



## US-Europe Relations - Iran Nuclear Deal

### What is the issue?

\n\n

- \n• The United States has pulled out of the Iran nuclear deal.  
\n
- The decision seems to be complicating the future US relations with EU and Britain.  
\n

\n\n

### What is EU's and Britain's stance?

\n\n

- \n• Britain is of the opinion to not junk the nuclear deal with Iran completely.  
\n
- It instead wants the US to work with its European allies.  
\n
- It is inclined to find solutions to what US describes as flaws.  
\n
- It prefers working around the existing deal rather than rejecting it outright.  
\n
- France and Germany also seem to be taking a similar stance.  
\n
- In a joint statement, the leaders of Britain, France and Germany emphasised their continuing commitment to the JCPOA.  
\n

\n\n

### Why is the deal significant for European countries?

\n\n

\n

- Europe has had strong ties with Iran for long.  
\n
- It had been Iran's largest trading partner until the sanctions regime (2006 - 2010).  
\n
- This role was however overtaken by China and the UAE.  
\n
- The EU currently accounts for just around 6% of Iran's trade.  
\n
- But trade and investment had begun to recover swiftly since the 2015.  
\n
- The deal with Iran and lifting of sanctions significantly contributed to this.  
\n
- European firms have entered into investments in Iran.  
\n
- European countries are thus particular in saving the deal in some form with Iran.  
\n

\n\n

## **Why is the US crucial for Europe?**

\n\n

- \n
- Britain has made plain its eagerness to maintain strong ties with the US.  
\n
- It is particular of a comprehensive trade deal with the US.  
\n
- This is seen as one of the great deals for a post-Brexit Britain.  
\n
- European countries have adopted an accommodating stance towards the US in the past.  
\n
- It has received some special treatments from the US, in return, in the past.  
\n
- E.g. exemptions (temporarily) accorded to Europe from the US global tariffs on aluminium and steel products.  
\n

\n\n

## **What lies ahead?**

\n\n

\n

- So far Europe has presented a united front.  
\n
- It remains to be seen if this would continue with developments in the Iran issue.  
\n
- Iran had indicated that Europe had “limited opportunity” to preserve the deal.  
\n
- It has emphasized that the countries clarify their position and intentions.  
\n
- This will inevitably force European countries to reassess their approach to the US administration.  
\n

\n\n

\n\n

**Source: Business Line**

\n



**IAS PARLIAMENT**  
*Information is Empowering*  
A Shankar IAS Academy Initiative