

# Turmoil in the Middle East and India's Energy Security

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On January 3, 2020, USA killed Major General Qassim Soleimani, the Chief of Iran's Al-Quds Force (QF) since 1998, along with Abu Mahdi al-Muhandis, Deputy Commander of the Popular Mobilisation Forces (PMF), an Iran-backed militia, and eight aides at Baghdad's international airport. The same day, the US also tried to kill, unsuccessfully, Reza Shahlai, a key financier and high-ranking commander in Iran's Islamic Republican Guard Corps (IRGC). The killing aggravated US-Iran hostility and could spawn grave instability in a region in which India has substantial interests.

## Al-Quds Force (QF)

Although Iran has large conventional armed forces (*Artesh*), they are not modern on account of the long-standing sanctions.<sup>1</sup> Given the geography and terrain of the Gulf region, a conventional conflict will be determined by a mix of air and sea elements. Iran's Sunni adversaries, particularly the Gulf Cooperation Council (GCC) nations are armed with far better air and sea platforms; and some are backed by USA. This weakness, therefore, led Iran to find ways to challenge the conventional forces imbalance by improving its asymmetric/irregular warfare capabilities through the IRGC. The IRGC has five arms under it, the Ground Force, Air Force, Navy, Basij<sup>2</sup> and QF.<sup>3</sup> The QF handles its irregular warfare operations. The IRGC also manages Iran's ballistic missile arsenal. Enabled by Article 154 of the Iranian Constitution, "*while scrupulously refraining from all forms of interference in the internal affairs of other nations, it supports the just struggles*

*of the freedom fighters against the oppressors in every corner of the globe,”* and its proxy operations are directed by the ‘Quds General Staff for the Export of the Revolution’. Experts opine that the QF is perhaps the most effective subversive-action group since the KGB’s First Chief Directorate.

## **Qasem Soleimani**

After the devastating 1980-88 Iran-Iraq War (which left ten lakh dead), Iran commenced building a Shiite sphere of influence, from western Afghanistan to the Levant, which historically was its area of influence. From 1998 onwards, Soleimani worked both as a power broker and a military-cum-intelligence force commander. And post-Cold War, there are few who have shaped the Middle East as Soleimani did—or challenged the US as the IRGC-QF did. In the 1990s, he supported the Hezbollah against Israeli occupation of south Lebanon, and along with Imad Mugniyah, Hezbollah’s military commander, conducted sophisticated guerrilla warfare, leading to Israel’s fatigued withdrawal in May 2000. He also stacked Palestinian groups like Hamas and Islamic Jihad against Israel. After the US’ 2003 invasion of Iraq, concerns arose that Iran may be targeted next for a regime change. Soleimani then used Iraq-based militias and proxies to stymie US military operations in Iraq. He also exploited the democratic system established along sectarian lines by the US in Shia-dominant Iraq to increase Iran’s influence there. Later, he ruthlessly pushed the US-installed Iraqi regime to decline an agreement allowing US troops to stay beyond 2011. With Shia militia fighters from Iraq, Afghanistan, and Pakistan, he ensured that Bashar al-Assad’s regime survived in Syria. The Al Ashtar Brigades and elements of Al Qaeda were empowered against Bahrain and Saudi Arabia. In addition was the assistance to the Houthi rebels of Yemen, who fought Saudi Arabia and the UAE.

But he had also cooperated with the US on occasions. Prior to 9/11, Iran had been backing the Northern Alliance fighters in Afghanistan against the Sunni Taliban. Keen to defeat the Taliban post 9/11, the QF, with US approval, continued its support to the Northern Alliance (its leader Ahmad Shah Masood was killed two days prior to 9/11) and provided maps of Taliban bases in Afghanistan.<sup>4</sup> In addition, it helped in the rounding up and arrest of several Al Qaeda figures in Iran. The Bonn Agreement of December 2001, endorsed by UN Security Council Resolution 1383, was reportedly reached with considerable Iranian diplomatic assistance—it led to Hamid Karzai (a Pashtun, opposed by the Northern Alliance) being appointed as interim head. At that juncture, some in Iran espoused that

