

# European Union imposes oil embargo on Iran

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European Union (EU) foreign ministers meeting in Brussels yesterday imposed far-reaching economic sanctions on Iran, including an embargo on Iranian oil imports that will come into full force in July. The embargo is an act of economic war that heightens the danger of a slide into military hostilities in the Persian Gulf.

The EU sanctions are comprehensive, hitting every aspect of Iran's oil industry. The 27 member countries will halt the signing of any new oil contracts with Iran immediately, and end existing ones by July 1. The ban will cover imports of crude oil, petroleum products and petrochemical products, and will extend to the export of equipment and technology to, and new investment in, Iran's energy sector.

The EU has also targetted Iran's central bank, freezing the bulk of its assets in Europe. There are limited exceptions to allow for what is still regarded as legitimate trade. The European measures complement legislation signed into law by President Barack Obama on December 31 providing for penalties against any company, including foreign corporations, having business dealings with Iran's central bank. The US measures seek to block all Iranian oil sales internationally, crippling the country's economy.

Last year, the European Union purchased nearly a quarter of Iran's exported oil. Several southern European countries—Greece in particular—have been heavily dependent on oil imports from Iran and resistant to the imposition of a full embargo. They have been pulled into line with the vague promise of a review by May 1 of any adverse economic impact from the sanctions.

If implemented, the embargo will have a severe

impact on the Iranian economy, which relies substantially on oil exports. Iran's currency has dropped 14 percent in value against the US dollar since Friday, adding to high levels of inflation inside the country.

French Foreign Minister Alain Juppé declared: "To avoid any military solution, which could have irreparable consequences, we have decided to go further down the path of sanctions." He appealed to Tehran to "accept the dialogue we propose." The cynicism of these remarks is underlined by the comments of French President Nicolas Sarkozy who warned last Friday that "time is running out" to avoid a military confrontation.

Both US and Israel have repeatedly made clear their preparedness to unilaterally attack Iran on the basis of unsubstantiated claims that it is acquiring nuclear weapons. The Iranian regime has insisted that it has no plans to build an atomic bomb. Iranian foreign ministry spokesman Ramin Mehmanparast branded the EU sanctions as "unfair" and "doomed to failure."

The EU has offered talks, but they have the character of an ultimatum. EU foreign policy chief Catherine Ashton declared that Iran had to "pick up all the ideas that we left on the table" after previous talks, or "come forward with its own ideas." In other words, Iran has to make substantial concessions before negotiations can even begin.

Moreover, the Iranian regime has witnessed the US and European duplicity in Libya—a strong deterrent to making any compromise. Washington reached a rapprochement with Libyan leader Muammar Gaddafi in 2003, only to launch a NATO-led war in 2011 to oust the regime. Any guarantees that the US and its

European allies offer Tehran in talks are worthless.

As part of its efforts to demonise Iran, the US media has highlighted the comments of parliamentarian Mohammad Kossari who warned that Iran would close the Strait of Hormuz “if any disruption happens regarding the sale of Iranian oil.” The US has declared that any attempt to block the strategic waterway, through which a fifth of the world’s traded oil passes, would be a “red line” producing military conflict.

The Pentagon has doubled the presence of its aircraft carrier battle groups near the Persian Gulf. On Sunday, the day before the EU meeting, the aircraft carrier, the USS Abraham Lincoln, escorted by British and French warships, passed through the Strait of Hormuz into the Persian Gulf. Despite claims that it was a “routine transit,” the manoeuvre was obviously timed to menace Iran.

The US is intensifying the pressure on Tehran on all fronts. On Monday, the Obama administration announced new sanctions against Iran’s third-largest bank, Bank Tejarat, closing off one of the country’s few remaining links to the international finance system.

Senior US officials have been engaged in a global campaign aimed at pressuring governments, banks and corporations to wind back oil purchases and economic ties with Iran. Earlier this month, US Treasury Secretary Tim Geithner travelled to Japan and China to warn both countries that they faced penalties if oil purchases were not cut back. To emphasise the point, the White House imposed penalties on a Chinese oil trading company, Zhuhai Zhenrong, for doing business with Iran.

China and Russia have both opposed the unilateral sanctions imposed by the US and EU and insisted on their right to keep doing business with Iran. Beijing declared that the US penalty on Zhuhai Zhenrong was “unreasonable” and not in line with UN Security Council resolutions on Iran’s nuclear program. The Russian foreign ministry issued a statement yesterday expressing “regret and alarm” over the EU sanctions, describing them as “an attempt to strangle an entire sector of the Iranian economy.”

Using Iran’s nuclear programs as a pretext, the US is escalating its confrontation with Iran. As in the case of the American occupations of Iraq and Afghanistan, Washington is seeking to reinforce its dominance in the energy-rich regions of the Middle East and Central Asia at the expense of its European and Asian rivals. The danger is that the Obama administration’s reckless actions against Iran will trigger a war that threatens to engulf the region and spread internationally.



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