



IRAN-SOUTHEAST ASIA ON
ECONOMIC COOPERATION
UNDER U.S SANCTION



IRAN-US COOPERATION UNDER SHAH REZA PAHLEVI'S REIGN

Cooperation relations between Iran and the US began to improve during the reign of Shah Reza Pahlevi. The driving factor is because the US needs oil sources from Iran for their economic development

IRAN REVOLUTION UNDER RUHOLLAH KHOMEINI



During Khomeini's leadership, there was a revolution in Iran in 1979 which caused the bilateral relations between Iran and the US to weaken

In this revolution, the Iranian government system also changed from a monarchy to the Islamic Republic of Iran under the rule of Mullah (Supreme Leader)

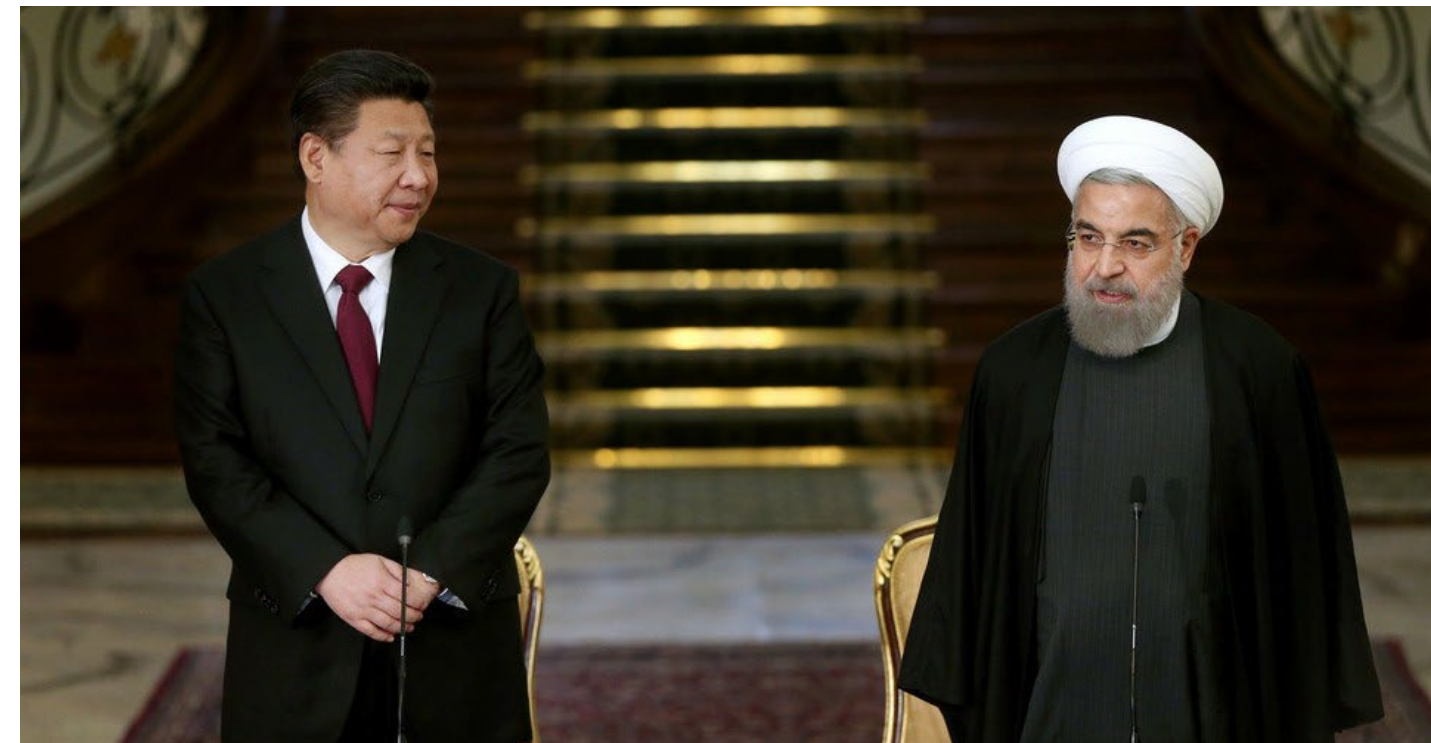
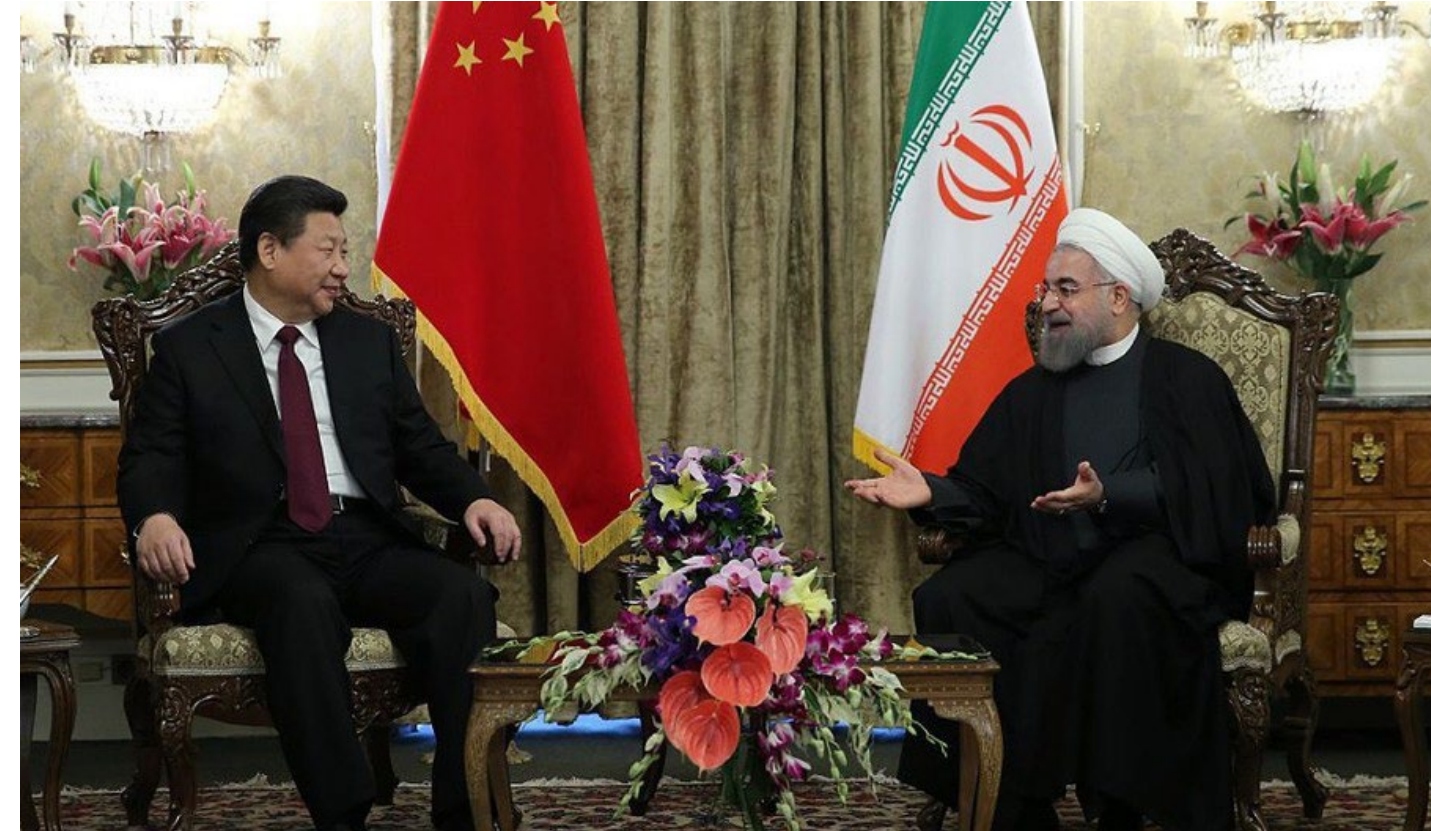
After the revolution took place, Iranian students in Tehran attacked the US embassy and kidnapped 52 US citizens and made them prisoners