the country should rethink its relationship with the US—until January 2002, when President George W Bush branded Iran as part of an “Axis of Evil”. After Saddam’s regime collapsed, Ryan Crocker yet worked with Soleimani to organise the Iraqi Governing Council.<sup>5</sup> In 2006, after the Iraqi Prime Minister Ibrahim Al-Jaafari fell from favour, the US, looking for Iran-neutral replacements, homed onto Nouri al-Maliki; Soleimani then worked discreetly to prop up al-Maliki. Soleimani also helped secure a ceasefire between radical Shiite cleric Moqtada al-Sadr’s militia and the US-backed Iraqi government, and asked Sadr to stop attacking US targets in Baghdad. According to US defence officials, Soleimani was instrumental in also persuading Assad to refrain from using chemical weapons. This was followed by the conflict against the Islamic State (IS) in the Iraq-Syria theatre—in which both the US and Soleimani fought on the same side. Soleimani was central in the defeat of the IS.

**US saw Soleimani as a shrewd strategist who led terrorist campaign at international level.**

Soleimani was, thus, an iconic figure among the Shias. A survey in 2018 by Iran Poll and the University of Maryland found that Soleimani had a popularity rating of 83 per cent, beating President Hassan Rouhani and Foreign Minister Mohammad Javad Zarif. Former Central Intelligence Agency (CIA) analyst Kenneth Pollack, in a profile for *Time’s* 100 most influential people in 2017, wrote, “To Middle Eastern Shiites, he is James Bond, Erwin Rommel and Lady Gaga rolled into one.” A zealous supporter of Iran’s Islamic Revolution, his personal courage, simplicity, strategic acumen and quiet charisma had led to an image of a warrior-philosopher who stood as a wall between Iran and its enemies. Tamir Pardo, former head of Mossad, opined, “The Arab Spring in the Middle East, and later the fight against the Islamic State, turned General Soleimani from a shadow figure into a major player in the geopolitics of the region.”

The US, however, saw him as a “very shrewd, frighteningly intelligent strategist” and it attributed around 20 per cent of US combat deaths in Iraq directly/indirectly to the QF-IRGC. While his killing provides the immediate context, US-Iran hostility, rooted in the 1979 Islamic Revolution, is part of a larger geo-political struggle and linked to increasing Iranian influence in the region after the US’ 2003 invasion of Iraq.

## **The 2003 Invasion of Iraq and its Aftermath**

The 9/11 attacks led the US to invade Afghanistan (2001) and Iraq (2003), after which the region began to unravel. The US grand strategy, derived from the

British grand strategy, envisions a regional balance of power with local powers neutralising each other to prevent the emergence of powers that can threaten US interests. To that end, in the extended arena of the Middle East–South Asia, the US was maintaining three intrinsic regional balances of power, i.e. (i) the Iran-Iraq balance; (ii) the Arab-Israeli balance; and (iii) the Indo-Pakistan balance.

In order to preserve the Iran-Iraq balance, President George W Bush had, very astutely, not allowed the US forces in 1991 to follow up their unprecedented victory and topple Saddam. Rather, the US strategy was to reinstate the Iran-Iraq balance of power and, thus, prevent Iran from emerging as a regional power. Iran is four times the size of Iraq, three times as populous (80 million), and its level of education and bureaucratic institutionalisation is higher. But after 9/11, the US attacked the Sunni Taliban in Afghanistan, one of Iran's enemies; in 2003, it invaded Iraq, Iran's arch-rival, and toppled Saddam, disbanded the Ba'ath Party and Iraqi Army. Iran was happy to see Saddam go, as it created a huge opportunity for it to extend its influence into Iraq. The US strategic miscalculations continued. To thwart a convergence of Shia influence, it first blocked the Shiite aspirations, then fought the Sunnis, wound up in the crosshairs of both sides, and withdrew from Iraq in 2011.

The collapse of the Sunni-led regime in Iraq, the US withdrawal and the increased Iranian influence over Iraq led to a regional power imbalance. This freed Iran to pursue its "Shiite Crescent". Iran's resurgence caused consternation amongst the Sunnis as the balance of power gradually began to shift against them. Beginning 2010, a series of revolutions ('Arab Spring') overthrew dictatorial regimes in Tunisia, Egypt, Libya, and Yemen. Iran's consolidation was disrupted after the 'Arab Spring' reached its proxy, Syria, in early 2011 and consequent fighting threatened to undermine Iran's hold in the Levant. After the Islamic State spread the fighting to Iraq, the US worked with Iran to contain it. This again created conditions for Iran to recommence its resurgence. But with US-Saudi interests no longer coinciding with Iran's, the US recommenced efforts to contain Iran. In sum: the US-Iran rivalry is not about minor military incidents or Soleimani *per se*—it is about geo-political hegemony in the region. Having destroyed the Iran-Iraq balance of power, it now wants to marginalise Iran.

