



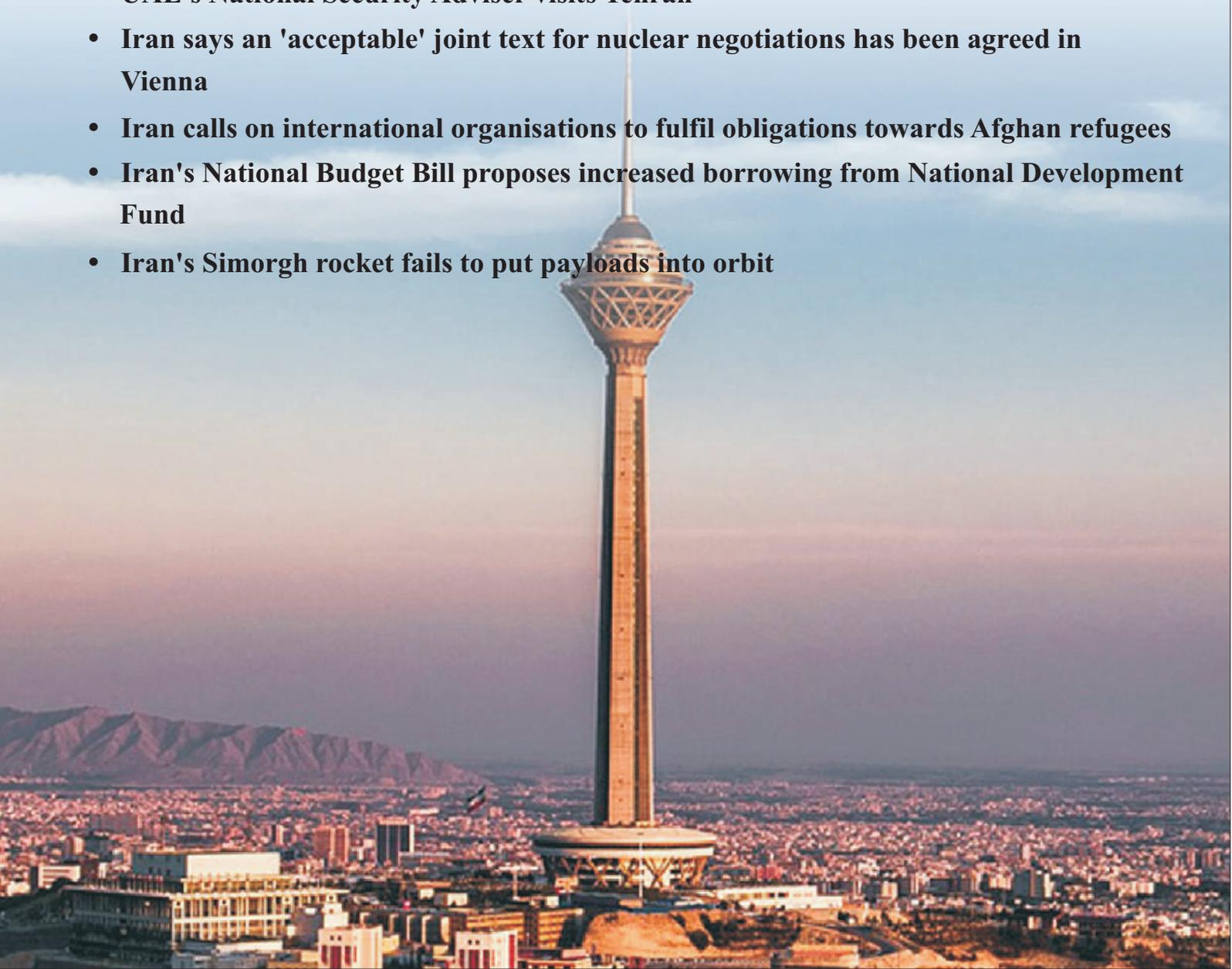
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Iran

Digest

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IRGC conducts large-scale Air and Naval Drills amid Israeli threats

On 19 December, IRGC's ground, air forces, navy and cyber electronic wing conducted five-day maneuvers codenamed [Payamber-e-Azam 17](#) covering the coastlines of the three southern provinces of Hormozgan, Bushehr and Khuzestan. According the spokesman of the drill, General Abbas Nilfouroushan, it was aimed at boosting the preparedness of the IRGC combat units and was designed with the simulation of the one of the most sophisticated offense tactics used in the [hybrid warfare](#). On the last day of the exercise, the IRGC Aerospace Force simultaneously fired 16 [precision guided missiles](#) at predetermined targets in the presence of IRGC chief Major General Hossein Salami and Armed Forces Chief of Staff Gen. Mohammad Baqeri. The exercise was held amid Israeli threats against Iran's nuclear facilities and when the nuclear talks between Iran and world powers in Vienna were in recess. Earlier on 4 December, 2021, air defense missiles were test fired near [Nantaz nuclear site](#), which had under two sabotage attacks in 2020.