IRAN AND ITS ALLIES

Iran and China

China became a country that provided a lot of assistance to Iran when it was imposed by an embargo by the United States and when the embargo was removed, China immediately increased economic cooperation with Iran

China cooperates with Iran in almost all sectors, for example China's investment in the oil and gas sector. China is also the largest investor in the energy sector





IRAN AND ITS ALLIES

Iran and Russia

Cooperation between Iran and Russia has been going on for a long time, especially in regional strengthening. Russia continues to support Iran in the face of US hegemony in the Middle East



Economic cooperation between Iran and Russia has entered a strategic level in the transportation sector by launching a transit route for the North-South corridor through the Caspian Sea

IRAN UNDER US SANCTION

Due to the incident that occurred after the revolution in 1979, the attack on the US embassy, America imposed economic sanctions on Iran in 1980. These sanctions continued until the presidency of Bill Clinton. Because of the economic sanctions imposed by the United States, Iran-US trade relations have stalled

The United States also imposed an embargo on Iran and it continued until the Barack Obama administration. President Barack Obama decided to remove economic sanctions against Iran through the JCPOA (The Joint Comprehensive Plan of Action) agreement

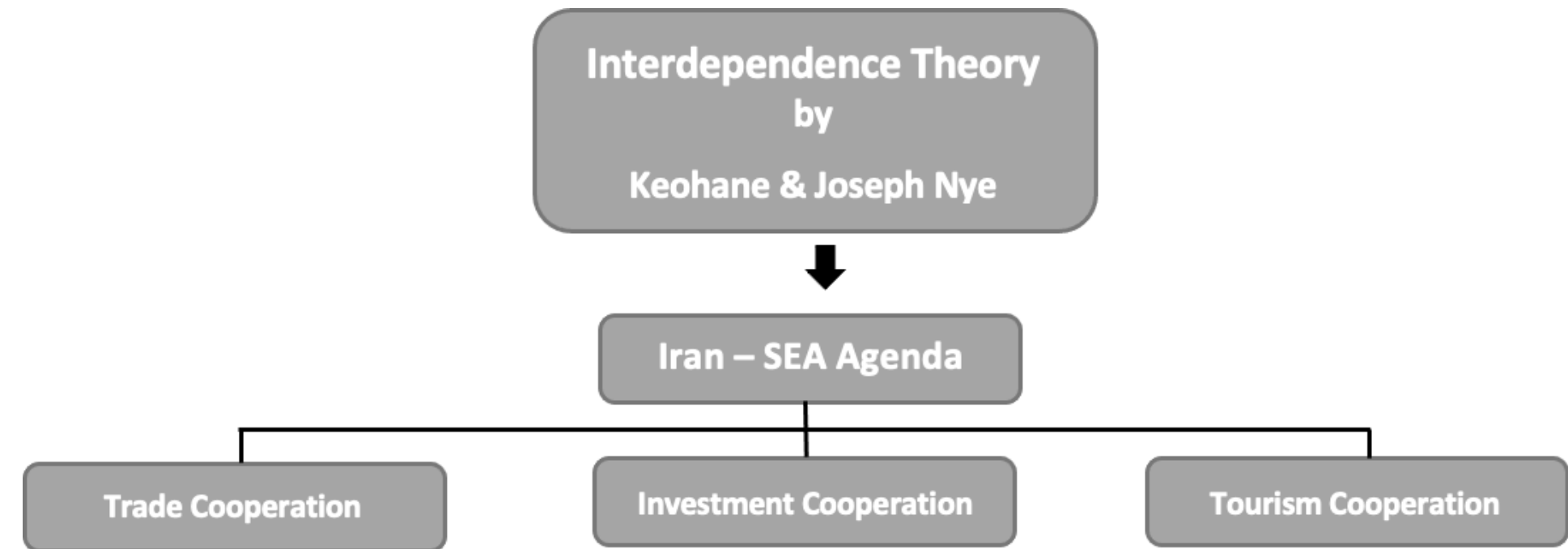
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INTERDEPENDENCE THEORY

