iran's tense relation with the neighbouring state Iraq, hard-line Islamic ideology, threat to wipe out Israel and USA, its endorsement and striving for an Islamic nuclear bomb, its support to Hamas, Hezbollah and the separatist movement in Jammu and Kashmir led to the perception of considerable threat to the world peace, and to India. Consequently, in spite of close trade relations, India voted against Iran in IAEA in 2005 enabling matters to be referred to UNSC for punitive action against Iran. India gave primacy to discomfort it felt with the possibility of nuclear weapons in Islamic Theocratic State falling in hands of hardliners and Islamic militants, over its trade relations with Iran.

A deal was made between Iran and the six major world powers, led by the US in 2015, to limit Iran's stockpile of enriched uranium. In return, relevant sanctions on Iran were lifted, allowing Iran to resume oil exports under UNSC Resolution 2231. However, the US pulled out of the deal in 2018 and reinstated sanctions in May 2018, stating that the 2015 deal puts no curb on Iranian ballistic missiles programme and the condition must be included in the deal. Further, under Countering American Adversaries through Sanctions Act (CAATSA), the US had threatened to sanction any country or entity doing business with Iran or purchasing Iranian crude with effect from 04 November 2018. In response, Iran has threatened to scale back their obligations under 2015 deal and to block Strait of Hormuz; a key transit of crude oil for other Persian Gulf states.

USA's temporary waiver of sanctions to top buyers of Iranian crude, including India, ended on 02 May 2019. India has stopped taking oil from Iran and has started purchasing oil from other Persian Gulf countries to avoid sanctions from Washington under CAATSA.

### **Recent Developments in Strait of Hormuz**

On 13 Jun 2019, two Saudi Arabia's tankers were reportedly targeted by "a sabotage attack" near Fujairah Port in UAE.

Explosions also took place on Japanese tanker ship Kokuka Courageous and Norwegian Front Altair on Strait of Hormuz, although there were no reported casualties. The culprit behind the blasts has not been conclusively identified. Saudi Arabia and USA have attributed the blasts to planting of “Limpet Mines” in the strait by Iran. The latter, in turn, has charged the USA for orchestrating the incident by air launched missiles. On 20 June 2019, Iran claimed to have shot down an American Global Hawk spy drone, which it said had intruded into its air space, by surface to air missile (SAM). The Americans have acknowledged the downing of their spy drone but claimed that the drone was in the international air space. President Donald Trump has promised an appropriate response, and has begun augmenting the US naval, air and land forces in the region. With rising tensions and induction of additional US forces in the region, there is a sense of déjà vu in the air.

### **International Laws Applicable in the Current Scenario**

The laws applicable in the existing scenario are elucidated below:-

- (a) **NPT of Nuclear Weapons.** Iran has ratified the NPT. Under Article II of NPT, except for the five declared nuclear power states, non-nuclear states cannot acquire or exercise control over nuclear weapons and explosives and have to accept IAEA safeguards.
- (b) **Article 41 of the United Nations Charter and UNSC Resolution 2231.** Article 41 of chapter VII of the UN Charter authorises the UNSC to decide measures, other than use of armed force, to be employed to give effect to its decisions. It may call upon member states to give effect to its decisions. Resolution 2231 passed unanimously by the 15 members UNSC, calls for Iran to refrain from activities related to nuclear-capable missiles. However, no punitive action is indicated for any violation of the resolution by Iran.
- (c) **United Nations Convention on the Law of the Sea (UNCLOS) (1982)** –The shooting down of the US spy drone raises important questions of international law. It is, therefore, relevant to understand the concept of territorial sea, contiguous zone, and innocent passage. As per Article 3 of UNCLOS, the breadth of a nation’s ‘territorial sea’ is 12 nautical miles (nm) from the baseline of its coast. Article 2 of UNCLOS states that the sovereignty of the coastal state extends beyond its land territory and internal waters till adjacent belt of sea,