## **Build-Up to the Strike on Soleimani**

Global sanctions during 2012-15 had shrunk Iran's economy as its crude oil exports fell by over 50 per cent; additionally, its US\$ 120 billion assets abroad were frozen. Iran had, therefore, accepted the 2015 Joint Comprehensive Plan

of Action (JCPOA) and the associated curbs on its nuclear programme to obtain relief from some of the sanctions. In May 2018 however, President Trump announced the US' withdrawal from the JCPOA, and reimposed secondary sanctions (November 6, 2018).<sup>6</sup> From December 2018, the US renewed its efforts to choke the Iranian economy. In April 2019, the US designated the IRGC as a Foreign Terrorist Organisation (FTO); Iran's Parliament responded by legislating the US Central Command and related forces in the Middle East as terrorists.<sup>7</sup> In May 2019, the US augmented its forces in the Middle East. Iran's IRGC responded by pursuing US warships with "boat swarms", covert attacks on oil tankers, shooting down of a US drone, and in September, bombed Saudi oil facilities.

On November 9, Iranian-backed militias fired rockets at a number of bases in Iraq hosting US troops. The December 27 rocket strike on the Kirkuk military base killed a defence contractor and injured several others, after which the US conducted drone strikes on PMF and Kataib Hezbollah sites in Iraq and Syria (December 29, killing 24 militia fighters). On December 31, members of Iran-backed militias stormed the US Embassy in Baghdad. They withdrew—but warned that embassies of the UAE, Bahrain and Saudi Arabia, as well as US bases in Iraq, may be targeted in the future. Thereafter, the US deployed additional forces to the embassy, announced plans to send more troops to Kuwait, and on January 3, killed Soleimani.

## **Post-Strike Situation**

Soon after the strike, the Pentagon<sup>8</sup> stated that President Trump had ordered the killing of Soleimani to "*thwart further attacks on US military personnel.*" The United Nations Security Council's sanctioning of Soleimani for supporting terrorism and selling Iranian weapons overseas;<sup>9</sup> the US' 2011 designation of Soleimani (and other officials) as terrorists; and the April 2019 designation of the IRGC as an FTO—the first time the US had declared a branch of a foreign military thus—were also cited as justification. Soleimani, however, was not the leader of any terrorist entity but the head of a state organisation.

The extraordinary decision to kill Soleimani set off a worldwide scramble. Leaders and diplomats worked quietly to head off a full-fledged new war even as the Pentagon ordered more troops to the Middle East. Reportedly, the White House sent secret messages through Swiss intermediaries urging Iran not to retaliate so forcefully that President Trump was compelled to respond resolutely. Given Soleimani's stature and public pressure, Iran, after a prior warning to the Iraqis, fired 22 ballistic missiles (January 8) at bases housing US troops.

**Iran's retaliatory measures could include asymmetric hits, attacks on oil production facilities or cyber warfare.**

President Trump claimed that the missiles caused neither casualties nor damaged major equipment. The Swiss informed Washington that this “*proportionate measures*” was the end of Iran’s retaliation for now, which allowed the US President to stand down.<sup>10</sup>

On January 12, however, US Defence Secretary Mark Esper refuted there was any specific evidence that Iran had planned an imminent attack on four US embassies as claimed by President Trump. Douglas London, a recently retired senior CIA operations officer, added that the decision to kill Soleimani had more to do with the Trump’s personality than any security considerations: “*It’s this focus on celebrity, headlines, and immediate gratification ... that motivates him.*” President Trump may have also lied about “*no casualties*” – on January 17, eleven US soldiers were ‘med-evac’ to US military hospitals in Kuwait and Germany with traumatic brain injury.

