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Experts: Europe will benefit economically from Iran accord

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Europe has consistently been one of Iran's largest trade partners, with bilateral trade reaching over 20b. euros.

BERLIN – The European Union stands to reap major economic benefits from the [interim agreement with Iran](#) over resolving Tehran's nuclear program.

As part of the agreement between the major powers and Iran, key areas where sanctions relief is provided are the lucrative automobile trade and access to its foreign reserves.

Israeli and German foreign policy experts weighed in on the agreement for Europe.

The French-born Israeli Emmanuel Navon told *The Jerusalem Post* on Sunday, "This temporary relief will benefit European car manufacturers that currently export to Iran, such as BMW, Mercedes-Benz, Rover, Audi, Volkswagen, Renault and Peugeot."

Navon, who is the director of the Political Science & Communication Department at Jerusalem Orthodox College, added "According to the deal signed in Geneva, Iran will enjoy a relief package worth about \$7 billion over the six months of the interim agreement.

This includes giving Iran access to about \$3.6b. of its foreign currency holdings that are frozen in overseas bank accounts and some easing of restrictions on Iran's trade in petrochemical products, precious metals and parts for aircraft and cars."

Prof. Gerald Steinberg, a political science professor at Bar-Ilan University in Ramat Gan, told the Post that "the eagerness of the UK government to restore relations with the Iranian regime, and the rush by other European leaders to do the same in order to get lucrative contracts reflects both moral and strategic failure." He continued, "They are signaling a willingness to accept Iran's terms of reference including the ongoing support for mass terror and blatant violations of the NPT [nuclear proliferation treaty]. In this process, Europe will lose any residual leverage in the Middle East."

According to a *Wall Street Journal* article on Thursday, Iran has started to court the French oil giant Total and the British-Dutch energy company Royal Dutch Shell to invest in its oil and gas sectors.

While the current EU oil and gas sanctions are still intact, the fear is the Iran accord reached on Sunday in Geneva could unravel this robust and hard-fought sanctions architecture.

Steinberg, a leading expert on EU-Israel relations, said that "one of the main reasons that Iran was able to

continue to violate its NPT commitments was the slow pace of sanctions.

Had the current limitations been imposed 10 years ago when Iran's cheating became too obvious to ignore, the world would have been much safer. And now, if short-term economic pressure strips the sanctions regime of significance without an end to Iran's illegal nuclear program, this would be a disaster."

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Germany has remained Iran's largest trade partner within the 28-member country EU. The bilateral trade volume is a multi-billion euro relationship. German auto manufacturers will greatly benefit from the relaxed auto sanctions.

On the diplomatic front, European politicians, who are sympathetic to Iran's regime, started a push for Iran's reentry into political life. MEP Tarja Cronberg, chair of the European Parliament's Iran delegation and a member of the Foreign Affairs Committee and its subcommittee for Security and Defense, issued a statement on Sunday calling for "ending Iran's isolation."

The Finnish politician said, "This was a first step. Those against it are many: the hawks in the US Congress and the hardliners in the Iranian leadership, Israel and Saudi Arabia. But it was a necessary step, paving the way for mutual cooperative work, the actual stepping stones still ahead. However, it was in the interest of all parties to find a first agreement."

Saba Farzan, a German-Iranian director of Political Studies at the Institute for Middle Eastern Democracy, told the Post, "It is quite remarkable how Europe has let the Obama administration take the lead appeasing role in this historic failure of Geneva. Europeans remember very well that it was exactly [Iranian President] Hassan Rouhani that lied over and over again to them a decade ago and still only France was able to veto such a sucker's deal for a brief moment."

Carl Bildt, the Swedish foreign minister, praised the EU's top diplomat for reaching an agreement with Iran. He wrote on Twitter, "Naturally, I have been in touch with [EU foreign policy chief] Catherine Ashton and congratulated her on the deal. Her contribution on behalf of EU was key."

Israel previously accused the Swedish government of wanting closer relations with Iran at the expense of sanctions to solidify business for its telecommunications giant Ericsson. Bildt denied the allegations.

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