

ISLAM IN FOREIGN COUNTRIES

2019.01.008. NINA MAMEDOVA. ECONOMIC RELATIONS BETWEEN IRAN AND RUSSIA: PROBLEMS AND PROSPECTS // *"Sotrudnichestvo Rossii i Irana v politicheskoy, ekonomicheskoy i kul'turnoy oblasti kak faktor ukrepleniya mira i bezopasnosti v Evrazii: Materialy Mezhdunarodnoy nauchno-prakticheskoy konferentsii 19 oktyabrya 2016"* Moscow, FSBEI HE MSLU, 2017, P. 54–61.

Keywords: Russia, Iran, economic relations, trade, scientific-technical cooperation.

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The researcher notes that economic relations between Russia and Iran have constantly been characterized either by uplift or by downfall. We should say that economic ties influence political relations and vice versa. Russian and foreign (including Iranian) experts unanimously noted that in recent years the level of our economic ties was much lower than that of political relations. The coincidence of political and geopolitical interests of Russia and Iran and their assessments of the situation in the world and the region gave grounds to talk of the formation of Russian-Iranian strategic partnership as of a possible trend of the relations between them. Nevertheless, a sufficiently close partnership of the two countries has not reached a strategic degree, having come across the sanctions undertaken against Iran. Russia's joining the international sanctions against Iran (all UN Security Council members, including China) have joined them was received by that

country very badly, which was reflected on the economic ties of the two countries. Iran positively received the fact that in discussing the sanctions against Iran Russia was striving to minimize them, and in the work of the “six” on solution of the nuclear crisis Russia took a constructive position toward Iran.

In 2000 the trade turnover between Russia and Iran began to grow, but after the sanctions of 2010–2011 it began to fall rather rapidly. Having grown from 2000 up to 2010 by 5.5 times and having reached \$3.5 billion, by 2013 it dropped by almost 2.5 times up to \$1.6 billion, and in 2015 – \$1.3 billion. A drop in mutual commodity turnover in 2015 was largely due to the crisis phenomena in the economies of the two countries. A growing trend of mutual cooperation began to be observed after the signing of the Vienna agreement of July 15, 2015, when a new legal basis of conditions of mutual actions. President V. Putin’s visit to Tehran in November 2015 played a major role for changing the psychological climate and brought the two countries closer together in stepping up economic cooperation. Although the official reason for Putin’s visit to Tehran was his official participation in the proceedings of the Forum of countries-exporters of gas, his meetings with Iran’s leaders Rouhani and Khamenei showed that in actual fact these meetings and talks could well be interpreted as a bilateral summit. On the eve of Putin’s visit to Tehran Moscow was the venue of the 12th meeting of the Standing intergovernmental commission at which important agreements were reached on the most diverse technological spheres. In the spring of 2016 a Decree was issued on lifting a ban on supplies of C-300 complexes to Iran, which boosted the activity of Russian companies. On the eve of his departure to Tehran President V. Putin signed a Decree on lifting a ban on the import of equipment necessary to nuclear power industry. On March 11, 2016, V. Putin signed a Decree on measures to fulfill the Resolution of the UN Security Council on measures to lift sanctions from Iran.

Although Russia’s trade with Iran does not exceed one percent, Iran is important to Russia as a market for Russian

industrial commodities. Even during 2014–2015, when Russia sharply increased its deliveries of grain to Iran (more than 40 percent of Russian export), more than half of its export consisted of industrial commodities. In 2015, according to the data of the Russian trade mission in Iran, food products and agricultural raw materials comprised 47.1 percent in the Russian export to Iran, metals and metal goods – 20.5 percent, wood and cellulose-and-paper goods – 17.1 percent, machines and means of transport – 10.9 percent, chemical goods – 3.0 percent. The main share of Russian import from Iran consisted of food products – 78.3 percent; chemical products – 8.8 percent; mineral products – 6.7 percent; machines, equipment and means of transport – 3.7 percent. Foreign trade balance for Russia is always positive as far as commodity trade is concerned and also technical services and expansion of economic ties, which can become a factor in long-term and short-term perspective.

Nina Mamedova singles out the main problems in the development of economic cooperation conditioned by external and internal factors: worsened relations between Russia and the West. The Iranian side may interest the West in using its energy and transit potential; persistent sanctions against Iran, especially the U.S. Energy sanctions can retard participation of Russian companies in oil-and-gas projects; low prices of energy-carriers. The possibility of preserving this trend for a short term is highly likely, and their export provides the main part of currency proceeds of both Russia and Iran for paying for import of commodities and services; repeatability of Russian and Iranian export dominated by the energy component; prevalence in the structure of Russian and Iranian export of companies closely connected with the government, and they, as a rule, are interested in large-scale projects and do not display much concern or attention government, and they, as a rule, are interested in large-scale projects and do not display much concern or attention to regional specificities of business and its potential, and besides, they are more vulnerable due to sanction control than small-scale or

petty business; low level of social and cultural ties which hampers doing business properly; limited ideas about the specific features of doing business.