called territorial sea. It also lays down that sovereignty of the coastal state extends to the subsoil, sea bed and the airspace above the territorial sea. According to Article 17 of UNCLOS, ships of all states, whether coastal or landlocked, have a right to innocent passage through the territorial sea. However, Article 19 defines “innocent passage” as that which is not prejudicial to the peace, good order or security of the coastal state. Several activities that are prohibited within another country’s territorial seas (12 nm from the coast) include: threats to use force, military exercises, research and survey activities, fishing activities, and activities that may interfere with the coastal state’s communication systems, security and defence. Article 20 of the UNCLOS provides that submarines and underwater vehicles are to surface in territorial water of the coastal states and show their flags. In view of Article 19, if the Iran’s claim of violation of its airspace is correct, flying of a spy drone in Iranian airspace cannot be termed as innocent passage. In military terms, a confirmed espionage mission by an adversary, within one’s airspace, is deemed a hostile act which justifies a hostile and violent reaction. However, if the US’s claim of 21 nm is correct, then the drone was beyond territorial sea of Iran and within its contiguous zone. The Contiguous Zone, according to article 33 of the UNCLOS, extends up to 24 nm i.e. starts after 12 nm breadth of territorial sea. However, coastal states do not have absolute sovereignty rights over the sea and airspace above the contiguous zone. A coastal state may exercise control only to prevent infringement of its customs, fiscal, immigration and sanitary laws.

(d) **Enforcement Rights of Coastal States and Immunity of Government Ships.** Article 25 of UNCLOS provides right of protection of the coastal state. A coastal state may prevent passage from its territorial sea which is not innocent. Article 30 provides that if a foreign warship does not comply with the rules and regulations of the coastal state in territorial seas, it may be asked to leave territorial sea immediately. Article 31 provides that the flag state will bear responsibility and cost of any damage caused by the warship operated for non-commercial purpose. However, subject to the exceptions provided by Articles 30 and 31, Article 32 provides immunity to warships and government operated ships for non-commercial activities.



(e) **Straits used for International Navigation.** According to Article 38 of UNCLOS, all ships and aircraft enjoy right to transit passage and overflight from the straits. Transit passage would involve continuous and expeditious transit. Article 39 lays down the duties of ships and aircraft during transit passage and guidelines for passage from straits and the recommended code of conduct to prevent obstruction to straits. Article 44 of UNCLOS provides that the states bordering the strait shall not hamper transit passage and there shall be no suspension of transient passage. In the light of Article 44, Iran's threat of blocking the Strait of Hormuz, and its possible mining of the Strait resulting in damage to the Japanese and Norwegian tankers, is in violation of the UNCLOS.

(f) **Identifying Legitimate Military Targets.** Article 48 of additional protocol of the Geneva Convention of 12 Aug 1949 prohibits intentional targeting of civilians and obligates parties to distinguish civilian from military targets. Article 52 (2) of the First additional protocols of the Geneva Convention 1949 elaborates on military targets as "attacks shall be limited to military objectives. In so far as objects are concerned, military objectives are limited to those objects which by their nature, location, purpose or use make an effective contribution to military objectives and whose total or partial destruction, capture or neutralisation, in the circumstances ruling at the time, offers a definitive military advantage". Article 51 recommends proportionality of attack and prohibits indiscriminate attacks. It follows, therefore, that the recent mysterious attack on civilian oil tankers of nations not involved in any military activities, by state / or non-state actors, is not justified. Consequently, it gives the flag state of the vessels the right to retaliate once the entity responsible is identified.

### **Nature and Extent of the Present Threat to Peace**

The Strait of Hormuz is only 33-60 km wide throughout its length. It is a choke point and the main artery from which 80 per cent of crude oil passes from Middle East. Iran has threatened to choke the strait on various occasions. The width of shipping lanes of 'Traffic Separation Scheme' is 2-3 miles on each side. This makes it an ideal place for laying sea mines. On 18 April 1988, USS

Samuel B Roberts was sunk by Iran using a mine. On 13 June 2019, oil tankers 'Front Altairs' and 'Kokuka' were rocked by explosion. However, the crew later reported flying objects striking the ship, leading Iran to claim it was an American missile attack. The high traffic density in the shipping lanes, and presence of fishing and small speed boats, makes asymmetric threat attack a definite possibility. On 03 July 1988, USS Vincennes, a US Navy guided missile cruiser, had wrongly identified Iran Air 655 as a jet fighter and shot it down with a SAM, killing 290 people on board. On 20 June 2019, Iran's SAM shot down a US spy drone. With induction of additional US forces, the region is growing tense by the day and is gradually gravitating towards war zone criteria. These incidents highlight the increasing vulnerability of air traffic in the area and high potential risk of ships, boats and aircraft being misidentified as a target. As a matter of fact, in retaliation to UK royal marines seizing Iranian oil tanker Grace 1 off the Gibraltar, the Iranian Revolutionary forces seized British flagged ship Stena Impero on 04 Jul 2019, leading to worsening of crisis.

