

Leave us out of Iranian sanctions, pleads Europe



Israeli Prime Minister Benjamin Netanyahu and wife Sara with Brigitte Macron and French President Emmanuel Macron in Paris. Picture: AFP

AFP, 12:00AM June 7, 2018

Britain, France and Germany have joined forces to urge the US to exempt European companies from any sanctions the US will slap on Iran after pulling out of an international nuclear agreement.

In a letter to US Treasury Secretary Steven Mnuchin and Secretary of State Mike Pompeo, ministers from the three European countries said they “strongly regret” US President Donald Trump’s decision last month to withdraw from the Iran deal.

Mr Trump has said sanctions will be imposed on any company doing business with Tehran.

The three European countries were also signatories of the 2015 deal, which was meant to stop Iran from developing nuclear weapons in exchange for the lifting of economic sanctions. In their letter, the ministers said “as close allies we expect that the extraterritorial effects of US secondary sanctions will not be enforced on EU entities and individuals, and the United States will thus respect our political decision and the good faith of economic operators within EU legal territory”.

The ministers, including British Foreign Secretary Boris Johnson, French Finance Minister Bruno Le Maire and his German counterpart, Olaf Scholz, said they wanted the US to “grant exemptions” for EU companies that have been doing business with Iran since the deal came into force in 2016.

Many companies from Europe and the US have steadily built up their investments in Iran in the wake of the nuclear deal, particularly in the fields of pharmaceuticals, banking and oil.

Iran last night confirmed it was in “preparatory works” to restart nuclear activities if the accord broke down. Iran could “restart its activities without any limits”, its ambassador to the International Atomic Energy Agency (IAEA) said on the sidelines of an agency board meeting in Vienna. The preparatory works mentioned by ambassador Reza Najafi refer to steps to boost uranium - enrichment capacity by producing new centrifuges, as outlined on Tuesday by Vice-President Ali Akbar Salehi, who heads the Iranian Atomic Energy Organisation.

Mr Najafi emphasised that the measures do “not mean that right now Iran will start any activities contrary” to the 2015 agreement.

The remaining signatories to the pact have been scrambling to find ways to preserve the accord since Mr Trump’s announcement. Last month a senior Iranian official said European powers had until the end of May to come up with an economic package to compensate Iran for the effects of the US withdrawal. Mr Najafi said yesterday that negotiations were continuing at an expert level but that it could not be an “endless process” and needed to be concluded “very soon”.

Earlier, French President Emmanuel Macron said the Iranian decision to expand its nuclear infrastructure did not constitute grounds for quitting the deal. At a press conference with Israeli Prime Minister Benjamin Netanyahu, Mr Macron called on “everyone to stabilise the situation and not give into this escalation which would lead to only one thing: conflict”.

In a rebuke of the US pullout, Mr Macron said Iran’s riposte “simply shows that when you decide to unilaterally end an accord it does not encourage the other party to respect it”.

Mr Netanyahu, who has vigorously opposed the accord, said he had not attempted to convince Mr Macron to abandon it. "I did not ask President Macron to leave the deal. I think that economic realities are going to decide this matter," he said. "What we focused on, and what I focused on, is how to stop Iranian aggression in the region." Mr Netanyahu claimed Tehran was using the "cash bonanza" from sanctions relief to build up its forces in Syria and was using the war-torn country as a platform for attacks on neighbouring Israel.

Mr Netanyahu's meeting with Mr Macron was the third between the pair in Paris in a year