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Saudi Iranian Talks: Background and Prospects

Unit for Political Studies

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Unit for Political Studies

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Table of Contents

Wellsprings of Saudi Iranian Dispute	1
Saudi Arabia's Change-in-Tack Incentives	2
Iran's Incentives	3
Iraqi Incentives	4
Prospects for Negotiations	5



The *New York Times* revealed Iran and Saudi Arabia's intention to hold a second round of talks in the Iraqi capital, Baghdad, in early May 2021.⁽¹⁾ On 18 April *The Financial Times* had quoted Iraqi officials who referenced their mediation of a round of secret Saudi Iranian security talks.⁽²⁾ The Saudi delegation was led by intelligence head, Khalid bin Ali Al Humaidan, while Deputy Secretary of the Supreme Council for Iranian National Security, Ameer Saeed Iravani, headed the Iranian side.⁽³⁾ Given, Saudi Crown Prince Mohammed bin Salman's statement in a recent television interview that his country "aspires to positive relations with Iran, despite having major differences with it,"⁽⁴⁾ the two countries clearly have strong incentives for easing tensions between them.

Wellsprings of Saudi Iranian Dispute

The wellsprings of Saudi Iranian contestation are found in Riyadh's support for Shah Mohammad Reza Pahlavi during the popular protests that started in late 1977 and ended with his 1979 overthrow. Tensions were thereby aggravated when Tehran announced its intention to export the revolution to its neighbors and overthrow US-allied Arab regimes in the Gulf. Saudi Arabia supported Baghdad in the Iraq-Iran War (1980-1988), a period that witnessed direct Saudi-Iranian head-to-head military confrontation: Saudi Arabia shot down two Iranian warplanes in its airspace in June 1984,⁽⁵⁾ and during the 1987 Hajj pilgrimage more than 400 persons, including 275 Iranian pilgrims and 85 Saudi policemen died following clashes between Iranian demonstrators and the Saudi police and the subsequent stampede.⁽⁶⁾

Reformist Iranian President Muhammad Khatami's mandate (1997-2005) ushered in a spell of improved relations between the two countries but these were severely strained with the US invasion of Iraq and the successive Iranian administration of President Mahmoud Ahmadinejad (2005-2013), which saw Saudi Arabia accuse Iran of wielding control over Iraq through its militias and political allies.⁽⁷⁾ Saudi Arabia then denounced Iran for supporting the Houthi rebellion in Yemen taking control of the capital, Sanaa, in September 2014. That event precipitated a Saudi military intervention in March 2015 to halt any subsequent Houthi scramble to Aden in the wake of Yemeni President Abdrabbuh Mansur Hadi's overthrow in Sanaa. Although the Kingdom did not explicitly promote

1 Ben Hubbard, Farnaz Fassihi & Jane Arraf, "Fierce Foes, Iran and Saudi Arabia Secretly Explore Defusing Tensions," *The New York Times*, 1/5/2021, accessed on 3/5/2021, at: <https://nyti.ms/33fD072>

2 "Saudi and Iranian Officials Hold Talks to Patch up Relations," *The Financial Times*, accessed on 3/5/2021, at: <https://on.ft.com/3ufPoQp>

3 "Second Round of Saudi-Iran Talks Planned this Month – Sources," *Reuters*, 21/4/2021, accessed on 3/5/2021, at: <https://reut.rs/3vREL75>

4 "The meeting of Crown Prince Mohammed bin Salman with the Saudi channel on the occasion of the passage of 5 years since the launch of Saudi Vision 2030," YouTube, 4/28/2021, accessed 3/5/2021, at: <https://bit.ly/3nKBaF1>.

5 Richard Halloran, "2 Iranian Fighters Reported Downed by Saudi Air Force," *The New York Times*, 6/6/1984, accessed on 3/5/2021, at: <https://nyti.ms/3gRTQBc>

6 John Kifner, "400 Die as Iranian Marchers Battle Saudi Police In Mecca; Embassies Smashed In Teheran," *The New York Times*, 2/8/1987, accessed 3/5/2021: <https://nyti.ms/3gYwv00>

7 "The Saudi Monarch Inaugurates the Riyadh Summit: Our Differences Underlying the Foreign Intervention," *Al-Bayan*, 29/3/2007, accessed 5/3/202: <https://bit.ly/3uezs0J>



rejection of US President Barack Obama's 2015 nuclear deal with Iran in 2015, Riyadh was opposed to the agreement for not taking into consideration how it served to reinforce Iran's missile program or regional political and economic policies.

In early 2016, Saudi Arabia cut its diplomatic relations with Iran, when angry throngs stormed the Saudi embassy in Tehran and burned down its consulate in Mashhad, in retaliation for the Saudi execution of Shi'i cleric Nimr al-Nimr whom Riyadh had accused of inciting sectarian strife and violating public order.⁽⁸⁾ The inauguration of Donald Trump in Washington DC in 2016 only exacerbated the tensions between Riyadh and Tehran, as Saudi Arabia welcomed the Trump administration's withdrawal from the nuclear deal, re-imposition of economic sanctions on Tehran, embargo of Iranian oil exports, and banishment of Iran from the global banking system. In May 2019, Saudi Arabia sought to muster the entire Islamic world behind it by hosting three simultaneous summits in Mecca (Gulf, Arab and Islamic) all aimed at challenging Iran after presumed Iranian-orchestrated attacks against Saudi oil interests that included Saudi oil tankers. During the recent three-month lead-up to media coverage of the April 2021 international security moot in Baghdad, Saudi Arabia soothed its ire.

