

IRAN OIL EMBARGO: Asia challenges US, Europe over Sanctions

China and India reiterate their determination not to support the embargo

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China, India and Turkey have warned that they won't support a ban on Iranian oil imports and will prevent the US from blocking oil supplies from Iran. Japan and South Korea are planning to follow suit. Europe introduced a ban on Iran oil imports this week. The Voice of Russia's Konstantin Garibov reports.

The new package of sanctions against Tehran which was approved by EU foreign ministers on Monday provides for a gradual ban on the import of Iranian oil and oil products. The EU plans to stop purchasing oil from Iran by July 1st. Until recently, the main buyers of Iranian oil in Europe were Greece, Italy and Spain, and they bought 600,000 barrels a day.

Europe has chosen to gain time so that it could find alternatives for Iranian oil imports. Yevgeny Satanovsky of the Institute of the Middle East, has this to say.

"There will be no problem in replacing Iranian oil with oil from Saudi Arabia, the United Arab Emirates, or Kuwait. The Gulf Cooperation Council has already made it clear that it will recoup the losses."

Meanwhile, Europe might face quite a headache as its oil refineries were designed to refine Iranian oil and, what's more, a particular brand of it. Experts have been speculating on who will lose more from the embargo - the seller, or the buyers? The IMF predicts a 20-30% increase in the cost of oil. That means an increase of 20-30 dollars, at the present.

Sergei Druzhilovsky of the Moscow Institute of International Relations, has this to say.

"18-20 percent of Iranian oil is bought by Europe. A ban on these exports will cause no serious problems for the Iranian economy. Oil prices for China and India may be affected by it. It looks like dumping is inevitable as Iran will definitely have stockpiles of oil to go on sale. Iran is now switching to payments in currencies other than the dollar - the Japanese yen, the Indian rupee, the Chinese yuan."

This week, China and India have reiterated their determination not to support the embargo. Japan moved towards changing its position under pressure from the US. Tokyo asked by way of exception not to force it to cut imports. South Korea has been dragging its feet over the decision, forced to choose between the political solidarity with its pushy overseas partner and the country's energy security. Unlike Tokyo and Seoul, Ankara has dismissed pressure

from the US as irrelevant.

Analyst Stanislav Tarasov comments.

“Turkey’s position is purely pragmatic. It is fully aware that Europe is going through a depression and that cutting Iranian oil imports will only make things worse. Iran is Turkey’s main partner, accounting for one half of its oil imports. Ankara won’t find any alternatives to Iranian supplies in Arab countries. And oil from Iran offers freedom of action. Turkey is simply being reasonable about the issue. A primitive political game is under way aimed at forcing Iran into joining the six-party talks on its nuclear program. This game testifies to the deteriorating quality of Western diplomacy. The moment Turkey completed its mediatory mission of obtaining Iran’s consent to a meeting with the six-party representatives in Istanbul, the West set itself to torpedoing the talks.”

Islamabad will participate in a project to build a gas pipeline from Iran to Pakistan despite threats of international sanctions, the Pakistani Foreign Ministry said on Friday.

Pakistan believes that sanctions should spread be expanded solely on the Iranian nuclear program. They should not affect Islamabad because of its participation in a gas project with Iran, a Pakistani foreign ministry statement says.

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