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Iran sanctions: US targets firms over nuclear links



Iran's main uranium enrichment site is at Natanz

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The US has imposed new sanctions on companies and individuals in connection with Iran's nuclear programme.

The sanctions target at least 25 firms and people suspected of helping the programme, evading previous sanctions or supporting terrorism.

But Washington said its actions were still consistent with its commitment to provide sanctions relief in exchange for steps to halt the programme.

World powers suspect Iran seeks atomic weapons, a claim it strongly denies.

The country insists that it is enriching uranium for use in nuclear power stations and for medical purposes.

In a statement, US Under-Secretary for Terrorism and Financial Intelligence David Cohen said that Washington's action in **imposing these new sanctions** "reflects our continuing determination to take action against anyone, anywhere, who violates our sanctions."

Senior administration officials said the latest round of sanctions included action against the Russia-based Asia Bank, which Washington says was involved in converting and delivering US dollar bank notes to the Iranian government.

They also targeted firms that have helped Iran support President Bashar Assad's government in Syria.

Iran and world powers have set themselves until 24 November to reach a permanent agreement resolving the nuclear dispute.

The next round of talks on the issue is expected in mid-September.

21 July 2014 Last updated at 00:06

Iran completes process of eliminating enriched uranium



The process of converting its 20%-enriched uranium into fuel was agreed to by Iran last November

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Iran has turned all of its enriched uranium closest to the level needed to make nuclear arms into more harmless forms, the UN nuclear agency says.

The conversion of its stock of 20%-enriched uranium was part of a deal to curb Iran's nuclear programme.

The US said last week it would unblock \$2.8bn in frozen Iranian funds in return for Iran's compliance.

A four-month extension to talks on Iran's nuclear ambitions was agreed on Friday between Iran and world powers.

The talks are aimed at persuading Iran to limit its nuclear programme in

exchange for the lifting of sanctions.

The six world powers involved in the talks - the US, France, China, Russia, Germany and the UK - suspect Iran seeks atomic weapons, which Iran denies.

The country insists that it is enriching uranium for use in nuclear power stations and for medical purposes.

Promising sign

Correspondents say Iran's completion of eliminating its most worrying uranium stockpile is a promising sign that its leaders do not want to derail the diplomatic process.

A new report from the International Atomic Energy Agency (IAEA) says Iran is observing all of its other commitments as well.

Iran had more than 200kg of 20%-enriched uranium when the preliminary agreement to convert it was reached last November.

At 20%, enriched uranium can be converted quickly to arm a nuclear weapon and experts said 200kg was enough to make one nuclear warhead.



EU foreign policy chief Catherine Ashton and Iranian Foreign Minister Mohammad Javad Zarif in Vienna

Negotiations between the six powers and Iran are set to resume in September, with the deadline for an agreement on 24 November.

Despite the news, the BBC's Bethany Bell says a long-term solution to Iran's nuclear ambitions still seems a long way off.

The parties have been unable to reach agreement on imposing long-term restrictions over Iran's uranium enrichment and plutonium production - processes that could yield material for nuclear warheads.

In a joint statement after last week's talks, EU foreign policy chief Catherine Ashton and Iran's Foreign Minister Mohammad Javad Zarif said: "There are still significant gaps on some core issues which will require more time and effort."

A deal could see the lifting of oil and trade sanctions on Iran.

Iran is at breaking point under US sanctions – and its leaders feel the heat

Despite talk of a defiant 'resistance economy', the consequences may be dire if a nuclear deal with the west does not come soon

- [Simon Tisdall](#) in Tehran
-
- theguardian.com, Sunday 18 May 2014 14.32 BST
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A woman buys fruit from a street vendor in central Tehran. Signs of improvement in Iran's economy after Rouhani came to office have given way to renewed gloom. Photograph: Behrouz Mehri/AFP/Getty Images

At the car repair shop on Soreana Avenue in central Tehran, Homayoon is happy to talk; after all, there is not much else to do. Business is bad, he says, as he wipes his hands with an oily cloth. It's the same for everybody.

"It's not good at all. Petrol is expensive, so people drive less, so they break down less," Homayoon says. Wearing a grubby red T-shirt advertising Axol Lubes, he laughs and shrugs when asked whether American sanctions are to blame for high prices and lack of customers.

"Of course it's sanctions!" interrupts Ali, another mechanic. "The economy is sick. My friends have small businesses like this one. Electricity is up 25%, water up 30%, petrol up 75%, business tax up, VAT up. Interest rates are 25%, so they can't borrow. They can't handle it," he says.

"I don't know about those things," says Homayoon, still smiling. "That's for the government to decide. I like the Americans. They're great. I don't care what they say at Friday prayers."

What they say at Friday prayers is less forgiving. A day earlier, Ayatollah Ahmad Jannati, one of the Islamic Republic's most venerable imams, treated the weekly televised gathering at Tehran University stadium to a stern anti-American diatribe.

