



IRAN'S CORONAVIRUS OUTBREAK RESPONSES & CRIPPLING US SANCTIONS

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



Year 2020 in its very first quarter has unleashed an invisible enemy upon the world; COVID-19 a viral pandemic that has claimed thousands of precious lives, has halted public activity, shutdown industries and put entire populations of cities and provinces in indefinite lockdown all around the globe. One of the worst hit countries by COVID-19 crisis is Iran reporting over 44,3605 infected cases and about 2,898 deaths.¹ Apart from loss of life, for a country crippled with harsh economic sanctions, the sheer magnitude of damage that a pandemic could cause is immeasurable to say the least. It is akin to fighting a fire with both hands tied behind one's back and no water.

Coronavirus Outbreak in Iran: Initial Responses & Circumstances

Iran reported its first infected cases of COVID-19 on February 19. However, many believe that the infections may have begun much earlier in January.² Countrywide lockdown, quarantine and social distancing measures however had not been implemented properly until late February. Due to the novel yet dangerously ubiquitous nature of this virus, creating proper awareness remained an uphill task for Iran as well as for countries all over the world. This was precisely the reason for the rapid rate of spread as only 5 days after announcing first deaths from coronavirus infection; the Iranian authorities reported that there were 64 cases in the country and 12 people had died. Officials from

¹ <https://www.worldometers.info/coronavirus/country/iran/>

² News Desk, "Iran reports 141 new virus deaths", *The News International*, April 1, 2020, <https://www.thenews.com.pk/print/637458-iran-reports-141-new-virus-deaths>

Qom however, reported the death toll to have crossed 50 by February 24 that points to not only the extremely rapid spread of this virus, but also to government complacency in its response.³

Health officials in Iran as well as the world over kept warning of devastating impact of the spread of this virus through human contact in gatherings and travelling. Political gatherings, shrine visits and media appearances put all Iranians at risk as a deep comprehension of the true magnitude of danger was still elusive until the end of February. Iran's efficient healthcare system being one of the best ones in the Middle East was also taken aback by the alarming rate of spread of this viral infection.

Iran's Lockdown Policy: Details, Timing and Effectiveness

As the virus easily spreads through even minimal human contact, Iran got badly hit due to three rather implausible reasons: Parliamentary elections, Pilgrims in Qom and Mashhad, and Nowruz holidays. Although by the time Nowruz arrived; Iran was already grappling with a massive number of infected cases and had already imposed ban on all types of gatherings while the city of Qom had also been disinfected. However, keeping religious shrines and sites open to public and religious tourism converted the city of Qom into the epicenter of COVID-19 in Iran.

With new cases and deaths being reported daily, Iranian government imposed complete lockdown, banning inter-city travelling. Briefing the media on other measures being taken by the Iranian government to tackle spread of Coronavirus, President Rouhani said about 20,000 beds had been added across the country in different hospitals with 4,000 beds arranged for emergencies by the armed forces.⁴ Other government measures have been cancellation of public events, Friday prayers, closure of educational institutions, offices, holy shrines, bazaars and ban on celebration of festivals.⁵ Iran has also temporarily released over 85,000 prisoners. Health experts and medical practitioners have called upon the public to observe strict social distancing as the only chance at 'flattening the curve'.

³ Golnaz Esfandiari, "Coronavirus Cover-Up? Iranian Officials Deny That Qom Death Toll At 50", *RFER*, February 24, 2020, <https://www.rferl.org/a/coronavirus-coverup-iranian-officials-deny-that-qom-death-toll-at-50/30451933.html>

⁴ Syed Zafar Mehdi, "COVID-19: Divergent views at top delay lockdown in Iran", *Anadolu Agency*, March 28, 2020, <https://www.aa.com.tr/en/health/covid-19-divergent-views-at-top-delay-lockdown-in-iran/1782835>

⁵ News Desk, "Coronavirus pandemic 'could kill millions' in Iran", *Al Jazeera*, March 17, 2020, <https://www.aljazeera.com/news/2020/03/coronavirus-pandemic-kill-millions-iran-200317135500255.html>

Impact on Iran's Economy

Iran's already beleaguered economy is under severe strain after lockdown measures and travel restrictions have been adopted that will effectively close the country's borders for all tourism for an indefinite amount of time. According to some estimates earlier this month, the Iranian economy was to shrink by more than 3% under the COVID-19 stress.⁶ As religious tourism remained the only sector of Iranian economy unaffected by the harsh US economic sanctions imposed on the Islamic Republic, tour operators and several other local businesses are under danger of shutting down. Timing of COVID-19 spread in the country is also extremely unfortunate as the months of March and April see a surge in tourist activity owing to the Nowruz holiday season. Other businesses taking a serious hit are the Iranian airlines.