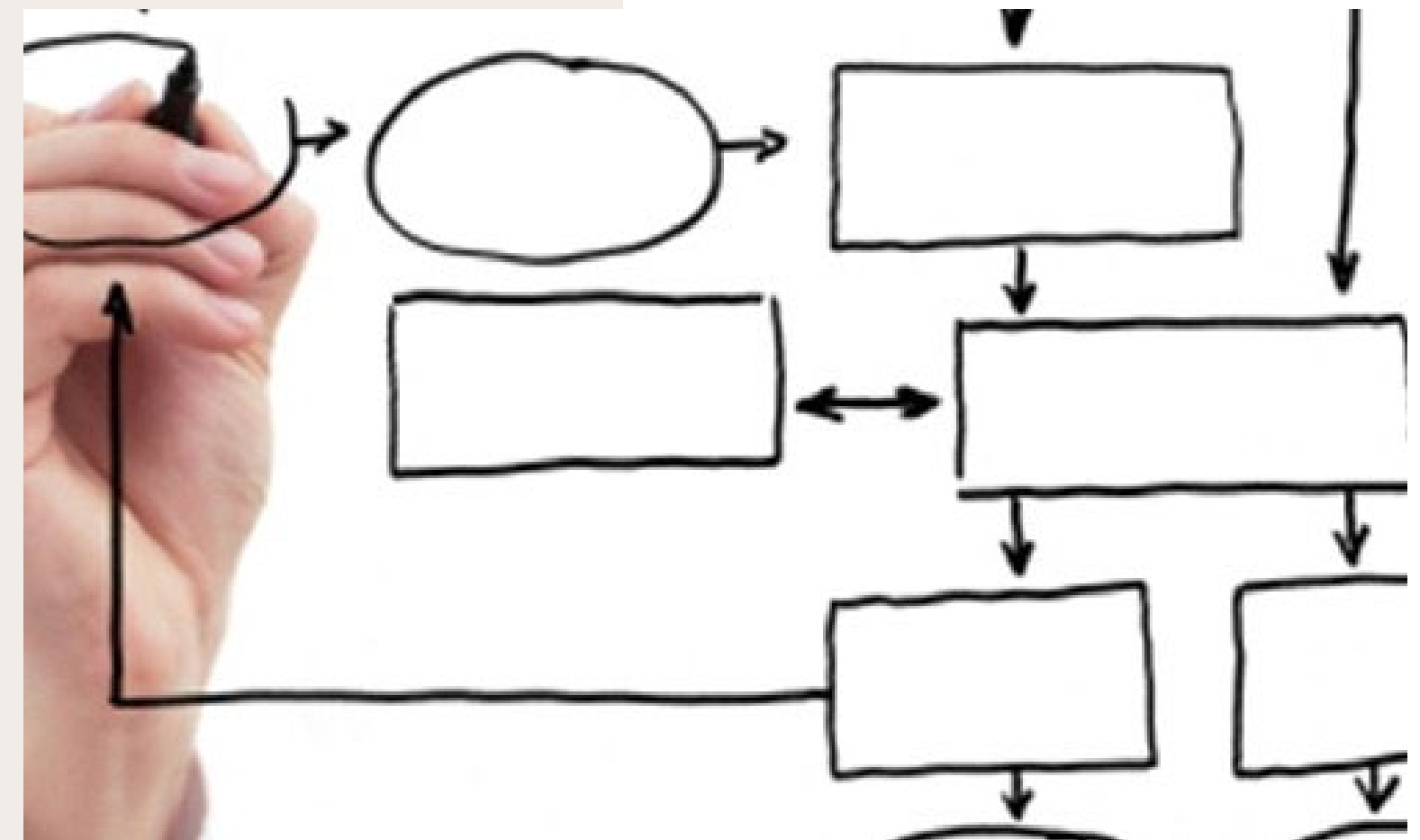
This study uses the interdependence theory to analyze the case Iran-SEA Cooperation under the US sanction. The Theory of Interdependence contained in Keohane and Joseph Nye's Power and Interdependence (1977), was created as a result of security concerns to identify areas of international relations regulated by regulation through cooperative regimes