**Current Situation**

Till recently, the US and Iran have fought shadowy battles through covert and irregular forces, and avoided direct confrontation. The current de-escalation notwithstanding, it is clear that US-Iran relations—and the Middle East—have now entered a new, uncharted phase of hostility. Given the state of its armed forces, economy (its GDP shrank by nearly 10 per cent in 2019; inflation over 30 per cent) and the on-going protests (nearly a fifth of its workforce is unemployed),<sup>11</sup> Iran is unlikely to rush to retaliate or opt for a war, but would prefer to craft a viable, medium-term strategy.

Iran has spent decades building and strengthening proxies, and now has a vast network for asymmetric warfare—the very capabilities that Soleimani spent decades building. These are Iran’s most potent weapons. Possible Iranian retaliatory measures over the next few months could include “asymmetric hits” on US assets in Iraq, Syria, or Afghanistan; oil production facilities or tankers, or other targets in the Gulf; and even in Europe, South America; as well as cyber warfare.<sup>12</sup> Each significant ‘hit’, however, holds the risk of counter-retaliation from the US and possible escalation. Iran may also resume its quest for nuclear weapons. Libya’s Gaddafi abandoned his nuclear programme and wound-up deposed and dead. North Korean leader Kim Jong Un, with nuclear weapons, however talks to the US on his terms. The risk is that the US/Israel may bomb

Iran's nuclear facilities before the bomb can fructify—which, in turn, could lead to war.

## **US-Iran War**

The Trump administration has labelled China and Russia as key national security priorities (2017 National Security Strategy; 2018 National Defence Strategy), with attendant effect on the US force posture in the Central Command's Area of Responsibility (CENTCOM's AOR). Nevertheless, the US has substantial land, air and sea forces across 25 bases in the region, including the Naval Forces Central Command (NAVCENT) (Bahrain). Although the US would be able to dominate the air and seas around Iran, the fight won't be smooth sailing. Iran has been building three main capabilities, viz, a large ballistic missile arsenal (range up to 2,000 km), asymmetric naval warfare, and irregular warfare through the IRGC-QF and regional militant proxies like the Hezbollah.

Iran's asymmetric naval warfare would seek to cripple maritime traffic in the Persian Gulf, whose narrowest part is the Strait of Hormuz. Much of the oil from the Persian Gulf transits this strait's 9 km wide shipping corridor. If Iran is able to shut down/restrict shipping in the strait, it would have a drastic impact on world energy markets, not to mention equity markets globally. For this, it has three weapons: (i) the 150-ton Ghadir-class midget submarines—they aren't modern, but have small size and acoustic signature; (ii) the Khalij-e-Fars Anti-Ship Ballistic Missile (ASBM); and (iii) anti-ship mines. Iran has been practicing this operation since the 1984-87 "Tanker War".

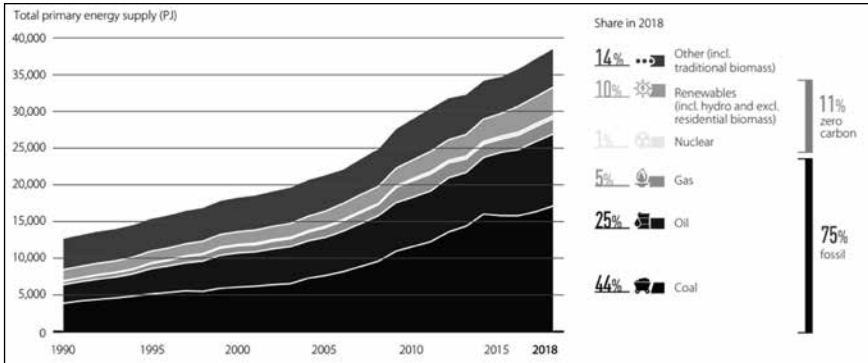
Fighting Iranian forces on land too won't be easy. Ali Vaez of the International Crisis Group asserts that a war with Iran would "*make the Afghan and Iraqi conflicts look like a walk in the park.*" Further, the US may not be able to achieve its strategic objective: Iran had analysed Israel's 1981 strike on Iraq's Osirak nuclear reactor, and the US air campaigns in the 1991 Operation Desert Storm and 2001 Operation Iraqi Freedom. Consequently, it has designed its critical nuclear facilities in mountainous terrain to withstand US bunker-busting weapons.