An economic committee has been put together to try and help businesses survive this crunch time by lending them a hand. The Iranian government has also for the first time in 60 years, asked the International Monetary Fund (IMF) for a \$5 bn emergency fund to help with the Republic's COVID-19 response. EU has also pledged about 20 million Euros in humanitarian aid to Iran as being subject to US sanctions, it has become extremely difficult for Iran to weather this pandemic of disastrous global proportions. EU has also assured Iran of its support for its request for the IMF emergency loan. Iranian government has also directed 20% of its budget to be utilized in the Islamic Republic's fight against the novel Coronavirus.⁷

US Sanctions & Iran's Struggle Against COVID-19

While other countries strive to help Iran at this fateful juncture in time; United States has imposed even more sanctions against the Islamic Republic under President Trump's maximum pressure campaign.⁸ Iran's battered economy has already been ravaged due to US sanctions restricting the Islamic Republic's oil exports and now the non-oil manufacturing and exports have started dwindling due to COVID-19's devastating effects.

President Rouhani has written letters to world leaders including Prime Minister Imran Khan enlisting international support to urge US government to lift sanctions against Iran so that essentials can be

⁶ Bijan Khajehpour, "Will Iran's economy collapse under coronavirus crisis?", *AL-MONITOR*, March 19, 2020, <https://www.al-monitor.com/pulse/originals/2020/03/iran-economy-measures-coronavirus-collapse-business.html>

⁷ News Desk, "Iran Allocates 20% of Annual Budget to Coronavirus Battle", *Tasnim News Agency*, March 28, 2020, <https://www.tasnimnews.com/en/news/2020/03/28/2232142/iran-allocates-20-of-annual-budget-to-coronavirus-battle>

⁸ Mairead Mcardle, "U.S. Imposes New Sanctions on Iran amid Coronavirus Damage, Seeks Release of Americans", *National Review*, March 18, 2020, <https://www.nationalreview.com/news/u-s-imposes-new-sanctions-on-iran-amid-coronavirus-damage-seeks-release-of-americans/>

accessed.⁹ Pakistan has urged the US to lift economic sanctions against Iran in these trying times when the entire international community needs to unite for tackling this global emergency. China and Russia have also called upon the US to lift sanctions against Iran, while UN called for immediate easing or suspension of sanctions against countries like Iran during this global pandemic.¹⁰

Are Sanctions Really Hindering Iran's COVID-19 Response?

Theoretically, US sanctions against Iran do not hinder access to medical equipment or humanitarian assistance. However, reality is quite the opposite. Even before the COVID-19 crisis took over global politics, medical supplies and medicines had been scarce within Iran as most pharmaceutical companies avoided doing business in Iran for the fear of evoking US wrath.

Sanctions have created several bottlenecks such as shortage of government currency to buy readymade medicine or to even buy products needed to manufacture the medicine in Iran. Even the companies and channels open for doing business with Iran have to jump through several hoops like submitting extensive information to the US Department of Treasury. Due to severe lack of ease of doing business, companies had since long stopped operation within Iran.

Mohsen Zarkesh, an OFAC sanctions attorney at the Price Benowitz law firm in Washington best described the impact of sanctions as the US government having created “a legal and business environment equivalent to walking through a compliance mine field.”¹¹ This environment full of roadblocks has stopped essential medical supplies from getting into the country at this time when they are crucially needed. Ventilators, electroshock devices, nebulizer devices, infusion pumps, CT Scan 16 Slice machines, eco-sonography devices, digital X-ray machines, diagnostic test kits, protective masks, disposable gloves and many other items are required at this time to combat the COVID-19 threat. This was tweeted by the Iranian Foreign Minister, Javad Zarif as he highlighted that without sanctions it would have been extremely easy to get these items into the country.¹²

⁹ Islamic Republic of Iran, Ministry of Foreign Affairs, “Dr Rouhani in a letter to a number of world leaders: Fighting coronavirus requires concerted regional, int'l action”, March 14, 2020, <https://en.mfa.ir/portal/newsview/577513/dr-rouhani-in-a-letter-to-a-number-of-world-leaders-fighting-coronavirus-requires-concerted-regional-intl-action>

¹⁰ News Desk, “UN urges easing Iran sanctions as death toll approaches 2,000”, *Tehran Times*, March 24, 2020, <https://www.tehrantimes.com/news/446304/UN-urges-easing-Iran-sanctions-as-death-toll-approaches-2-000>

¹¹ Erin Cunningham, “As coronavirus cases explode in Iran, U.S. sanctions hinder its access to drugs and medical equipment”, *The Washington Post*, March 29, 2020, https://www.washingtonpost.com/world/middle_east/as-coronavirus-cases-explode-in-iran-us-sanctions-hinder-its-access-to-drugs-and-medical-equipment/2020/03/28/0656a196-6aba-11ea-b199-3a9799c54512_story.html

¹² Syed Zafar Mehdi, “U.S. is killing Iranians and the world is complicit”, *Tehran Times*, March 24, 2020, <https://www.tehrantimes.com/news/446303/U-S-is-killing-Iranians-and-the-world-is-complicit>

The need for all countries to present a united front in face of this adversity cannot be overstated at this point in time. Now that the US finds itself at the epicenter of this tragedy where more than 4,000 people have lost the battle for life against COVID-19;¹³ its leadership must also realize the severity of the crisis in economically challenged countries such as Iran..

¹³ <https://www.worldometers.info/coronavirus/country/us/>