

Swiss adopt EU sanctions on Teheran

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Giant gas deal with Iran still on; sanctions target Iranian energy, nuclear proliferation and weapons sectors.

BERLIN – Switzerland will fall into line with European Union sanctions targeting Iran's energy, nuclear proliferation and weapons sectors, its government said last week.

"Bundesrat gives up its soft approach toward Iran," the Neue Zürcher Zeitung daily headlined the story.

However, the 18-22 billion euro Swiss EGL gas contract with the National Iranian Gas Export Company (NIGEC) has not been canceled.

The Bundesrat, Switzerland's seven member collective executive body, followed the advice of the Economics Ministry and adopted the tougher EU sanctions.

Swiss Foreign Minister Micheline Calmy-Rey had caused major diplomatic friction with the US and Israeli governments.

She brokered the massive EGL-Iran gas deal in 2008, angering the Americans and Israelis, who sought to block new natural gas revenue streams for the Iranian government, as well as for Hamas and Hizbullah. After passage of beefed-up EU sanctions against Iran last summer, Social Democrat Calmy-Rey remained against embracing the tougher EU penalties.

According to Swiss media reports, the Economics Ministry prevailed over Calmy-Rey's and the Foreign Ministry's opposition to imposing sanctions against Iran.

Jonathan Kreutner, the general secretary of Switzerland's 18,000-member Jewish community (SIG), told The Jerusalem Post on Monday that the SIG "welcomes the Bundesrat's decision to conform the sanctions against Iran to the EU sanctions. We hope that this will be the beginning of a more critical Swiss attitude toward Iran."

He criticized the gas contract with the Islamic Republic.

"The EGL's gas supply contract with Iran undoubtedly strengthens its economy.

That is exactly what the sanctions are supposed to work against," Kreutner said.

"If business with Iran falls under the newly adopted sanctions, it must of course stop immediately. But even otherwise, we would be very pleased if the EGL would stop doing business with Iran."

Switzerland's state-owned EGL has issued statements saying the gas deal is "nonoperational" at this time, but has not been canceled. The deal may be subject to US and EU sanctions because of the transfer of gas technology to Iran.

It is unclear if the EU and US plan to sanction EGL. The company was the subject of sanctions talk at a congressional hearing and conference forum in Washington. EGL negotiated its gas acquisition deal with NIGEC.

NIGEC is a subsidiary of the National Iranian Gas Company, which the UK placed on its Proliferation Concerns List in 2009. If the US State Department sanctions EGL, it would become the second oil and gas company on Swiss soil to be slapped with the new round of Iran sanctions. The first was the Swiss-based, Iranian-owned Naftiran Intertrade Company, a subsidiary of Iran's national oil company.