

US Iran Ceasefire: Key Impacts of US Iran Ceasefire on Global Stability

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US Iran Ceasefire Latest News

- A ceasefire between the United States and Iran was announced by former US President Donald Trump shortly before his stated deadline, with Iran's Foreign Minister Seyed Abbas Araghchi agreeing soon after.
- The move followed a public appeal by Pakistan's Prime Minister Shehbaz Sharif to de-escalate tensions.
- Coming 39 days into the conflict, the ceasefire marked a significant step back from escalation, especially after strong threats regarding Iran's energy infrastructure and the Strait of Hormuz, bringing temporary relief to the international community.

US-Iran Ceasefire: Key Takeaways

- **Trump Steps Back from Escalation**
 - US President Trump displayed strong brinkmanship through threats and aggressive rhetoric during the conflict, but gradually moved towards de-escalation with phased pauses in military action.

- The ceasefire is tied to Iran's agreement to reopen the **Strait of Hormuz**, which Trump considers a major strategic win, especially in the absence of direct military support from European allies.
- Post-ceasefire, Trump indicated a softer stance, expressing willingness to **work with Iran** and support reconstruction efforts, signalling a shift towards cooperation and reduced tensions.

- **Iran's Strategic Leverage: Control of the Strait of Hormuz**

- Iran's control over the Strait of Hormuz—through which nearly **one-fifth** of global energy flows pass—disrupted global oil markets, driving prices up despite the U.S. not directly depending on this route.
- The Strait became Iran's strongest strategic lever, allowing it to expand the conflict into the **energy and economic domains** of Gulf countries while sustaining pressure despite attacks on its infrastructure and nuclear facilities.
- Iran permitted selective passage of ships, reportedly charging **around \$2 million per vessel**, a system informally dubbed the "Ayatollah booth."
- Iran's reopening of the Strait for two weeks reflects a **temporary de-escalation**, creating space for negotiations while maintaining leverage over future developments.

- **Iran's Maximalist Peace Terms: Negotiation Challenges Ahead**

- Iran has presented a **comprehensive 10-point plan**, including demands for non-aggression commitments, control over the Strait of Hormuz, acceptance of uranium enrichment, lifting of all sanctions, termination of UN resolutions, compensation, and US troop withdrawal.
- Key Iranian demands—especially **sanctions relief and non-aggression guarantees**—have remained consistent throughout earlier negotiations with US representatives.
- The breadth and intensity of these demands make the negotiations highly challenging, requiring significant diplomatic effort to reconcile differences and reach a final agreement.

- **Pakistan's Emerging Role as a Mediator in the Ceasefire**

- Pakistan has significantly **elevated its diplomatic profile** by playing a central role in brokering the ceasefire between the United States and Iran.
- Islamabad is now seeking to **institutionalise this role** by hosting further negotiations, branding them as the "Islamabad Talks," and inviting both sides for continued dialogue.
- Behind the scenes, Pakistan's military leadership is reported to have engaged with key US and Iranian figures to shape the agreement.
- While other actors, including China, may have contributed, Pakistan is positioning itself as the primary facilitator of peace, amid differing views within the US and its allies on whether to accept the deal.

- **Relief For the Region**

- The 39-day conflict has had a devastating impact across the region, with the death toll exceeding 3,000, including heavy casualties in Iran, Lebanon, Gulf countries, Israel, and among US military personnel.
- Iran's retaliatory strikes on countries hosting American bases disrupted the relative stability of Gulf nations such as the UAE, Saudi Arabia, Qatar, and Oman.
- Continuous missile and drone attacks targeted critical infrastructure, severely affecting economic and social stability.

- In this context, the two-week ceasefire offers a crucial window for negotiations, with Gulf countries particularly seeking a **durable peace** to reduce economic disruption and restore regional stability.

Impact on India: Economic Strain and Strategic Relief

- **Energy Crisis and Economic Impact** – The conflict disrupted oil and gas supplies from the Gulf, on which India depends for about 60% of its energy needs, raising concerns about economic slowdown and growth stability.
- **Relief from Ceasefire and Strait Reopening** – The ceasefire and reopening of the Strait of Hormuz provide major relief, as India had managed to receive only a limited number of shipments during the conflict period.
- **Diplomatic Undercurrents** – While Pakistan's role as a mediator has drawn attention, India has officially welcomed the ceasefire and expressed hope for lasting peace, without acknowledging Pakistan's involvement.
- **Impact on Indian Citizens** – The conflict affected Indian nationals, with eight deaths reported and concerns for nearly one crore Indians in the Gulf, who contribute significantly to remittances.
- **Broader Strategic Concerns** – India highlighted the wider disruption to global energy supply and trade networks, emphasising the importance of free navigation through the Strait of Hormuz for economic stability.

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