

Iran's Naval Buildup in the Gulf: An Assessment

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Brief Analysis

While Iran's recent nuclear deal with Russia has attracted world attention, Tehran has in the past few months bolstered its military presence on the strategic Persian Gulf island of Abu Musa, raising new questions about its intentions and heightening concerns about Iranian policy in the Gulf.

Iran's Naval Buildup

Since Operation Desert Storm, the Persian Gulf has been the primary focus of Iran's foreign policy. As a result, Tehran has made the expansion and modernization of its navy--its chief instrument of influence in this arena--a top priority. Of the region's states, Iran has the largest navy in the Gulf. However, due to losses suffered during the Iran-Iraq War and a crippling international arms embargo imposed during that war, its navy suffers from a number of major shortcomings. Despite severe economic constraints, Iran has taken a number of steps in the past two years to address some of these. Specifically, it has:

- * Maintained an active exercise schedule in the Gulf. Exercise scenarios usually include closing the Strait of Hormuz, sabotaging enemy port facilities, and seizing islands and oil platforms by Iranian forces.
- * Taken delivery in July 1994 of five Chinese Hegu class fast attack craft it ordered years ago. While based on an old design, these ships are expected to be armed with modern antiship missiles (C-801s or C-802s), although these have reportedly not yet been delivered.
- * Held several exercises involving its two Russian Kilo class submarines. Technical problems initially experienced with these submarines have been overcome and the first test firing of advanced wake-homing and wire-guided acoustic homing torpedoes were conducted in November-December 1994.
- * Taken steps to upgrade its HY-2 Silkworm antiship missiles and to acquire advanced torpedoes and mines from Russia and China. The acquisition of modern rising mines would be of particular concern; it would enable Tehran--for the first time--to mine the deep waters of the Strait of Hormuz.
- * Initiated military cooperation with the more experienced navies of Pakistan and India. In February-March 1994 it held joint naval maneuvers with Pakistan, its first military exercise with a foreign country since the 1979 revolution.

Moreover, India helped Iran solve technical problems with its Kilo class submarines.

Finally, Iran has initiated a major build-up on three islands in the Gulf--Abu Musa and the Greater and Lesser Tunbs--which are also claimed by the United Arab Emirates. This buildup, which began during the U.S.-Iraq crisis last October, has continued despite the resolution of the crisis. About 5,000 Revolutionary Guards equipped with tanks, artillery, and surface-to-air missiles are now based on these islands. Of greatest concern is the fact that Iran recently built concrete missile launch ramps there, possibly foreshadowing the deployment of antiship missiles. The deployment of antiship missiles on Abu Musa would, for the first time, extend Iran's reach across the entire Gulf. (Antiship missiles currently located along Iran's Gulf coast and Qeshm and Sirri islands cannot reach the far side of the Gulf.) During the Iran-Iraq war foreign tankers hugged the coast of the United Arab Emirates to avoid Iranian minefields in the middle of the Gulf; in the future, tankers plying this coastal route could be vulnerable to antiship missiles on Abu Musa.

Together, these steps signify a steady Iranian effort to enhance its ability to disrupt maritime traffic in the Gulf, in order to enhance its leverage over its Arab Gulf neighbors and potentially raise the cost of U.S. military intervention in the region.

Possible Scenarios

There are several ways that Iran might try to use its growing naval capabilities to achieve what Tehran regards as key political objectives. Two are of particular concern to Washington:

First, Iran might try to create a perception that it could close the strategic Strait of Hormuz and inflict heavy losses on U.S. intervention forces, in order to undermine U.S. influence in the Gulf. Closure of the strait is easier said than done, however; large tankers are very difficult to sink, mines can be swept (although they would still pose a significant hazard), and the strait is sufficiently broad and deep to enable tankers to bypass wrecked ships. Further, closure of the Strait would harm Iran since it currently has no other way to bring its oil to market. Iran is thus likely to use the threat of closure to create a perception among Arab Gulf states that it could deter U.S. intervention during a crisis, to undermine the credibility of U.S. security guarantees, reduce U.S. influence, and increase its own freedom of action in the Gulf.

Second, Iran might try to use its military power to influence OPEC oil production and pricing decisions (i.e., increasing its oil production quota or raising oil prices, to enable it to generate more income and thereby obtain relief from its economic woes). As long as the United States remains the protector of the Arab Gulf states and retains a forward military presence in the region, Iran will probably eschew direct military threats in trying to accomplish this end. More likely, Tehran would seek to intimidate its weaker Arab Gulf neighbors by resorting to subversion and terror as it has done in the past. However, success in securing favorable production or pricing decisions would likely be short-lived; within a year or two, the market would adjust in a way that would undermine whatever benefits were obtained by Iran. Moreover, attempts to intimidate the Arab Gulf states would probably drive these countries deeper into the embrace of the U.S. and could prompt the very foreign intervention Iran seeks to avoid. Nonetheless, Tehran's capacity for miscalculation should not be underestimated, and Washington must prepare for such a contingency.

Policy Implications

Iran's naval buildup in the Persian Gulf is likely to pose a major diplomatic and military challenge to the United States in the coming years. Presently, Tehran's military buildup on Abu Musa island makes the diplomatic resolution of competing claims to the island less likely, and will increase tensions in the region, particularly if it deploys antiship missiles there. In light of this, the United States should restate its commitment to safeguarding freedom of navigation in the Gulf, to prevent miscalculation in Tehran and reassure its Arab Gulf allies. It should likewise

enhance its ability to respond to potential Iranian military moves by building a regional consensus on the nature of the Iranian threat, deepening defense cooperation with the Arab Gulf states, and maintaining--and perhaps even selectively reinforcing--its forward military presence in the region. Finally, in addition to working to block the transfer of nuclear materials, technology and know-how to Iran, the United States also must seek to thwart the transfer of conventional weapons and know-how. Thus the U.S. and its Arab Gulf allies should press Russia and China not to transfer high-tech conventional arms to Iran (especially such items as advanced torpedoes and mines, which are not major money-earners but which could have a major impact on the regional military balance), while pressing India and Pakistan to cease cooperation with Iran's navy.

Michael Eisenstadt is a senior fellow and director of The Washington Institute's Military and Security Studies Program. ❖

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