

US Sanctions and Iran's Nuclear Plans

What is the issue?

\n\n

\n

- Iran has notified IAEA of its nuclear enrichment plans.
- \n
- Iran should cooperate with Europe and China to work around U.S. sanctions.
- \n

\n\n

What is Iran's stance?

\n\n

\n

- Iran said that it was in “preparatory works” to restart nuclear activities.
- \n
- This is in the event of the failure of the 2015 accord.
- \n
- In such a scenario, Iran could restart its activities without any limits.
- \n
- The preparatory works mentioned refer to steps to boost uranium enrichment capacity by producing new centrifuges.
- \n
- In addition, it had notified of a plan to restart activity at its uranium conversion facility to produce the UF₆ feedstock for centrifuges.
- \n

\n\n

What are the other developments in this regard?

\n\n

\n

- France, Britain, Germany and the EU have sent a joint official request to the U.S.
- \n
- It asks for their companies to be exempt from punitive measures resulting from fresh U.S. sanctions on Iran.
- \n

- It calls for exempting European businesses doing legitimate trade in Iran from all extraterritorial American sanctions.

\n

\n\n

What are the implications?

\n\n

\n

- Iran's notification illustrates the risks associated with the recent U.S. withdrawal from the nuclear deal. (Click [here](#) to know more).

\n

- According to the deal, Iran can enrich uranium, but under tight restrictions.

\n

- It would not be technically violating the agreement as long as it does not produce centrifuges.

\n

- But the move to open a production facility could be seen as a provocative step by the remaining parties to the agreement.

\n

- The other signatories to the deal said they remain committed to the agreement.

\n

- But they are yet to come up with a framework to continue the deal.

\n

- The latest Iranian announcement could pressurise the European powers.

\n

- They are forced to come up with guarantees that the deal's benefits will be in place even with U.S. sanctions.

\n

\n\n

What is the way forward?

\n\n

\n

- It is uncertain if European companies would make investments in Iran, or even continue to do business, with U.S. sanctions.

\n

- Earlier, they had discussed providing companies that do business with Iran, special financing from the European Investment Bank.

\n

- Passing legislation to protect them from U.S. sanctions was also discussed.

\n

- Concrete decision on these fronts are not yet taken and the EU is wary of giving any guarantee to Iran.
\n
- The way forward is to continue a dialogue to find an economic and legislative package.
\n
- This has to shield European companies and Iranian economic interests from U.S. sanctions.
\n

\n\n

\n\n

Source: The Hindu

\n

