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US Sanctions Bar Iran from Accessing $5B Energy Export Revenue

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Global Research, January 30, 2020
OilPrice.com 29 January 2020

Region: Middle East & North Africa, USA
Theme: Law and Justice, Oil and Energy

Due to the U.S. sanctions on Iran, Tehran is unable to use or transfer US$5 billion in revenues it has received from Iraq for supplying natural gas and electricity to its neighbor, an Iranian official told local media on Wednesday.

Even after the U.S. slapped sanctions on Iran's energy exports, Iraq continues to import natural gas and electricity from Iran under a special waiver that the United States has regularly extended to Iraq.

Major Iraqi power plants are dependent on Iranian natural gas supply, and Iraq also imports electricity from Iran, as Baghdad's power generation is not enough to ensure domestic supply.

Despite the U.S. waiver for energy trade between Iran and Iraq, Iran is unable to use the money Iraq has paid in Iraqi dinars for the energy it imports from Iran.

Up to $5 billion sits in an escrow account at the central bank of Iraq, but Iran cannot touch it because of the U.S. sanctions, **Hamid Hosseini**, a spokesman for Iranian Oil, Gas and Petrochemical Products Exporters' Association (OPEX) told Iranian news outlet Press-TV on Wednesday. Iran has been cut off from the global SWIFT payment system, and because of this, it hasn't found a way yet to have the money transferred, according to Press-TV.

The situation highlights how the U.S. sanctions are crippling Iranian revenues and how Iran cannot access money from its energy exports even if those exports are allowed under the U.S. sanctions.

Iraq, for its part, may have serious problems in securing its energy needs if the United States doesn't extend a waiver for an Iraqi bank to process payments for Iraq's imports of electricity and natural gas from Iran, the head of the Iraqi bank told AFP last week.

The waiver for the Iraqi bank handling the payments to Iran in Iraqi dinars expires next month. If the U.S. doesn't extend the waiver, the bank—Trade Bank of Iraq (TBI)—will stop processing payments, the head of the bank Faisal al-Haimus told AFP last week.

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