



Iran to Attend Russian Military Trade Show

OE Watch Commentary: With a number of sanctions lifted by the 2015 Joint Comprehensive Plan of Action (JCPOA) and the corollary UN Security Council Resolution 2231, Iran began to openly consider upgrading its military with foreign weapons purchases, especially from Russia and China (see, for example, “Iran-China Air Force Cooperation on Horizon?” *OE Watch*, December 2015; “Iran Purchases AK-103s from Russia,” *OE Watch*, October 2016; “Iran: New Amphibious Aircraft,” *OE Watch*, January 2018). The end of many US sanctions waivers has undercut commercial investment in Iran, but it does not seem to have tempered the Iranian government’s enthusiasm to augment its capabilities with purchases abroad. In the accompanying excerpted article, the Iranian military announces that it will send representatives to Army-2018, one of Russia’s largest military equipment exercises and trade shows (see: <http://www.rusarmyexpo.com/>).

Attendance, of course, does not necessarily lead to a purchase. Iranian participation, however, may indicate that frequent Iranian government rhetoric about the capabilities of its indigenous military industry is exaggerated and that it is not going to let the Islamic Republic’s growing economic difficulties undermine budgetary support for the military. Simply put, if authorities in Tehran are forced to choose between supporting the military and improving the lives of ordinary Iranian civilians, they will choose the former. That the Islamic Republic talks about participation in Army-2018 over Max Aerospace, an Indian military exhibition, also illustrates that close economic ties between Tehran and New Delhi will not be enough to push the Islamic Republic out of Russia’s geopolitical orbit. **End OE Watch Commentary (Rubin)**

“(This event) will have 1,200 military and civilian organizations present.”

Source: “Amadegi Iran baraye Hazur dar Festival-e Bozorg-e Nizami Rusiyeh (Iran Ready to Attend Russia’s Grand Military Festival),” *Fars News Agency*, 20 May 2018. <https://goo.gl/sGTvxd>

The Fourth Grand Exhibition of Russian military technology, “Army[-2018]” under the slogan “Product Life Cycle,” will be held this summer in Kubinka, to the west of Moscow. This event, which is in fact considered the main competitor and main rival and future replacement for the “Max” aerospace exhibition, will be held in an area of 500 thousand square meters and will have 1200 companies, institutes and military and civilian organizations and Russian technology companies present.

Iranian Trade with Iraq Hits \$10 billion

OE Watch Commentary: Iran’s border with Iraq is the country’s largest and, in the wake of Saddam Hussein’s ouster, the Iranian government has quickly increased its trade and investment with Iraq. In the accompanying excerpted article from *Pars Today*, the Islamic Republic of Iran Broadcasting’s rebranded world service, the Iranian ambassador in Baghdad says that bilateral trade has reached \$10 billion. He also said that gas and electricity are the two most important elements of bilateral cooperation.

While Iran-Iraq trade has skyrocketed, the ambassador’s remarks also illustrate the growing divergence between Iranian attitudes toward trade with Iraq, and much more reticent Iraqi attitudes toward trade with Iran. While Iraqis—especially in Najaf and Karbala—appreciate the benefits of Iranian religious tourism to Iraq’s Shi’ite shrines and Iraqi governors say they have made up their electricity shortfall with purchases from Iran, ordinary Iraqis increasingly resent the dumping of cheap and often inferior Iranian goods into the Iraqi market. Fifteen years after Saddam Hussein’s ouster, many Iraqi businessmen accuse Iranian economic policies of undercutting Iraq’s full recovery. That said, Ambassador Masjedi’s mention about Iran’s greater role than the United States in defeating ISIS voices a constant theme of Iranian propaganda and reinforces a perception which remains widespread in Iraq. **End OE Watch Commentary (Rubin)**

“The value of Iran-Iraq trade has already reached \$10 billion.”

Source: “Safir-e Iran dar Baghdad: Arzesh-e Mobadelat-e tejari Iran va Iraq beh 10 milliard dolar rasideh ast (The Iranian Ambassador in Baghdad: The Value of Trade Exchanges between Iran and Iraq are \$10 billion),” *Pars Today*, 14 June 2018. <http://parstoday.com/dari/news/iran-i77282>

The ambassador of the Islamic Republic of Iran to Baghdad on Thursday evening said, “The value of Iran-Iraq trade has already reached \$10 billion per year.” Iraj Masjedi added that this figure was relatively acceptable, but given the great cultural, historical and political shared between the two nations, it must increase. The ambassador of the Islamic Republic of Iran in Iraq, also emphasizing that Iran and Iraq are brothers and friends. He noted that the Islamic Republic of Iran will always [stand] alongside Iraq. Masjedi stipulated that Iran, as it stood by Iraq during its war on terror, in the era of reconstruction, will also stand alongside the Iraqi government and nation in all cultural, social and economic fields.[He added] “The Islamic State terrorist group which committed many crimes beginning in 2014 with the financial and military support of the United States and Arab states like Saudi Arabia, invaded large parts of northern and western Iraq and carried out countless crimes. Following this, Iraq urged Iran to help Baghdad fight the terrorists.”



Iraj Masjedi, Iranian Ambassador to Iraq, speaks to a crowd at the Iranian embassy in Baghdad.

Source: Islamic Republic News Agency, <http://img8.irna.ir/1397/13970324/82942854/n82942854-72388178.jpg>.