

US reimposes tough, unilateral sanctions against Iran

August 8, 2018

The United States re-imposed a wave of tough, unilateral sanctions against Iran Tuesday, bringing back into effect harsh penalties that had been lifted under a historic, multi-party nuclear agreement that President Donald Trump abandoned in May.

The first of two rounds of US sanctions kicked in at 12.01 am, targeting Iran's access to US banknotes and key industries, including cars and carpets.

Iranians are already seeing the effects of the sanctions, with Iran's Rial currency losing around half its value since Trump announced the US would withdraw from the 2015 nuclear accord.

Trump's contempt for the nuclear deal dates back to his time as presidential candidate and on May 8, he made good on a pledge to pull America out of the international agreement.

He blasted the agreement yet again Monday, calling it a "horrible, one-sided deal (that) failed to achieve the fundamental objective of blocking all paths to an Iranian nuclear bomb."

The unilateral withdrawal came despite other parties to the agreement — Britain, China, France, Germany, Russia and the EU — pleading with Trump not to abandon the pact aimed at blocking Iran from acquiring a nuclear weapon, and highlights the US leader's go-it-alone style and his distaste for multilateral agreements.

In an executive order Monday, Trump said the sanctions seek to pile financial pressure on Tehran to force a "comprehensive and lasting solution" to Iranian threats, including its development of missiles and regional "malign" activities.

The European Union's diplomatic chief Federica Mogherini said the bloc, as well as Britain, France and Germany, deeply regretted Washington's move.

"We are determined to protect European economic operators engaged in legitimate business with Iran," she said.

Many large European firms are leaving Iran for fear of US penalties, and Trump warned of "severe consequences" against firms and individuals that continued to do business with Iran.

The impact of the return of sanctions has ramped up tensions inside Iran, which has seen days of protests and strikes in multiple towns and cities over water shortages, high prices and wider anger at the political system.

Severe reporting restrictions have made it impossible to verify the swirl of claims coming through social media.

Trump said he was open to reaching a more comprehensive deal with Iran "that addresses the full range of the regime's malign activities, including its ballistic missile program and its support for terrorism."

But Iranian President Hassan Rouhani was unimpressed by the offer. "If you're an enemy and you stab the other person with a knife, and then you say you want negotiations, then the first thing you have to do is remove the knife," the Iranian leader said.

"They want to launch psychological warfare against the Iranian nation," Rouhani said.

"Negotiations with sanctions doesn't make sense." John Glaser, director of foreign policy studies at the Cato Institute, noted that the US sees the sanctions "as a tool to pressure Iran to come back to the negotiating table to rehash the nuclear deal on terms more to Trump's liking. That is not going to happen."

The second phase of US sanctions, which takes effect November 5 and will block Iran's oil sales, is due to cause more damage, though several countries including China, India and Turkey have indicated they are not willing to entirely cut their Iranian energy purchases.

Iran's Foreign Minister Mohammad Javad Zarif told reporters the global reaction to Trump's move showed that the US was diplomatically "isolated," but acknowledged the sanctions "may cause some disruption."

Rouhani's government has taken emergency measures to stem the collapse of the Rial ahead of the return of sanctions.