# China and Iran Readjust Relations:
## Economic Implications of the Suspended Nuclear Deal

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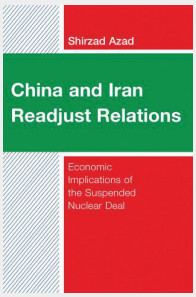


The suspension of the Iran Nuclear Deal (JCPOA) during the Trump Administration was a significant moment in the economic relationship between China and Iran. In *China and Iran Readjust Relations: Economic Implications of the Suspended Nuclear Deal,* Shirzad Azad, an independent scholar with a doctorate in international relations, leverages his extensive academic background to analyze the Sino-Iranian relationship. His expertise uniquely positions him to explore the complexities of the Sino-Iranian economic interactions in the context of the JCPOA's suspension. This comprehensive analysis offers valuable insights and fosters critical reflection on broader implications and strategic considerations, keeping the audience well-informed and engaged.

Azad's book provides a unique perspective on the historical and geopolitical context of the Iran Nuclear Deal, emphasizing how it initially offered economic integration opportunities for Iran. However, the deal's suspension and the re-imposition of sanctions interrupted this progress and severely affected Iran's business relationships, especially with China. The book consists of 7 chapters, and the first chapter outlines the diplomatic efforts and eventual consequences, providing a detailed view of the political implications. Azad's unique argument that the nuclear deal was an economic arrangement and a strategic shift that could have transformed Iran's global economic role highlights economic sanctions' intricate and wide-ranging effects.

In chapter 2, Azad's meticulous research delves into the intricacies of the crude oil trade, a key element in the economic ties between China and Iran. He demonstrates how, despite strict sanctions –including reflagging Iranian tankers, using third-party intermediaries, and engaging in barter trade systems– China continued importing Iranian oil through covert methods. For example, China employed ship-to-ship transfers in international waters and relied on third-country companies to disguise the origin of the oil. Azad argues that economic interests and geopolitical defiance against U.S. dominance drove China's actions. He supports his argument with detailed figures and trade routes, showing how China utilized intermediaries and complex logistical networks to sustain its oil imports. This chapter critically examines the broader implications of these trade practices on international law and global energy markets, highlighting instances where China circumvented sanctions to maintain its oil imports from Iran.

Chapter 3 explores the financial strategies employed by China and Iran to circumvent sanctions. Azad highlights China's inconsistent provision of financial services to Iran due to international banking restrictions and ques-

tions the effectiveness and sincerity of China's support, given its cautious stance toward the Financial Action Task Force (FATF). He reveals that while China offered vital financial assistance, it also pressured Iran to adhere to international financial standards, reflecting a pragmatic and sometimes contradictory approach. Azad examines specific methods to bypass sanctions, such as establishing offshore accounts and utilizing alternative currencies. He discusses their implications for the global financial system, including the risks of creating parallel banking structures outside established regulatory frameworks.

In chapter 4, the author discusses how Chinese investments in Iran have sharply declined since 2018. Azad presents strong evidence demonstrating that geopolitical tensions, such as the ongoing U.S.-Iran standoff and economic sanctions on Iran, have significantly reduced direct Chinese investments. The author critically examines specific projects that have been stopped or reduced, such as developing the South Pars gas field and various infrastructure projects. Azad questions whether the long-term partnership between China and Iran is sustainable under such volatile conditions, suggesting the relationship is more opportunistic than strategic. Additionally, Azad provides detailed case studies of key investment projects affected by sanctions.

In chapter 5, Azad discusses the impact of technological exchanges and how sanctions have hindered direct technology transfers. This chapter details how China has maintained a foothold in specific sectors by adapting its methods in the face of sanctions. Azad's analysis includes case studies of the telecommunications and automotive industries, highlighting Chinese companies' resilience and strategic adjustments. Given the increasing pressure from international sanctions and the need for more transparent business practices, the sustainability of such indirect technology transfers could be better. Azad also explores Iranian companies' challenges in acquiring advanced technology under sanctions. He discusses the role of Chinese technology firms in filling this gap, particularly in sectors like telecommunications and automotive manufacturing.

In chapter 6, Azad critically examines Iran's car industry, which Chinese companies increasingly dominate. He explores how the departure of Western companies created opportunities that Chinese automakers quickly seized. Azad raises essential questions about the long-term impact of this shift on Iran's domestic industry and its technological reliance on China, highlighting a trend of economic neo-colonialism. Drawing from the book, Azad shows how China, through strategic investments and technological exports, has positioned itself as a critical player in Iran, often at the expense of Iran's industrial sovereignty. This dynamic, Azad argues, mirrors a neo-colonial relationship, with China exerting considerable influence over Iran's economic decisions and limiting its capacity for independent development. He supports his analysis with industry data and interviews with key stakeholders, illustrating profound changes in the Iranian automotive market.

In the final chapter, Azad explores Iran's challenges in diversifying its exports beyond crude oil. Despite efforts to expand its export portfolio, sectors like petrochemicals and agriculture face significant hurdles in the Chinese market. Azad presents detailed statistical analyses, critically assessing Iran's non-oil export strategy and questioning its effectiveness amid sanctions and structural barriers. Although Iran aims for diversification,

its heavy reliance on petrochemical exports complicates this narrative, as these products remain closely tied to the oil industry. Azad also highlights the logistical and financial challenges Iranian exporters encounter, including difficulties accessing international markets and securing competitive pricing. He further examines the role of Chinese demand in shaping Iran's export strategy, emphasizing the risks of relying too heavily on a single primary market.

Azad employs a comprehensive methodology, including literature reviews, data analysis, and case studies, to bolster the credibility of his findings. He integrates existing scholarly perspectives, utilizes financial data and trade statistics to assess trends, and uses case studies of Chinese-Iranian partnerships to illustrate vital points. His policy analysis further evaluates different responses, while comparative analysis situates the Sino-Iranian relationship within broader global dynamics. However, the book's strengths also highlight its limitations. While Azad excels in presenting economic data and strategic analyses, the book's narrow focus on economic and financial aspects overlooks broader socio-political and cultural dimensions shaping the Sino-Iranian relationship. This limitation suggests a need for a more interdisciplinary approach to fully understand this complex partnership's implications. Additionally, while Azad critiques existing economic strategies effectively, the book would benefit from more explicit recommendations for policymakers and a discussion on the potential consequences of various policy approaches.

*China and Iran Readjust Relations* contributes significantly to the discourse on international relations and global economic policies amidst geopolitical uncertainties. Azad's detailed analysis provides a valuable resource for scholars and policymakers. However, the book would benefit from more critically exploring the broader implications of the Sino-Iranian economic relationship, particularly concerning long-term strategic dependencies and the socio-political impacts on both nations. Overall, the book is an indispensable resource for understanding the evolving economic dynamics between China and Iran, aiding informed decision-making and strategic engagement between the countries and the international community.