After signing the Vienna agreement, rivalry for the Iranian market has intensified between companies of different countries. Iran has signed multi-billion deals with European countries, China, India, and Japan. It is important for Russia that Iran's ties with Turkey in the gas sphere have broadened and that competition on the gas market, including in the European direction, has intensified. Nina Mamedova notes that both Russian and Iranian experts hope for a speedy restoration and expansion of virtual trade volumes. Russian industrial products are in demand, as before, on the Iranian market, mainly production market. Russian export to Iran consists of traditional commodities – metals, wood and products of it, electrical machines and equipment, paper and cardboard and floating structures. Although in 2014–2015 the export of grain to Iran exceeded that of metal for the first time, this article of import for Iran is changeable. Iran supposed to have enough grain of its own in 2016–2017, and even begin its export. Import of agricultural products from Iran becomes a sizable share in Russian transactions; in 2014 its share in Iranian export to Russia exceeded 81 percent. In 2015 Iranian fish and sea food began to be supplied to Russia. Iran is prepared to sell more than one million tons of dairy products. Their automobile market of Iran is also of interest to Russia. So far there is only one powerful KamAZ truck representing Russia. True, a draft agreement on cooperation of the “GAZ” Company with the Iranian “Zam'yad” has been included in the protocol of the 12th meeting of the Standing Commission on trade and economic cooperation.

Iran is interested in coordinating the energy policies of our countries, participation of Russian companies in prospecting for oil and developing the gas deposit “Southern Pars,” as well as in taking part in possible gas supply to Europe via Turkey. The new rules for foreign investors taking part in oil-and-gas projects considerably enhance their rights, including property rights to part

of the product. The construction market of nuclear power plants remains quite profitable for Russia. The nuclear energy department of Iran at present has corrected the construction plan of such plants. According to this plan, it is envisaged to build ten new nuclear power plants, but not more than two simultaneously. In August 2016 an agreement was reached with Russia to build two such plants.

In aviation the most promising plane to be delivered to Iran is the civil airplane "Sukhoi Superjet-100". The main problem lies in the plane's power and quality.

Iran is interested in resumption of scientific-technical cooperation in space research. Russian companies may take part in joint work in such traditional branches as construction and modernization of railways, construction of electric power plants, especially in connection with the Russian credit of \$5 billion for these infrastructural projects.

The two parties wish to expand cooperation in the sphere of innovative development. According to Iran's Prospective plan, it is expected to increase the share of scientific research work in the GDP up to 2.5 percent by 2025. Special attention is to be paid to the development of information technologies. In May 2016, during the work of the 5th International Exhibition of innovations and technologies in Tehran an Agreement was signed on cooperation of the Russian "Nanocertifica" and the Center of Development of nanotechnologies of Iran, and in June a decision was made to set up a joint investment fund between Iran and "ROSNANO". Technological exchanges in the field of pharmaceutical research and production are also promising. In 2016 a number of agreements was signed on the production in Iran of a vaccine against flu'. The Iranian company "Sobhan" transferred to Russia the production technology of the vaccine against the hepatitis B virus. The Russian market is short of medicines, therefore, according to the Iranian sixth five-year plan (2015/2016 - 2020/2022), the pharmaceutical industry should become an export

branch. The most up-to-date medicines are created in Iran to combat cancer, diabetes and blood diseases.

The companies of the two countries are interested in joint work in the national free-trade zones, in setting up a special free trade zone between Russia and Iran, drawing closer together the legal basis of the use of foreign capital, expanding participation in foreign-trade exchange of small and medium-size business, and better using the possibilities of participation in regional organizations and regional projects, specially within the framework of SCO and EAEC. After the lifting of sanctions it can be predicted that economic cooperation between the two countries will greatly develop and may reach the figure up to \$10 billion. The Russian side has decided to open a credit line for cooperation with Iran of up to \$5 billion to step up Russian-Iranian economic relations. This shows our striving to create a solid economic basis for political cooperation between Russia and Iran.

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VALENTINA SCHENSNOVICH. AFGHAN CRISIS AND
THREATS TO SECURITY OF CENTRAL-ASIAN REGION //
The review was written for the bulletin "Russia and the Moslem World."

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Introduction. The authors of articles examine the Afghan crisis conformably to the security of Central Asia and the threats, risks and challenges from Afghanistan with an emphasis on their religious component. Researchers pay attention to the problem of drug trafficking from Afghanistan all over the world. Their articles single out the role of the Collective Security Treaty Organization (CSTO) in maintaining security in Central Asia and analyze the basic measures aimed at