### **India's Response**

The Indian Navy deployed two warships, INS Chennai and INS Sunayna, for armed escort's duties, including Maritime petrol aircraft, in the region in mid Jun 2019 and continues to monitor the situation. The Director General Shipping too has issued various advisories to Indian flagged vessels to take precautionary measures. These deployed warships would also be vulnerable to sea mines, as and when deployed by any of the actors involved. They will have to ward off threat of mines if they are to provide any meaningful protection to oil tankers being escorted by them. The small team of Indian Naval officers deployed on board oil tankers can neither undertake prolonged watch nor can appreciate threat from under water mines or a missile attack. In such a scenario, they are also unlikely to provide significant protection against underwater or aerial threat. The warships have to be given clear directions pertaining to rules of engagement, commensurate with their capability and role, so as to enable them to take appropriate action as the situation demands. The government must be prepared to absorb and respond to international obligations arising out of any such action. Cognisance must be taken of any promulgated Air Defence Identification Zone (ADIZ) to prevent any mishap to own air assets deployed in the area for maritime petrol and



cooperation of foreign forces deployed must be taken even through political means.

### **India's Options and Alternatives**

India's efforts to build additional nuclear power stations, her emphasis on in-house technology development to harness alternate green energy sources including solar, wind and bio-diesel, which have shown considerable promise, must continue. However, at the present rate of progress, India's demand for conventional fuel will persist and may even grow in future. USA, which began supplying crude oil to India in 2017, is now our fourth largest supplier. It provided 6.4 million tons of crude oil to India in fiscal year 2018-2019. In 2018, Venezuela had supplied 18.34 tonnes of crude oil; Nigeria supplied 16.8 tonnes while Mexico supplied 10.28 tonnes. Saudi oil can still be accessed through all its ports based in Red Sea. India must also work towards expeditious completion of all projects to source oil from Central Asian states through Iran's Chabahar Port. In case of rise in tension and armed conflict in the Persian Gulf region, India should look at sourcing additional oil supplies from non-Persian Gulf region. Also, with an eye on India's growing energy needs, even in the near future, we must never give up our claim to Pakistan Occupied Kashmir (PoK) as a compromise with Pakistan to settle the Jammu and Kashmir dispute, as is often proposed by some entities involved in track-2 diplomacy. Rather, we must actively exploit existing fault lines between the Islamabad regime and the people of Gilgit Baltistan region. We must seriously consider our direct overland linkages to the Central Asian Region (CAR) and to Russia through the present POK, once it is reclaimed. The Chinese have shown that the challenges of the terrain and climate in the region can always be overcome. We may do it even better. This option must, therefore, always remain a part of our strategic calculus. Besides, the Himalayan region will also play a major role as a water source for a thirsty India in future.

### **Conclusion**

Those who do not learn from history are doomed to repeat it. However, all the actors in the Persian Gulf region appear doomed to repeat history multiple times in a single lifetime. After three major conflicts in the last four decades, including the prolonged Iraq-Iran war of the eighties, the 1991 'Operation Desert Storm'

and the USA's 2003 'Shock and Awe' operation against Iraq's Saddam Hussain, the region is headed towards its fourth crisis; a showdown between the USA and Iran over the latter's alleged nuclear ambitions. The American sanctions have started biting and drawn the expected and, perhaps, desired response from Iran; an unbecoming threat of denial of 'Strait of Hormuz'. This may suit the US who is possibly planning for display of another round of their 'shock and awe' operation. The threat from USA may also serve to drive Iran closer to China and Russia to hedge its bets. However, Iran would also do well to reconsider that the sea is a common heritage of mankind with all its facilities and resources open to fair universal exploitation. Choking critical ocean passages, and the airspace above them, can disrupt trade, seriously hamper world economy and expedite Iran's further loss of friends and goodwill. A conflict with the USA would decimate Iran's industrial infrastructure and destroy its economy. In spite of a plethora of existing international laws, 'might' still remains 'right' in international relations and transactions; and 'overwhelming might' more so. Laws are only good as long as they can be enforced. As Austin said "Law is the command of sovereign, backed by a threat of sanction in the event of non-compliance". On its part, India would do well to firm up its alternate options to meet its present and projected energy requirements in the near as well as distant future, with suitable redundancies, at the earliest.

## References

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