## **Implication for India**

Indian interests in the Middle East are related to energy access, its diaspora, foreign exchange remittances and trade. India's energy mix (2018 figures) has 44 per cent contribution from coal, 25 per cent from oil, five per cent from gas, one per cent from nuclear, 10 per cent from renewable resources, and 14 per cent

from others sources. Overall, the demand for energy and oil—is expected to rise in the coming years.<sup>13</sup>

Fig 1: India's Energy Mix



Source: Enerdata 2019, Brown to Green: The G20 Transition Towards A Net-Zero Emissions Economy 2019 Report.

Fig 2: India Primary Energy Demand by Fuel Type 2015-40

India primary energy demand by fuel type, 2015–2040									
	Levels <i>mboe/d</i>				Growth <i>% p.a.</i>	Fuel shares <i>%</i>			
	2015	2020	2030	2040		2015–2040	2015	2020	2030
Oil	3.9	5.0	7.3	9.9	3.7	23.3	24.0	24.4	25.2
Coal	7.6	9.5	14.0	18.1	3.5	44.9	45.9	46.8	46.4
Gas	0.9	1.1	2.0	3.0	4.9	5.3	5.5	6.8	7.7
Nuclear	0.2	0.3	0.7	1.2	7.4	1.2	1.7	2.4	3.0
Hydro	0.2	0.3	0.5	0.6	3.6	1.4	1.5	1.5	1.5
Biomass	3.9	4.2	4.4	4.4	0.4	23.2	20.0	14.7	11.2
Other renewables	0.1	0.3	1.0	1.9	11.3	0.8	1.4	3.3	5.0
<b>Total</b>	<b>16.9</b>	<b>20.7</b>	<b>29.9</b>	<b>39.1</b>	<b>3.4</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

This 25 per cent yet makes India the world's third largest consumer of crude oil (after USA and China). Since India is not resource-sufficient, it has 83.8 per cent oil import dependency. It is also the world's fourth-largest importer of Liquefied Natural Gas (LNG), with an import dependency of 47.3 per cent. And about two-thirds of India's oil imports and half its LNG imports pass through the Strait of Hormuz. In 2018-19, India sourced 143 Million Metric Tonnes (MMT) of crude oil from the Middle East, comprising around 63 per cent of



its total crude import of 226 MMT. Of this, about 51 per cent came from four countries (Iraq - 46.6 MMT; Saudi Arabia - 40.3 MMT; the UAE -17.5 MMT; Kuwait - 10.8 MMT).<sup>14</sup> Hence, in view of the ongoing instability, India is looking at increasing oil purchases from the US from six MMT to 12 MMT per year, as also importing from Russia (September 2019 Prime Minister Modi-President Putin meet at Vladivostok on cooperation in hydrocarbons).

Thus, if matters could come to a head, with the attendant disruption in energy flow, India's six million diaspora, which remits about US\$ 40 billion of the US\$ 70 billion that India receives in remittances annually, would also be affected. Indian exports to the Middle East would be impacted. The Chabahar port too would be affected, along with Japanese investment in Chabahar—Japanese Prime Minister Abe had (June visit to Tehran) expressed intent to invest in Chabahar as a counter to China's Belt and Road Initiative.

## **Prognosis**

That said, it needs to be noted that India is marginal to the broader geo-political game being played out. With the US-Saudi-Israeli combine bent on marginalising Iran and India seen tilting towards the said combine, Iran is looking at Russia and China for support and counter-balancing. Russia has played, and is playing, an important role in Syria. There are four broad scenarios:

- **One:** Iran continues asymmetric warfare. Pinpricks won't alter the situation; major strikes will attract retaliation, which could lead to escalation.
- **Two:** An economically cornered Iranian regime opts for a war. The Middle East and the global economy will be plunged into turmoil. Instability will linger on till the Iran-Iraq-Syria-Lebanon region is stabilised, if at all in the near term.
- **Three:** Using sanctions and punitive strikes, the US orchestrates a regime change. This will lead to instability in the region, at least in the short term.
- **Four:** Iran accepts the US' terms. It is unlikely that the Iranian regime will acquiesce thus. If it does, it could lead to a regime change, with attendant instability.

In other words, this game is not going away soon. Hence, it is imperative that India take urgent steps to address its oil dependency on the Middle East.

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Brigadier **Kuldip Singh** (Retd) in addition to appointments in the military, has served as the Director (Intelligence Coordination) of the Defence Intelligence Agency, and National Security Council Secretariat, Government of India. The views expressed are personal.

## Notes

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