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**Covid-19 in the Gulf
Special Coverage**

**Missed Opportunities: The Trump Administration, Iran,
and the Coronavirus Pandemic
Juan Cole**

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Missed Opportunities: The Trump Administration, Iran, and the Coronavirus Pandemic

Juan Cole

Introduction

On the surface, the global coronavirus pandemic of 2020 might have offered the United States and Iran an opportunity to stand down from their virtual war footing. In the lead-up to the outbreak, Iran had shot down a US drone over the Gulf in June 2019, and on January 3, President Donald J. Trump had ordered a drone strike at Baghdad International Airport on Iranian General Qasem Soleimani and his entourage. In response, Iran fired rockets at Iraqi bases where US troops were stationed, and Iraqi Shiite militias mounted attacks that killed two US military personnel and wounded several others. Some of the severe tensions derived from the Trump administration's thoroughgoing financial and trade restrictions on Iran. For its part, Washington was determined to roll back Iranian influence in Iraq, Syria and Lebanon and to protect its key allies in the region, including Israel, Saudi Arabia and the United Arab Emirates. How did these two adversaries deploy the pandemic in the service of their geopolitical goals?

The “maximum pressure campaign”

Well before the Covid-19 crisis, the Trump administration's unilateral “maximum pressure campaign” had had an impact on Iranians ability to import medicines and medical equipment. On May 8, 2018, President Trump breached the Joint Comprehensive Plan of Action (JCPOA) signed by the Obama administration in 2015. About a

year later, the administration revoked all the exemptions that the Treasury Department's Office of Foreign Asset Control (OFAC) had granted for secondary sanctions. Thereafter, any country or firm that so much as bought Iranian petroleum opened itself to enormous US fines unless it received a specific and time-limited waiver. Few of these have been extended. The end of these exemptions transformed the US sanctions regime from an embargo by one country on another into a global blockade on Iranian trade and investment. In the year after the revocation of secondary exemptions, Iran's currency [lost half](#) of its value against the dollar.

The medical implications of the US financial and trade blockade became starker during the past year. On September 30, 2019, the administration designated Iran's central bank as a terrorist organization, in theory making it impossible even for humanitarian organizations to transfer money to Iran without the risk of sanctions. Washington, having received many protests about this action from the international community, establish a humanitarian channel via the Swiss Embassy in Tehran in late October 2019, and a trial run was conducted. It still has not resulted in any significant sanctions relief with regard to medical supplies. In fall, 2019, [Human Rights Watch](#) reported that although the US sanctions regime supposedly had built in medical exemptions, “in practice, these sanctions have largely deterred international banks and firms from

participating in commercial or financial transactions with Iran, including for exempted humanitarian transactions, due to the fear of triggering US secondary sanctions on themselves.”

Iran faces Covid-19

For their part, the Iranian authorities were extremely [slow](#) to react to the threat of the pandemic, which should have been clear by the end of January, when the [World Health Organization](#) issued a risk assessment of very high for China, and high at the global level, noting cases in 18 countries outside China. Iran's government nevertheless encouraged crowds to come out for the February 11 commemoration of 41 years of the Islamic Republic, and then held national parliamentary elections on February 21 in hopes of ensconcing a majority of hardliners in that body. In mid-February the authorities were still denying there were any cases. Even after cases were announced, and an MP alleged that there were 50 deaths in the holy city of Qom, Deputy Health Minister [Iraj Harirchi](#) went on television to insist that mitigation measures were unneeded. even while clearly suffering from the virus himself. A number of government officials and members of parliament died of the infection this spring. Not until mid-March did the theocratic government finally [close](#) religious shrines, thought in cities like Qom to have been vectors of disease spread. Iran became the worst-hit country in the Middle East and an epicenter for the spread of the virus elsewhere in the region.

