

Economic Status of Iran

Why in news?

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Iran's economy is in deep trouble after the withdrawal of US from JCPOA.

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What is JCPOA?

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- The Joint Comprehensive Plan of Action (JCPOA) is an agreement with five annexes reached by Iran and the P5+1 (China France, Germany, Russia, the United Kingdom, and the United States) in 2015.

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- Iran's compliance with the nuclear-related provisions of the JCPOA will be verified by the International Atomic Energy Agency (IAEA) according to certain requirements set forth in the agreement.

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- Recently United States had withdrawn from the JCPOA and reinstate U.S. nuclear sanctions on the Iranian regime. Click [here](#) to know more.

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What are the existing economic concerns in Iran?

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- In the last six months, Iran's currency has lost almost 60 per cent of its value vis-a-vis the US dollar.

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- This apart, the Iranian private sector has long been starved of investment, its banking system is crippled by bad loans and record levels of unemployment mean a third of under-30-year-olds are out of work.

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- At the end of last year, similar economic protests roiled Iran and spread to some 75 cities and towns, becoming the largest demonstrations in the

country since its 2009 disputed presidential election.

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- Due to this there are protests spiralled out of control in few parts of the nation with people openly criticising both Rouhani and Supreme Leader Ayatollah Ali Khamenei.

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What is the way forward?

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- The Iranian's are a worried lot with the draconian sanctions ahead and USA hopes that this economic and diplomatic arm-twisting will force Tehran to negotiate a new deal.
- The only hope that Iran can cling on to is support from the EU and China, the initial signs of support from the EU, however, are very confusing though.
- China has issued encouraging statements for Iran by rejecting any unilateral US decision on the JCPOA and insists that China shall continue investing in Iran.
- Whatever be the outcome of the EU or Chinese support, it's unlikely that the Iranian populace has infinite patience in being dealt a raw hand yet again.

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Source: Business Line

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