Saudi Arabia's Change-in-Tack Incentives

Donald Trump's electoral defeat and Joe Biden's decision to review relations with Saudi Arabia together prompted Riyadh to reconsider its foreign policy stances and enabled a resumption of dialogue with Iran to smooth ruffled feathers. The Biden administration made ending the war in Yemen and reviving the nuclear agreement with Iran top regional policy objectives in the region, along with the review of US relations with Saudi Arabia that had become overly personalized under the Trump presidency. In early February 2021, Biden announced the end of "all forms of American support for offensive operations in the war in Yemen," as well as arms sales to both Saudi Arabia and the United Arab Emirates as part of his administration's endeavor to find a diplomatic solution to the six-year-old "humanitarian and strategic disaster" that the war brought about.⁽⁹⁾ The Biden administration had previously announced the suspension and review of arms deals with the two Gulf countries that had been approved by the Trump administration.

Although Biden's decision on the US role in the Yemen war incorporated loopholes to protect Saudi Arabia from "missile attacks, drone strikes, and other threats from Iranian-armed factions," this failed to diminish Houthi or Iraqi militia strikes at vital oil and petrochemical installations in Saudi Arabia, from Yemeni or from Iraqi territory. The most important of these was the September 2019 attack targeting facilities in the Saudi centers of Abqaiq and Khurais. Saudi expectations of US support in the wake of these attacks were disappointed.

⁸ "Al-Jubeir announces the severing of diplomatic relations with Iran and the expulsion of its diplomats following 'blatant incitement encouraging the attack on the kingdom's missions,'" CNN Arabic, 1/4/2016, accessed on 3/5/2021 at: <https://cnn.it/3uirP9U>.

⁹ "Remarks by President Biden on America's Place in the World," The White House, 4/2/2021, accessed on 3/5/2021, at: <https://bit.ly/33cjNn6>.



As US support for Saudi Arabia in the Yemen war declined, the war itself became an increased economic and political drain on the kingdom, in addition to causing what the United Nations described as “the worst humanitarian catastrophe in the world”. In the Yemen war, Saudi Arabia has incurred estimated losses of more than US \$100 billion,⁽¹⁰⁾ when oil prices remain low in view of weak global demand during the on-going Covid-19 pandemic, and even as Crown Prince Mohammed bin Salman sought to channel all resources into the implementation of his ambitious economic and social programs. These programs are politically vital, given the disintegration of the traditional local-level alliances that the Saudi government has historically relied upon. On 24 March 2021 Saudi Arabian Foreign Minister Faisal bin Farhan launched an unprecedented initiative to stop the war in Yemen. This incorporated a comprehensive ceasefire throughout the country under United Nations supervision, reopening Sanaa International Airport, and the resumption of political negotiations between President *Hadi's* government and the Houthi rebels.⁽¹¹⁾

Washington's removal of the Houthis from the terrorist list and announced cessation of support for the Saudi war effort in Yemen gave no pause to the Houthis, however. Without skipping a beat, they responded to the Saudi foreign minister's initiative by escalating their attack in Yemen and taking it into Saudi territory. They launched a massive offensive to seize the oil-rich governorate of Ma'rib, the last northern Yemeni province eluding their control, and intensified assaults on Saudi airports, ports and oil facilities. Saudi Arabia's claim that Iran was behind the latest Houthi surge found corroboration in Iranian General Rostam Ghasemi's disclosures that Iran provisioned the Houthis with weapons and Iranian military advisors supporting them on the ground in Yemen.⁽¹²⁾

The Saudi steps towards Iran clearly reflect Washington's policy to reduce tensions between the two countries as key to decreasing US involvement and reviving the Iranian nuclear agreement. The Biden administration's national security document places a strategic focus on China and Russia, as well as on climate change and the proliferation of epidemics.⁽¹³⁾ Washington has, as is said, “other fish to fry”.

Iran's Incentives

Seeking to extract itself from the Yemeni quagmire, in conjunction with the US cessation of support for its war drove, Saudi Arabia to moderate its rhetoric towards Iran and consider entering talks with it. Negotiations to revive the nuclear agreement are a compelling argument supporting Iranian receptivity to any Saudi reconciliatory efforts. All centers of power in Iran (including the Revolutionary Guards) consider the reversal of the Trump administration's unprecedented harsh

10 Enea Gjoza & Benjamin H. Friedman, “End U.S. Military Support for The Saudi-Led War in Yemen,” *Defense Priorities*, January 2019, accessed on 3/5/2021, at: <https://bit.ly/3ee7iO1>

11 Abdul Hadi Habtoor, Wahba Al-Qudsi and Ali Rabie, “A Saudi initiative for a Yemeni solution under the auspices of the United Nations that includes a cease-fire, resumption of negotiations and the opening of outlets,” *Asharq Al-Awsat*, 23/3/2021, accessed on 3/5/2021 at: <https://bit.ly/33crnhg>

12 “Tehran: Rostam Ghasemi's statements to RT channel contradict Iranian policies in Yemen,” RT, 23/4/2021, accessed 3/5/2021: <https://bit.ly/3tdlyeg>.