With regard to the international response to its plight, what Tehran really wanted was sanctions relief. Foreign Minister [Javad Zarif](#) tweeted on

March 17, “Unlawful US sanctions drained Iran's economic resources, impairing ability to fight Covid-19. They literally kill innocents.” He [said](#) the coronavirus had revealed the tyrannical and oppressive character of US sanctions. The Trump administration's [message](#) to the ayatollahs, however, was that the coronavirus outbreak would not save Iran from US sanctions. Despite Washington's denial that it was sanctioning medical aid, companies and humanitarian organizations continued to face the threat of a \$300,000 fine if they failed to meet OFAC specifications and [difficulties](#) in securing appropriate waivers and in finding a bank willing to transfer funds to Iran.

In mid-March, President Trump announced that he had written countries like North Korea and Iran instead offering aid in dealing with the pandemic. On March 22, Iran's Leader, [Ali Khamenei](#), vehemently rejected the offer, questioning its sincerity. He said for all he knew American supposed medical supplies could be stealth means of actually spreading the coronavirus in Iran, and he endorsed the false [conspiracy theory](#) that the US concocted the virus in its own weapons labs in order to target Iran with it.

On March 29, the United Nations [leadership](#) called for an easing of sectoral sanctions during the pandemic in the interests of allowing the sanctioned states more effectively to stem outbreaks. In response, on March 31, 34 members of the U.S. House of Representatives and the Senate sent a [letter](#) to the Trump administration urging the suspension of sanctions during the global health emergency and that the administration should “find a way to deliver aid directly to the Iranian people to support the Iranian people's fight

against Coronavirus.” There was no sign, however, that the Trump administration would yield to such entreaties, and any easing was opposed by US allies such as [Israel](#), [Saudi Arabia](#) and the UAE.

In the meantime, the cratering of oil prices presented Iran with further challenges in affording to import needed medical equipment and supplies. The Trump administration blockade, along with the plummeting of global oil demand, had by spring of 2020 reduced Iranian oil sales to as little as 70,000 barrels per day, according to [Reuters](#). Even if that estimate might be low, the total is certainly a fraction of the 2.5 million barrels a day that Iran was selling before May, 2018, when Trump breached the JCPOA. The past decade has seen a significant reduction in petroleum as a proportion of government revenue. In the 2019-20 fiscal year it was expected to be only [30 percent](#), down from [60 percent](#) a decade earlier. Iran’s government may have hoped that reduced dependence on petroleum would make Iranian non-oil exports more competitive, since it weakens the currency. The fall in world demand in 2020, however, would hurt other exports as well. The bad economy in Iran had implications for the country’s ability to purchase ventilators and personal protection equipment for its medics, and to establish new intensive care units.

The continuation of US sanctions during the coronavirus pandemic, [Ali Dadpay](#) argues, further strengthened Iran’s ties with China. Because Iran’s trade with Europe is impeded by the threat of US Treasury Department third-party sanctions on European banks and businesses that deal with Iran, Iran since 2018 has turned increasingly to China. In 2019, Iran did nearly \$20

billion in trade with China, which accounted for 20 percent of all Iranian exports and 25 percent of its imports. By late March, China was shipping [40 tons](#) of medical aid to Iran daily, entirely unconcerned about US sanctions. In April, China [emphasized](#) to Iran that the two countries were in the fight against the pandemic together.

Conclusion

Despite calls from the United Nations and the US Congress for the easing of the Trump administration’s “maximum pressure” campaign against Iran’s economy during the pandemic crisis, to ensure that country had the resources to tamp down its severe outbreak, the White House proved unmovable on this issue. Likewise, although some observers had hoped that Iran might use the global public health emergency as a pretext to reach out to Washington and initiate a new round of negotiations, instead Tehran’s hard liners mounted a propaganda campaign against the United States alleging that the novel coronavirus was a Pentagon bioweapon. The pandemic, far from being used by both sides to reduce tensions and find a new way forward, was instead a basis for Washington and Tehran to continue in their sometimes violent contest for influence in the Middle East and in their attempts to score propaganda points with third parties in the world community. This intransigence was reinforced by allies of the two nations, with easing sanctions on Iran being opposed by Israel, Saudi Arabia and the Emirates, and with China seeing an opportunity to incorporate Iran more firmly into its sphere of influence.

About the author

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