With white beard, flowing robe, turban and walking stick, Jannati is every inch the mullah – a Shia fundamentalist cleric of the old school. He preaches under the slogan "Any diversion from the true path will be the path of accursed Satan".

Today, Jannati is treading the path of self-sufficiency and what the supreme leader, [Ayatollah Ali Khamenei](#), calls the resistance economy – [Iran](#)'s supposed answer to the crushing American-led oil, banking and trade embargoes.

Iran must make what it cannot buy abroad and learn the skills it needs, he says. "Workers and

teachers are the backbone of our society. We should be self-sufficient in all areas of the economy and in all fields."

In Egypt and now in Ukraine, the US has toppled elected presidents and installed its "favourites", Jannati says. Fortunately, Russia has foiled America's Kiev plot. But his dire implication is plain: Iran may be next.



Inflation in Iran has come down, but is still running at around 20%. Photograph: Atta Kenare/ AFP/Getty Images

At his bidding, up to 10,000 prostrate male worshippers, including Revolutionary Guards, uniformed soldiers, airmen and sailors, and rows and rows of black and white-turbaned clerics rise as one with clenched fists and chant: "Death to America! Death to Israel!" Their massed voices roll like thunder across the open-sided, scaffold-roofed stadium.

Officially speaking, the government of President [Hassan Rouhani](#), which took office last August, maintains that [the punitive UN, US and EU sanctions imposed in the row over Iran's nuclear programme](#), which have steadily intensified since 2006, have had little or no impact.

In particular, it says, sanctions have played no role in forcing Tehran back to the nuclear negotiating table. The [talks, which resumed last week without making progress](#), are expected to continue in June in Vienna.

But on the streets of Tehran, and in the capital's shops, garages, markets, businesses and private homes, the story is very different. Isolated and ostracised to an unusual degree, Iran is a nation under appalling stress. The strains are telling. The ties that bind are fraying. The leadership is feeling the heat.

And if relief, in the form of a comprehensive nuclear deal with the west and a consequent lifting of sanctions, does not come soon, the political and social consequences may be far-reaching. The unique system of Islamic governance created by the late Ayatollah Ruhollah

Khomeini, the Islamic Republic's *éminence grise*, may be tested to breaking point.

Which is why the current guardians of the system, including Khamenei, appear only too happy to let Rouhani play the role of frontman, scapegoat and potential fall-guy.

"In many ways Rouhani faces a similar situation to former president Mohammad Khatami [who was succeeded in 2005 by the hardline populist Mahmoud Ahmadinejad]," a veteran Tehran journalist said.

"Rouhani is a traditionalist, a centrist, not a reformer like Khatami. But like Khatami, he is attempting to enforce change while surrounded by hostile forces – the principlists, the Guardian Council [which safeguards the Islamic constitution], the Revolutionary Guard, conservative media, people like Jannati, even Khamenei ... These people don't want a deal with the west. Like Khatami, Rouhani is doomed to fail."



Hassan Rouhani. 'At present Rouhani has the support of the political establishment at large. But if he is not seen as successful, critical voices will be heard more.' Photograph: Mohammad Berno/AP

Even more dramatically, a Tehran businessman predicted Rouhani would be Iran's last elected president if the sanctions negotiations collapsed. The next government could be a military one, he said. "That's why I think the talks will be extended beyond the 20 July deadline. Rouhani can't afford for them to fail."

Such scenarios were too pessimistic, said Mohammad Marandi, a well-connected, pro-establishment commentator and professor in the North American and European studies department of Tehran University. "At present Rouhani has the support of the political establishment at large. But if he is not seen as successful, critical voices will be heard more, and there will be a hardening of attitudes to the west," Marandi said.

"If the Americans push too hard [in the negotiations], they will either force Rouhani to be more negative and sceptical towards the west or he will lose out. To survive he would have to be

much tougher."

Much depended on the attitude of Khamenei, said Amir Mohebbian, an influential rightwing writer, government insider and founder of the traditionalist Modern Thinkers party.

"The leader has said he is not optimistic about the outcome of the nuclear talks. But what he really wants is an improvement in the economic situation. The nuclear issue is only a symbol and sign of our self-sufficiency and independence. It is not itself one of the principles of the Islamic Republic of Iran," Mohebbian said.

"Khamenei has a plan A and a plan B. Plan A is a successful negotiation by Rouhani which means we can then tackle our economic problems. If the negotiation is not successful, Plan B is to say that we showed our flexibility and the problem is not on our side."

In those circumstances, Rouhani would have a choice. Accept the blame, which could be politically crippling, or abandon his attempt to normalise relations with the west and move towards closer ties with Russia and China, which is already a leading investor in Iran.

