

‘People are despairing’: Iranians brace for sanctions to bite

Gloom spreads as dollar price rockets while action is welcomed by region’s US allies.



Iranians shop in a bazaar in Tehran, Iran. Photograph: Abedin Taherkenareh/EPA

Iranians were bracing themselves for a period of economic hardship on Monday after sweeping US sanctions came into full force, leading Iran’s president, Hassan Rouhani, to describe the situation as “economic war”.

The Iranian economy has been under strain since May, when Donald Trump exited the 2015 nuclear agreement – designed to curb Iran’s nuclear programme – and announced the return of sanctions.

His first set of sanctions were reimposed in August. Those measures hit the country’s access to dollars, gold, precious metals and the car-making sector, amid growing street protests.

And on Monday Trump unilaterally reimposed further sanctions, despite opposition from the US’s European partners of the nuclear accord, known as the Joint Comprehensive Plan of Action. The new sanctions were timed to coincide with the anniversary of the 1979 US hostage crisis.

“For ordinary people, sanctions mean unemployment, sanctions mean becoming poor, sanctions mean the scarcity of medicine, the rising price of dollar,” said Akbar Shamsodini, an Iranian businessman in the oil and gas sector who lost his job six months ago as European companies started to pull out of Iran in fear of US sanctions.

“By imposing these sanctions, they want to force Iranians to rise up in revolt against their government but in practice, they will only make them flee their country,” he said, adding that ironically it would be Europe that would have to bear the burden of such a mass migration.

“We’re being squashed here ... as an Iranian youth who studied here, worked here, the only thing I’m thinking about now is how to flee my country and go to Europe.”

Mahdi Attar, a postgrad student of mechatronics in University of Tehran, said most Iranians feared the impact of sanctions on the price of the dollar, which has more than tripled. One dollar buys roughly 145,000 rials this week, compared with 40,500 a year ago.



The Israeli education minister, Naftali Bennett, thanked Trump on Twitter for ‘making the ayatollahs scared again’. Photograph: AFP/Getty Images

He said Iranian students now had to deal with much pricier payments for exams such as TOEFL or GRE, buying books online or simply paying for application fees when applying for universities abroad.

“Please inform Mr Trump that he has been cruel to us, the people of Iran; ask him not to pretend he’s on our side. Let the mask fall,” he said.

Trump’s sanctions, however, have been welcomed by the US allies in the region. The Israeli minister for education, Naftali Bennett, a politician from a righthwing religious party, thanked Trump on Twitter for “making the ayatollahs scared again”.

Vahid Hatami, 27, who works in the banking software sector, said he earns around £100 (\$130) a month - a salary that supports his parents and younger brother. “In the past six months as the situation is getting tough, if I didn’t have a job it means that my family would have been in trouble,” he said.

“People are despairing. You look at people’s faces in the metro and the mood is gloomy. Iranian people like their country, they don’t even have any way to protest against this situation. There’s no way to vent your anger.”

Iraj Kaveh, who has a company in Tehran specialized in importing wear-resistant steel plate from Belgium, said he could easily trade until March, but it is now finding it almost impossible, or with commissions of up to 11%, because of banking restrictions.

“We used to use both public and private banks or money exchanges to pay Belgium’s KBC bank, but since June all our money transfers gets rejected, citing US sanctions,” Kaveh told the Guardian. “These plates are used in our mining and cement industry and if companies use the domestic equivalent, it means they have to change them every two months, while the European version last for more than a year.”

Rouhani said the US was using the language of “pressure and threats” against the people of Iran. He said Washington was isolated in its anti-Iran stance, except for a few allies, in what appeared to be apparent references to Saudi Arabia and Israel.

He said: “The US is proud of backing a regime that kills the people of Palestine every day, putting them under bombing. They are proud of supporting a regime that is killing the people of Yemen every day.”

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