This theory is often used in connection with global political cases, international trade, embargoes, and so on. In the concept of interdependence, the pattern of relations between actors shifts from mutual enhancing military power to dependence between one actor and another actor



METHOD

This study uses a qualitative method. In the process of qualitative research, relying more on the principles of interpretive or critical social science. Qualitative studies speak the language of “cases and contexts” and cultural meanings. The emphasis is on conducting a detailed examination of cases that arise in social life



IRAN-SEA ON TRADE COOPERATION

Iran and Indonesia



Iran and Indonesia will also cooperate in the construction of an oil refinery in East Java with a value of 5 billion US dollars

In the field of electricity, the Ministry of Energy & Mineral Resources of the Republic of Indonesia has signed an MoU with the Ministry of Energy of Iran

At the 10th KKB meeting, Iranian and Indonesian delegates also discuss the development of cooperation in the field of agriculture by forming the Iran-Indonesia Agriculture Committee

Every year the number of Iran-Indonesia trade cooperation continues to increase. According to the Ministry of Industry of the Republic of Indonesia, Iran's exports to Indonesia in 2017 increased from 174 million US dollars to 500 million US dollars.

In the oil and gas sector, Pertamina also continues to buy LPG from Iran, which amounts to approximately 500 thousand metric tons. Pertamina has also been granted access to manage two oil and gas work areas in Iran



IRAN-SEA ON TRADE COOPERATION

Iran and Malaysia



In 2004, Petronas entered into a Cooperation with Iran for LNG production with a 20% stake. In the following year, in 2007, South Pars-Petronas also collaborated in the development of the gas sector.

Petrofield-Iran also cooperated in the development of an LNG plant to process natural gas from Golshan and Ferdos in southern Iran in 2008. Then, in 2009, SKS Venture Malaysia signed an agreement with Pars SKS for the construction of a refinery in Kadah, Malaysia

In the trade sector, the number of Iranian exports to Malaysia increased to 31 million US dollars during 2002-2013. In 2006, the figure jumped dramatically to 420 million US dollars and had fallen to 178 million in 2017. In the same year, Iran-Malaysia trade cooperation again increased to 320 million US dollars

Malaysian companies are very interested in the Iranian market. One of the products that are increasing in quantity are palm oil, crude oil, and bitumen



IRAN-SEA ON TRADE COOPERATION

Iran and Malaysia



At the beginning of the pandemic, Iranian Foreign Minister Javad Zarif held a virtual meeting with newly appointed Malaysian Foreign Minister Hishamuddin Hussein to finalize the preferential tariff agreement and joint economic commission

In the education sector, Iran and Malaysia also strengthen cooperation relations in the field of research, preparation of scientific program cooperation, and exchange of students and professors. In 2019, through a meeting with academic officials from Iran and Malaysia, Iran showed interest in evolving relations with Malaysia in education sector. With this meeting the University of Tehran also signed two agreements with University Putra Malaysia and University Utara Malaysia



