

Iran's Barter Trade Deals with China, By-Passing the US-Dollar, "Dedollarizing" Her Economy

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According to a PressTV Report of 24 November, 2019, Iran and China are working on a trade or barter deal that would circumvent US sanctions. It would bypass US-dollar denominated transactions, exchanging Iranian oil for Chinese goods and services and investments. The head of the Tehran Chamber of Commerce, Industries, Mines and Agriculture (TCCIMA), Masoud Khansari told Teheran's Tasnim news agency, on 19 November 2019 that "The mechanism, aiming to increase economic exchanges between Iran and China, is in the process of being finalized and implemented." He meant indeed, a barter deal between the two countries, avoiding a monetary exchange, is being worked out.

This is nothing new. Already in July 2011, the Financial Times reported that due to US sanctions against Iran, China, Iran's largest hydrocarbon client was unable to pay Iran in cash, as monetary transactions were blocked. China had at that time accumulated at least US\$ 30 billion in unpaid bills, which deprived Iran from necessary hard currency to purchase goods, and mainly medication and medical equipment from countries that were either daring to go against the US sanctions, or clandestinely on the black market.

The case was similar with India which, together with China purchased then almost 50% of Iran's oil - Iran's lifeblood. While India exports almost nothing to Iran, China is a key exporter of a myriad of goods and services to Iran, including building infrastructure and investing in expansion of Iran's oil sector. That's when the two countries started making barter arrangements.

In the meantime, agreement was reached in July 2015 on Iran's Nuclear Deal, the Joint Comprehensive Plan of Action (JCPOA) which for a short time lifted all sanctions, until on 8 May 2018 President Trump canceled Washington's engagement in the deal - most likely on the behest of Israel - and new deadly US sanctions were imposed, stronger and more brutal as before - "the strongest ever sanctions imposed on any nation" - Trump boasted. And with these sanctions came the threat of punishment for every country that would do business with Iran, including the European Union members who were part of signing the Nuclear Deal, Germany, UK, France.

While at the outset the Europeans did not want to appear as Washington vassals - and more - their corporations had already signed new business deals with Iran and were not keen on canceling them, The EU had attempted to design an international payment system outside of the dollar-dominated SWIFT transfer system, the *Instrument in Support of Trade Exchanges (INSTEX)*. Designed in January 2019, it is a special European transfer system, serving only European purposes to trade with Iran outside of US-dollar controlled sanctions. However, to this date not one single transaction has been carried out under INSTEX, mostly because of European's are captive of an unexplainable puppetry dependence on

Washington. The leader of the Islamic Revolution **Ayatollah Seyyed Ali Khamenei** called Instex “a bitter joke”.

In comes China – again, establishing a barter deal with Iran. A TCCIMA delegation recently visited Beijing and concluded a barter trade agreement that would be carried out both through mainland China and through Hong Kong. Among other potential deals for Iran petrol and gas deliveries, are investments in Iran’s power sector, by Chinese companies in, for example, energy and infrastructure projects. Rejecting US objections, Beijing says, dealing with Iran was legitimate under any international law. Iran is an integral link in the Belt and Road Initiative (BRI).

Earlier this year, Chinese **President Xi Jinping** said Beijing was seeking to develop a “comprehensive strategic partnership” with Tehran; and that “No matter how the international and regional situation changes, China’s resolve to develop a comprehensive strategic partnership with Iran will remain unchanged.” President Xi emphasized that the two sides should work together, “accelerate the building of a new type of international order and a *community with a shared future for mankind*,” – A Community with a shared future for mankind is indeed China’s long-term objective for decades to come. It converges with those of the BRI. An objective towards a multi-polar world and a peaceful coexistence among nations.

Barter deals do not provide Iran with the necessary cash to purchase needed imports. There are other avenues than barter, for a rapprochement outside the dollar-domain in trade between Beijing and Tehran, or Moscow and Tehran, for that matter. It should be relatively simple to open swap accounts between the Chinese and the Iranian central banks and to use the Chinese Interbank Payment System (CIPS) for monetary transfers. Such a solution should also leave Iran with sufficient revenues to pay for her imports. The reason such options may not be pursued with more vigor is perhaps that Iran is still very much divided between those Euro-US-centered Atlantists and those Iranians who follow the Ayatollah’s vision – towards a future in the East. A strong Fifth Column in Iran is also omni-present and rears its ugly neck when ever an opportunity arises, like the recent 50% hike in gasoline prices.

Its is a mystery for most observers why the gasoline price increase was not announced and explained by President Rouhani or Iranian Authorities prior to being implemented. It may have prevented much of the violence that is as of this day lingering on, causing bloodshed and mayhem. Most anywhere in the world, people would take to the streets if they would be hit with an unexplained price hike of a major commodity. It is as if the price for bread would double over night – an uproar foretold. That the opportunity would be taken advantage of by foreign-instigated violent elements was also foreseeable. And in this case, I dare say, preventable.

Demonstrations began peacefully and then suddenly on day two turned violent. It does not require rocket science to figure out that the violent was planted by outside forces trained and paid for by such notorious organizations like the NED (National Endowment for Democracy), the extended arm of CIA, funded with hundreds of millions from the US State Department. Those are the same people who are funding the unrests in Hong Kong. Their brand is chaos, crisis and destabilization – that’s what they do all over the world where ‘regime change’ is on Washington’s agenda. These forces are a clear impediment for Iran to go full-fledged their way to the East, associating wholeheartedly with the Shanghai

Cooperation Organization (SCO) and de-coupling from the western economy.

In the face of a deeply divided Iran, barter deals with China, and why not with Russia, may be a first step towards a more serious move to de-dollarize, to decouple from the west. Iranian people deserve to live well, deserve to get out from under the misery-imposing boots of Washington. Even the Euro-centered and Washingtonites must recognize the US-western hypocrisy and realize that the US will never let go until she has a total grasp on Iran's resources – that a resolute move to the east will give them relief from shortages of food, medicine – and western oppression and colonization.

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