

Sanctions? What Sanctions? German-Iranian Trade Booms

by **Matthias Küntzel**

While United States and Israel reacts to reports that Iran had enriched enough uranium for a nuclear weapon with [concern and calls for tighter sanctions](#), in Germany it is business as usual.

Today, many of the leading lights of German-Iranian trade will be meeting at a conference in Hamburg in order to discuss how further to promote the “success” of German business with Iran.

The title of the conference is “Iran Sanctions: Practical Consequence for German Firms.” The organizer is the Hamburg-based German-Iranian Chamber of Commerce, which was founded in 1936 and resumed its activities in 1952 with largely the same personnel as before. The Chamber of Commerce continues to work with the Iranian Saderat Bank: a bank that was blacklisted by the United States in September 2006 on account of its relations with terrorist groups like Hezbollah, Hamas and Islamic Jihad.

“Even in these difficult times,” [the conference announcement](#) [German link] states, the Chamber of Commerce wants to “support” German firms “developing markets in Iran”: “We would be delighted if we could thus contribute to the success of your business with Iran.”

[The list of conference participants](#) reads like a “Who’s Who” of German-Iranian trade relations.

Norbert Eisenmenger, for instance, will be speaking on the “current economic situation.” He is the managing director of the European-Iranian Commerce Bank (EIH). As its latest report notes, the bank closed out 2007 “with record earnings yet again”: “Net profit doubled..., the volume of transactions increased by 35%.” The EIH Bank employs some 75 persons at its headquarters in Hamburg and has offices in Iran both in Tehran and on Kish Island. Eisenmenger is also one of the two managing directors of the German-Iranian Chamber of Commerce.

The topic “Financing Iranian business deals” will be covered by **Sabine Hummerich**. Ms. Hummerich appears at the conference as the representative of Bank Melli Iran. Bank Melli is fully-owned by the Iranian regime. [The 2007-2008 report of Bank Melli’s German subsidiary in Hamburg](#) [German link] notes that “On balance, yields developed in a clearly positive direction and led to a record results.” Net income thus increased by 33% as compared to the previous year.

In June 2008, the European Union placed sanctions on Bank Melli.

Ms. **Sissi Gerstenkorn** will be representing the insurance company Euler Hermes and speaking about export credit guarantees for Iran via the German government's "Hermes" program.

Her tips will undoubtedly be useful for those in attendance, since in the meanwhile submissions showing that a deal is "particular worthy of support" are required to obtain Hermes guarantees for exports to Iran. This added requirement aside, the German government continues to provide Hermes guarantees for short-term, middle-term, and long-term business deals with Iran.

Dr. **Thomas Scheuermann** will be speaking on "Legal Aspects of Iran Business for German Enterprises." Scheuermann is a member of the board of directors of the "German-Iranian Lawyers Association" [*Deutsch-Iranische Juristen Vereinigung*] and vice-president of the German-Iranian Chamber of Commerce.

Michael Tockuss will close out the conference with a talk on "Practical Consequences for Business with Iran." Tockuss is the former managing director of the Tehran-based German-Iranian Chamber of Commerce and Industry and he is presently the second managing director of the German-Iranian Chamber of Commerce in Hamburg.

Despite all appeals from the international community – whether from Washington, London or Paris – German exporters to Iran are moving full-speed ahead. The next event of note will be hosted by the "Management Circle" on January 26-27 at the Sofitel Frankfurt Savigny hotel in the heart of Frankfurt's banking district. "Your Success in Iran" screams [the seminar announcement](#) in big bold letters on the background of an Iranian flag: "Take advantage of the growth potential and develop effective strategies for entering the [Iranian] market!"

The brochure for the "Success Iran" seminar lists "seven good reasons why you should take the plunge into Iran." These range from "1. Vast raw material deposits and energy supplies" to "7. Traditionally good economic and political relations with Germany." There is no mention of sanctions or any other difficulties here. And why should there be?

The 2002 German-Iranian Investment Agreement has not been cancelled, the federal government's "Hermes" guarantees for business with Iran have not been suspended, and the upswing of trade is being promoted not combated.

The specialists on maximal trade relations with Iran – the bureaucrats and ideologues, the businessmen and bankers – can all have a good hearty laugh.

"The 'Made in Germany' label has an excellent reputation and the demand for German capital and consumer goods remains strong," the brochure for the Frankfurt seminar proudly announces: "In January 2008, Germany shipped 13% more goods to Iran as in the same period last year."

Translated from German by John Rosenthal