IRAN-SEA ON TRADE COOPERATION

Iran and Thailand



From Thailand's point of view, Iran is a strategic area to connect Thailand with the Central region, West Asia, and Europe

Despite having a different ideology with Thailand, the Iran-Thailand Cooperation relationship is going well because of the advantage of the geographical location on the trade route

Iran has adequate infrastructure in the Port sector and the railway corridor between the South and North, as the most stable and safe area and can be a gateway to develop trade relations between East Asia and Thailand with the Central Asia, Caucasus and European regions



IRAN-SEA ON INVESTMENT COOPERATION

Iran and Indonesia



Iran's investment in Indonesia is in the energy sector. According to Ali Tayyebnia, Minister of Economy and Finance, Iran is predicted to provide Indonesia with 200,000 bpd of crude oil. Indonesia, especially Pertamina, shows its seriousness to invest in Iran. This investment could help Iran increase oil production

Pertamina signed an MoU with the National Oil Company of Iran to conduct a study on oil developments in Ab-Teymour and Manuri

IRAN-SEA ON INVESTMENT COOPERATION

Iran and Malaysia

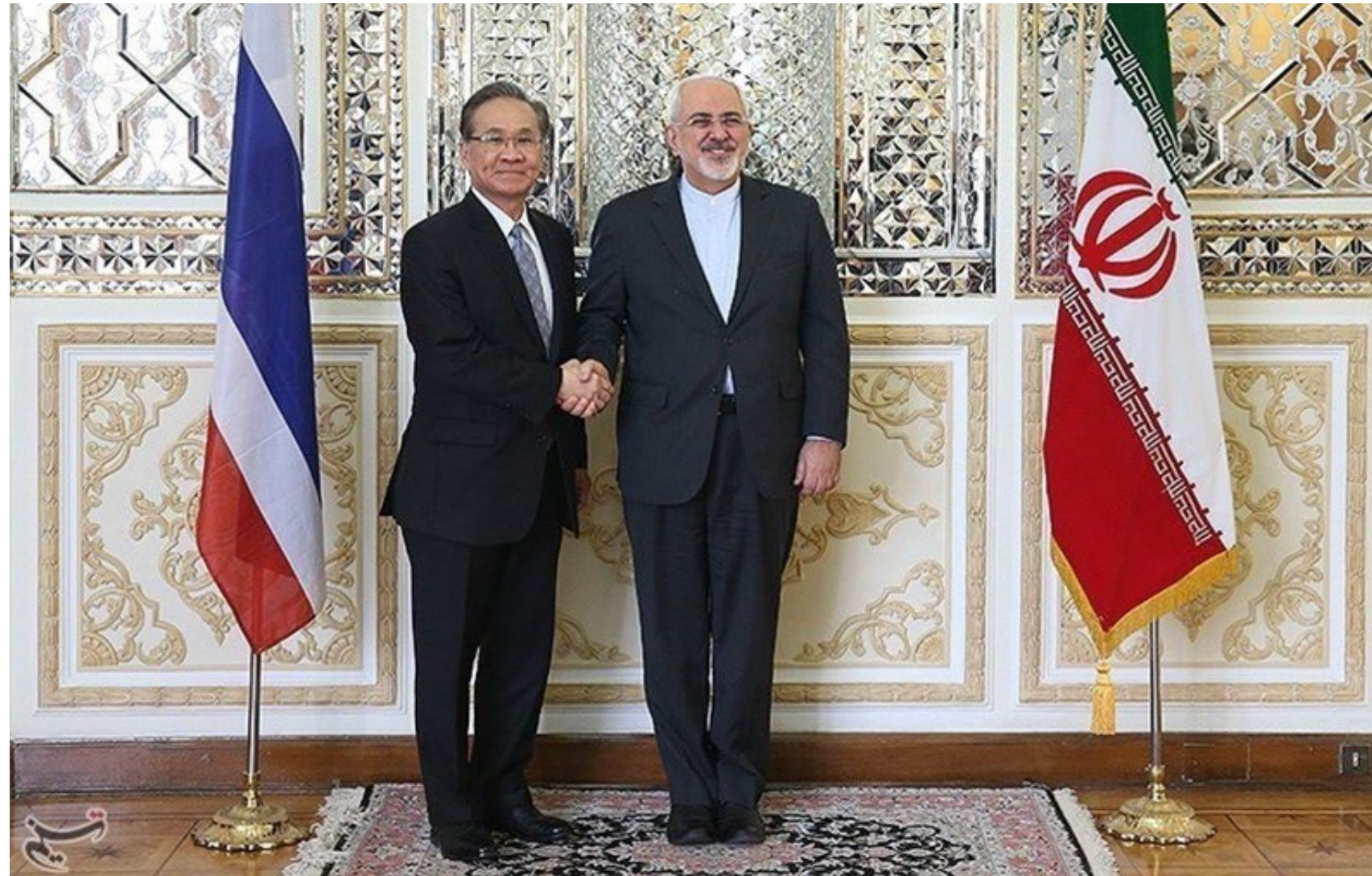


Several agreements that have been agreed by the two countries, such as the 1968, 1989, and 2002 Trade Agreements have encouraged a lot of Cooperation

Malaysia's participation in the Iranian Trade Fairs has varied the economy, so its trade relations depend not only on petroleum products but also many other Malaysian products that can attract the attention of Iranian companies to make cooperation

IRAN-SEA ON INVESTMENT COOPERATION

Iran and Thailand



In recent years, the private sector in Thailand has become interested in the Iranian market and investment has grown rapidly

Thai owned cargo company, My Aviation also supports Iranian airline, Mahan Air for several air services to enhance trade & tourism cooperation

IRAN-SEA ON TOURISM COOPERATION

Iran and Indonesia

Based on data from BPS, the largest number of Iranian tourists who came to Indonesia was in 2017, 2018, and 2020