13 The White House, “Interim National Security Strategic Guidance,” March 2021, accessed on 3/5/2021 at: <https://bit.ly/3hamAp5>.



sanctions to be of utmost importance. These sanctions devastated all economic sectors, particularly oil and petrochemicals, and effectively quarantined the country from the global financial system, rendering virtually all conventional economic dealings impossible. The economic sanctions have severely damaged the Iranian economy, extremely dependent as it is on oil exports. President Hassan Rouhani has stated that Iran lost \$ 150 billion due to these sanctions⁽¹⁴⁾, with known exports of oil decreasing from 2.8 million barrels in 2018 to less than 300,000 barrels in 2020.⁽¹⁵⁾ Trump's sanctions accompanied the coronavirus pandemic, crippling Iran's economy, collapsing the exchange rate, and sending unemployment and rates of impoverishment sky-high. The sanctions also severely damaged the economic interests of the Revolutionary Guard, designated in April 2019 as a terrorist organization by President Trump.⁽¹⁶⁾ The Guard relies mainly upon trading oil to fund its own extra-governmental budget. Iran aspires to persuade Saudi Arabia not to adopt a negative position on reviving the nuclear deal, but rather - as far as possible - to support the negotiations in Vienna.

Since 2015 Iran has sought to establish itself as a major player in the Yemeni crisis and to take a place at the negotiating table. No doubt it does have a role to play in Yemen, but any official recognition of it as a party in achieving resolution of the crisis is another matter entirely, for it would then be *establishing* itself in the Arabian Peninsula. Could Saudi Arabia go along with that?

Iraqi Incentives

As Iraqi mediation was initiated in March 2021 by Prime Minister Mustafa Al-Kadhimi in talks with Saudi Crown Prince Mohammed bin Salman in Riyadh, the Saudi-Iranian talks were convened in Baghdad. Al-Kadhimi had visited Tehran in 2020 and expressed his desire for Iraq to play a mediating role between Iran and the Arab countries. In the Trump era, Iraq became an arena for settling scores with the US extrajudicial execution of Iranian Revolutionary Guard Quds Force commander Qasem Soleimani at Baghdad airport in January 2020. Tehran retaliated by bombing US forces stationed in the Ain al-Assad military base in western Iraq. On top of seeking to insulate Iraq from regional conflicts, Al-Kadhimi believes that neutralizing the opposition of pro-Iranian factions and militias to any openness towards the Arab world may indeed be possible – if tensions between Iran and the Arab countries can abate. Consequently, Al-Kadhimi leads mediation efforts between Iran and both Egypt and Jordan – Iraq's new economic coalition partners – towards the reciprocal strengthening of trade relations. The United States apparently supports the Iraqi Prime Minister's efforts, seen as essential to stabilizing Iraq and balancing Iranian influence.

¹⁴ "Iran's US \$150 billion losses due to US sanctions," Anadolu News Agency, 26/9/2020, accessed 3/5/2021, at: <https://bit.ly/3tiEurL>

¹⁵ Bazorgmehr Sharaf al-Din and Raslan Khasawneh, "Re-analysis - Iran's oil production is in a race against time in light of the persistence of US sanctions," Reuters, 12/2/2021, accessed 3/5/2021: <https://reut.rs/3uiiuitc>

¹⁶ "Trump Designates Iran's Revolutionary Guards a Foreign Terrorist Group," *The New York Times*, 8/4/2019, accessed on 3/5/2021: <https://nyti.ms/3xld57a>



Prospects for Negotiations

Recent positive statements regarding Iran made by the Saudi crown prince as well as Iranian Foreign Minister Javad Zarif's statements upon meeting in Muscat with the Houthi head of the negotiating delegation Muhammad Abdul Salam seem to suggest an agreement that "a political solution is the only way out of the crisis in Yemen". With the US and UN political efforts to stop the war, they do open the door to the first real opportunity for progress in resolving the six-year-old conflict. However, given the depth and multiplicity of causes of differences between the two countries one cannot expect rapid progress in negotiations. The possibility of reopening embassies and restoring diplomatic relations cut off since 2016 will depend on negotiations in Vienna regarding the Iranian nuclear issue. In any case, resumption of relations between Saudi Arabia and Iran no doubt represents a positive step towards reducing tensions afflicting the whole region, at exorbitant cost. This is an important truce and a necessary dialogue, but if Iran believes that establishing armed militias within sovereign Arab countries can expand its influence in the region, tensions will run high in the Arab Mashreq.