Such an outcome would be a big blow for US and British policy, Mohebbian suggested. The window of opportunity for engagement, apparently opened by Rouhani's election, would close.

High politics aside, the shine has already gone off the Rouhani presidency for many ordinary Iranians, less than a year after he came to power. His attempts to cut subsidies and public spending, which span out of control during Ahmadinejad's two terms in office, are blamed for rising taxes and utility prices.

Rouhani was ridiculed by conservative media for his failed attempt to persuade Iranians to give up a \$15 (£8.90) a month per capita cash welfare subsidy introduced by his predecessor. Around 92% rejected his appeal, which was intended to boost the public coffers.

Disappointment has also been expressed at Rouhani's failure, after an initial batch of releases following his election, [to free more political prisoners](#) and address other human rights concerns, such as Iran's high rates of capital punishment.

A Guardian survey has estimated that about 800 political prisoners are being held, including opposition reformists, independent journalists, writers and lawyers – people decried as "seditionists" by Jannati. Rouhani's failure to act more decisively is seen by his reformist critics as evidence of a deeper weakness in the face of Iran's entrenched, conservative-dominated power structure.

For most people, however, the economy remains the big issue. Initial, encouraging signs of improvement after Rouhani came to office have given way to renewed gloom.

Price inflation has come down, but is still at around 20%. Unemployment, especially among the young, is around 30%, depending on whose figures are believed. The gulf between rich and poor continues to widen. And the value of the Iranian currency, the rial, has dropped sharply against the dollar, placing imported goods beyond the reach of many consumers.

Little wonder, then, that gold dealers do a roaring trade in a tumultuous haggle of shouting, arm-waving men outside Tehran's central bazaar. In the absence of sound money, they prefer precious metal.

"It all comes down to sanctions," said Majid, who runs a stall selling gold and silver buckles, badges and buttons. "Interest rates are too high, inflation is too high, the economy is depressed. We depend on the production of oil and the income from that, but we cannot get the money.

"Rouhani has made no difference. He is not in charge. He is not powerful enough to run our society or rebuild. But at least he is an improvement on his predecessor [Ahmadinejad]. That was a crazy guy. He nearly ruined Iran."

This is a reference, in part, to the hundreds of billions of dollars in oil and gas revenue that is widely believed to have been lost to corruption and mismanagement during the Ahmadinejad years.

Motjaba, another merchant, sits disconsolately in a small booth in the dark interior of the bazaar, sipping sweet tea, Persian carpets and rugs stacked to the ceilings all around him. He, too, is fed up with the government – not just Rouhani's, but all Iran's governments, dating back to the 1979 Islamic revolution. He is especially cross that rug sales to the US, potentially half his business, are blocked.

"Rouhani hasn't done anything. All these officials are the same. The people do not have any problem with America. It's a problem of government versus government. But when they are ill, they [the governing class] go to London or New York for treatment. They can afford it. We cannot. If they have a wedding, they go to Sheraton in London. We can't get visas," Motjaba said.

"There's a big difference between the rich and the poor compared with the shah's time. It's all worse since the shah's time. We do not have any hope. We are like dead people. You do not see any laughter here. Find me somebody who's laughing and I will give you a free carpet.

"I am a good Muslim. We're all good Muslims here. But I like to live. I like to have a beer. I haven't had a beer since 1979."

18 May 2014 Last updated at 08:31

Iran nuclear talks: Deal still possible, says Tehran



The European Union's Catherine Ashton and Iran's Mohammad Javad Zarif led the latest round of negotiations

Iranian Foreign Minister Mohammad Javad Zarif has insisted that reaching a final nuclear deal with world powers is still within reach.

[His comments](#) came after Iran and six world powers - Britain, China, France, Russia, the US and Germany - ended a fourth round of nuclear talks in Vienna with little progress to report.

The West accuses Iran of trying to build a nuclear weapon.

Iran says its nuclear energy programme is for entirely peaceful purposes.

"Agreement is possible. But illusions need to go. Opportunity shouldn't be missed again," Mr Zarif said on Twitter.

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Iran nuclear deal

- **20 January** - First day of implementation of interim nuclear deal. IAEA begins verifying Iranian compliance; P5+1 and EU suspend sanctions
- **18 February** - Iran and P5+1 begin talks in Vienna to find a "comprehensive solution"
- **19 July** - Expiry of six-month interim period for finding comprehensive solution. If not renewed by mutual consent, P5+1 may increase sanctions
- **November** - Iran and P5+1 aim to "conclude negotiating and commence implementing" the second step of any comprehensive solution
- [Iran nuclear deal: Key points](#)

On 20 July, an interim deal under which Iran curb uranium enrichment in return for the lifting of some Western sanctions is due to expire.

The six powers - known as the P5+1 - want Iran to scale back its sensitive nuclear activities

permanently to ensure that it cannot assemble a nuclear weapon.