The Indonesian Ministry of Foreign Affairs also said that the number of Iranian tourists who came to Indonesia in the last 3 years was stable. The Indonesian Embassy has issued around 500 visas annually



IRAN-SEA ON TOURISM COOPERATION

Iran and Malaysia

In the tourism sector, the Iranian Embassy in Malaysia noted that in 2011 there were 70,000 Iranian citizens working, studying, or waiting for a visa to go to Malaysia. In the same year, the number of Iranian tourists visiting Malaysia reached 130,000

Iranian citizens are also the largest number participating in the program established by the Malaysian government, namely “My Second Home”



IRAN-SEA ON TOURISM COOPERATION

Iran and Thailand

Iran is the biggest market for Thailand's tourism sector. As many as 16% of the total number of Middle Eastern tourists who come to Thailand come from Iran

Tourists from Iran occupy the number one position in the Thai tourism sector with 134,000 visitors in 2017





IRAN COOPERATION UNDER MOHAMMAD KHATAMI

During his visit to Malaysia in 2002, President Mohammad Khatami signed the MoU on Economic cooperation in the fields of tourism and trade, investment promotion and protection



IRAN COOPERATION UNDER HASSAN ROUHANI

In October 2016, President Hassan Rouhani made a visit to Southeast Asia, namely Vietnam, Malaysia and Thailand. The main purpose of this visit is to initiate trade and investment activities as a sign of the completion of Iran's international isolation and to support economic recovery



C O N C L U S I O N

Iran chose Indonesia, Malaysia and Thailand to work together. Iran established many educational and cultural institutions in Indonesia and Malaysia to facilitate economic cooperation in the SEA because of ideological similarities. While cooperation with Thailand is purely due to the economy

Southeast Asia (SEA) is also a region whose economy is growing rapidly and does not have a political clash with Iran. SEA is a region that does not depend on resources but is able to survive the global economic crisis. Iran can learn how the SEA develops its economy with the close relationship between the two countries when Iran is under US sanctions