Iranian FM meets his Iraqi counterpart, hints at normalisation with Saudi Arabia

Iranian Foreign Minister Hossein Amir Abdollahian, hosted his Iraqi counterpart Fuad Hussein in Tehran on 23 December. Addressing a joint press meet, he praised Baghdad's initiative to host talks between Iran and Saudi Arabia and expressed readiness for facilitating visits of [technical delegations](#) to make necessary preparations for the normalisation of diplomatic relations with Riyadh. Abdollahian also noted that Riyadh has approved visas for three Iranian diplomats who will be based at the headquarters of the Organisation of Islamic Cooperation (OIC) in Jeddah. On Iran-Iraq relations, Abdollahian pointed out

that trade and economic capacities of both sides have not been fully utilised, and the need for timely implementation of previously agreed projects, especially those promoting connectivity between the two countries. On December 27, Iran and Iraq signed an MoU on [joint implementation](#) of the 40 km railway line from Iranian border town Shalamcheh to Iraq's Basra, which will link railway networks of the two countries and bring Iran closer to Syria.

UAE's National Security Adviser visits Tehran

On December 6 the UAE National Security Advisor Sheikh Tahnoun bin Zayed al-Nahyan made a one-day visit to Tehran on the official invitation of the Secretary of Iran's Supreme National Security Council Admiral Ali Shamkhani and held talks with Iranian President Ebrahim Raisi. During his meeting with Tahnoun bin-Zayed, Shamkhani stressed that stability and security can only be achieved through continuous dialogue and cooperation between the regional countries. Tahnoun bin Zayed's visit of came on the heels of remarks by [Anwar Gargash](#), advisor to the UAE President that the "UAE is taking measures to decrease tensions with Iran, in the interest of building confidence and avoiding confrontation." In late November, Iran's chief nuclear negotiation Ali Bagheri had visited Dubai to meet senior Emirati officials just before the resumption of the seventh round nuclear talks in Vienna.

Iran says an 'acceptable' joint text for nuclear negotiations has been agreed in Vienna

During the seventh round of nuclear negotiations between Iran and P4+1 (the UK, France, Russia, China and Germany) and indirectly with the United States, lasting from 29 November to 3 December, Iran presented two draft texts including Iranian concerns on the issues of removal of US sanctions and Iran's return to its nuclear commitments in order to reach a joint text

for further negotiations. Iran has dispatched a team of 40 experts, with heavy presence of financial officials highlighting Tehran's focus on removal of sanctions. Ahead of the beginning of the eighth round on 27 December, Iran's FM Hossein Abdollahian expressed optimism about an "acceptable" joint text and stated that deadlines presented by the Western powers will not change Iran's red lines about sanctions guarantees and verifications nor will it create "[state of emergency](#)" for the talks. Iran's Western interlocutors have been critical of Iran's nuclear acceleration, with US Special Envoy on Iran Robert Malley warning that Iranians are "[miscalculating and playing with fire](#)." In a move seen as sending a positive message ahead of the talks, the chief of Iran's Atomic Energy Organisation stated that Iran would not exceed [60% enrichment](#) of Uranium.

Iran calls on international organisations to fulfil obligations towards Afghan refugees

On December 21, Iran's Foreign Minister Hossein Abdollahian in a meeting with the visiting United Nations High Commissioner for Refugees (UNHCR) Filippo Grandi said "Iran does not have the capacity to provide more services than the current level to new asylum seekers." He further stressed that European countries must pay their [fair share](#) in this regard. Abdollahian also suggested holding an international fundraising conference for the people of Afghanistan. According to UNHCR, Iran is hosting [over 3 million](#) Afghans including 2 million migrant workers and 780,000 refugees and another 600,000 Afghan passport holders with Iranian visas. Later, while visiting Islamabad to attend the 17th Extraordinary Session of OIC Council of Foreign Ministers, Abdollahian supported "dispatch of humanitarian aid to Afghanistan regardless of [political issues](#)." According to International Organisation for Migration

(IOM) report in November 2021, Iran has deported [1 million Afghan refugees](#).

Iran's National Budget Bill proposes increased borrowing from National Development Fund

President Raisi submitted draft of the national budget bill for the next Iranian financial year of 1401, starting on 21 March, 2022, to the parliament on 12 December. Given that the previous government consistently faced budget deficit because of US sanctions on oil exports – highest source of revenue for the country – the budget draft has proposed to save only 20 per cent of oil revenues in [National Development Fund](#) (NDF), and transfer the other 20 per cent to the government. According to the charter of NDF, Iran's sovereign wealth fund, 40 per cent of oil revenues next year should be saved by the government in the fund for investment on productive economic activities that would guarantee the welfare of future generations. Any withdrawing or borrowing from the fund requires approval of Supreme Leader Ali Khamenei. Additionally, [raising tax revenues](#) is being considered to bridge the deficit, the next year's budget bill has envisaged about US \$19.233 billion tax income, 62 percent higher than the figure for the current year.

Iran's Simorgh rocket fails to put payloads into orbit

On 30 December Iran launched domestically-built [Simorgh](#) (Safir-2) rocket with three payloads from Imam Khomeini Space Launch Terminal in Semnan province. A defense ministry spokesperson announced later that the rocket failed to put its payloads into orbit after it was unable to reach the required speed. This was the fifth attempted launch since 2017. Iran made its first successful satellite launch in February 2009, using a [Safir rocket](#) to deploy the communications satellite Omid into low earth orbit. France, Germany and the US [criticised](#) the launch.