Tehran is seeking the lifting of all UN and Western sanctions, which are crippling its economy.

The talks in Vienna broke up on Friday with downbeat statements from both sides.

"The gaps were too large to begin drafting the text," said Iran's chief negotiator Abbas Araqchi, adding that "no tangible progress" had been made.

And an unnamed Western diplomat told AFP: "Huge gaps remain. There is really more realism needed on the other side. We had expected a little more flexibility."

Negotiations are due to resume in the Austrian capital next month.

17 April 2014 Last updated at 11:07

Iran has cut higher-enriched uranium stock 'by half'



Iran's Natanz nuclear enrichment facility, which the six powers fear could help Iran make a nuclear weapon

Iran has neutralised half of its higher-enriched uranium stockpile, as per a deal agreed earlier this year, the world's nuclear watchdog says.

The International Atomic Energy Agency has been checking Iran's adherence to the deal, struck with six world powers.

The powers want Iran to scale back its enrichment of uranium, which they fear could be used to make a nuclear bomb.

Iran says its nuclear work is peaceful. It agreed to the deal in exchange for the easing of some sanctions.

Iran has diluted half of its higher-grade enriched uranium stockpile, the International Atomic Energy Agency (IAEA) said in a confidential report.

Diplomats confirmed this conclusion of the report with the BBC. The full report is due to be published next week.



Iran has been in talks with world powers in an attempt to reach a comprehensive nuclear deal. The report also said that progress in commissioning a nuclear conversion plant, part of the interim agreement, had been delayed, Reuters reported.

The IAEA, which has inspectors in Iran, issues monthly updates on whether Iran is complying with the interim deal with the six world powers, the BBC's Bethany Bell reports.

The temporary agreement was signed in January, and ends in July.

Iran and the six powers involved - the US, Russia, China, Britain, France and Germany - are keen to start drafting the terms of a new deal by May, but correspondents say they are still some way apart.

The world powers want Iran to agree to permanently reduce the scope of its enrichment programme and to give UN inspectors more oversight.

Iran's supreme leader Ayatollah Ali Khamenei has backed talks with world powers but warned Tehran will never give up its nuclear programme.

So far, the six world powers have been united in their negotiations but Russia's annexation of the Crimean peninsula from Ukraine last month has caused tension between Moscow and the West.

Russia and Iran are said to be negotiating an oil-for-goods deal thought to be worth up to

\$20bn (£12bn), which the US says would undermine the nuclear talks.

9 April 2014 Last updated at 17:12

Khamenei: Iran will never give up its nuclear programme



Ayatollah Khamenei said "no-one has the right to bargain over" Iran's "nuclear achievements"

Iran's supreme leader Ayatollah Ali Khamenei has backed talks with world powers but warned Tehran will never give up its nuclear programme.

He said Iran had agreed to the talks to "break the hostile atmosphere" with the international community.

Iran and six world powers are working to agree a deal to replace an interim accord that expires in July.

Iranian Foreign Minister Javad Zarif said the two sides were up to 60% in agreement after latest talks in Vienna.

A senior US official was less upbeat but said all sides were committed to keep trying.

The US, Russia, China, Britain, France and Germany want to see Iran scale back its enrichment of uranium, which they fear could be used to make a nuclear bomb.

Tehran says its nuclear work is purely peaceful and hopes to agree a deal in return for a permanent lifting of sanctions.

Javad Zarif and EU High Representative Catherine Ashton said in a joint statement on Wednesday that their third round of talks since November had included "substantive and

detailed discussions covering all the issues which will need to be part of a Comprehensive Agreement".

They will meet again in May for a fourth round of talks to "bridge the gaps in all the key areas and work on the concrete elements of a possible" agreement, the statement said.



Iran insists that its enrichment programme is for energy and medical purposes. Ayatollah Khamenei told a gathering of nuclear scientists that Tehran agreed to the talks to show the international community that it was not seeking nuclear weapons.

"These talks need to continue but all must know that despite continuation of the talks, activities of the Islamic Republic of Iran in the field of nuclear research and development won't be halted at all."

Telling negotiators not to "accept any coercive words from the other party," he said: "None of the country's nuclear achievements can be stopped, and no-one has the right to bargain over it."

Under the interim agreement, which was agreed in January, Iran froze certain nuclear activities for six months in exchange for a partial lifting of sanctions.

The world powers now want Iran to agree to permanently reduce the scope of its enrichment programme and to give UN inspectors more oversight.

So far, the six world powers have been united in their negotiations but Russia's annexation of the Crimean peninsula from Ukraine last month has caused tension between Moscow and the West.

Russia and Iran are said to be negotiating an oil-for-goods deal thought to be worth up to \$20bn (£12bn), which the US says would undermine the nuclear talks.

