

IRAN TRACKER

Situation Report Week of February 16, 2015

Khamenei's Vanishing Red Lines

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Outlook

The anniversary celebrations of the Iranian Revolution culminating every February 11 inevitably produce profligate speeches praising the successes of the Islamic Republic, the unity of the leadership, and the condemnation of Tehran's enemies. This year's themes were no different, but also showed the regime's desire to reach an agreement with the West that will relieve sanctions. Supreme Leader Ayatollah Ali Khamenei's statement on February 8—and the subsequent supporting comments from much of Iran's political and military leadership—suggests Tehran believes a deal could be reached with the P5+1. The Supreme Leader's lack of references to his earlier 'red lines' on centrifuges are another indicator the regime may have shifted its position on certain issues, or at least has stopped caring so much about centrifuge numbers. Khamenei's caveats and hesitations about the phased removal of sanctions, or a potential deal that addresses principles before finalizing details, indicate Tehran is still in the process of negotiating, however. On the military front, Quds Force Commander Qassem Soleimani's speech for the anniversary implies he sees Tehran's efforts in Iraq, Syria, Yemen, Bahrain and even North Africa as part of an increasingly successful campaign for Iranian influence in the region. Despite their claims, the Artesh is unlikely to be able to provide significant training assistance to the Iraqi Army. It is notable, however, that Iran's conventional army would see themselves as a player in Iran's external outreach activities with a regional ground force, a role usually entrusted to the more ideologically oriented Islamic Revolutionary Guards Corps (IRGC).

All hands on deck to support the nuclear talks

During events tied to the 36th Anniversary of the Iranian Revolution on February 10-11, Iran's senior leadership reinforced Supreme Leader Khamenei's February 8 [message](#) supporting the nuclear negotiations. Although Khamenei's rhetorical position on technical aspects of Iran's nuclear program has softened since September, he continues to argue for immediate, rather than gradual, sanctions relief. Khamenei's top foreign policy advisor, Ali Akbar Velayati [reiterated](#) Iran's support for the negotiations and claimed, as the Supreme Leader had previously, that America's hands are tied in the talks, not Iran's. Deputy IRGC Commander Brigadier General Hossein Salami [stated](#) Iran has leverage in the nuclear discussions. The Head of Iran's Atomic Energy Organization, Ali Akbar Salehi, [stressed](#) that Iran has no choice but to be patient in the nuclear negotiations and stated that it will not give up easily. Former president and Expediency Discernment Council head Ali Akbar Rafsanjani, Parliament Speaker Ali Larijani, and Parliament National Security and Foreign Policy Chairman, Alaeddin Boroujerdi [all expressed support](#) for the negotiations as well.

Rouhani's economic bravado

President Rouhani made [extensive comments](#) about Iran's economic progress during his February 11 speech in addition to praising the regime's push for a successful nuclear deal. The president touted Iran's emergence from recession and announced the country's Gross Domestic Product (GDP) had grown by four percent in the first six months of the current fiscal year.

While Iran's economy has improved in recent months, its percent growth is likely exaggerated. The World Bank, the International Monetary Fund, and Business Monitor International [all forecast growth](#) for the 2014-2015 fiscal year between 0.9 percent and 1.7 percent, though the US think tank Foundation for Defense of Democracies (FDD) [recently projected](#) 2.5 percent Real GDP growth using the Central Bank of Iran's own numbers. Rouhani further claimed inflation is now below 17 percent, making good on his election campaign promise to reduce inflation from 35 percent to below 20 percent. Most available forecasts have the rate hovering around 20 percent, though FDD projects 17.2 percent.

Iranian military leadership sees greater role in Iraq and the region

IRGC Quds Force Commander Qassem Soleimani [proclaimed](#) that signs of the 1979 Iranian Revolution can be seen throughout the region from Bahrain, Iraq, Syria, Yemen and North Africa. Soleimani also argued that the Islamic State is nearing the end of its life in Iraq and Syria and that the American actions in the region are also doomed to fail. The Commander of the Iranian military's (Artesh's) Command and Staff College, Brigadier General Hossein Valivand, [said](#) the Artesh is ready to help train the Iraqi Army following the Iraq Defense Minister's recent visit to Tehran.

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