

Iranian economy collapses.. High unemployment, - Al Riyadh (Saudi Arabia) - November 20, 2018

November 20, 2018 | Al Riyadh (Saudi Arabia) | Riyadh

Iranian economy collapses.. **High unemployment**, companies shut down and workers' protests

Hundreds of factories suspend production, lay off workers and rial falls down deep

Tamnoush, an Iranian company that makes fizzy drinks, has shut down its production line after sixteen years and laid off dozens of workers, facing massive losses owing to the U.S. sanctions that pushed up the price of imported raw materials.

Tamnoush CEO Farzad Rashidi said, "All our 45 workers are jobless now. Men are driving cabs and women are back to as housewives."

Hundreds of companies have suspended production and laid off thousands of workers because of a hostile business climate mainly due to new U.S. sanctions.

The Iranian rial has fallen to record lows and the economic activity has slowed badly since U.S. President Donald Trump pulled out of Iran's nuclear deal with big powers in May.

Trump imposed sanctions on the purchases of U.S. dollars, gold trading, and the automotive industry in August. Iran's vital oil and banking sectors were seriously hit in November.

Rashidi said, "We have lost around five billion rials (USD 120,000 at the official rate) in the last few months, so the board decided to suspend all activities for as long as the fluctuations in the currency market continue. It is a folly to keep the activity on when it is a dead end."

Iran has already experienced turmoil this year, when young protesters angered by unemployment and high prices clashed with the security forces. Officials expect more turmoil as the economic crisis is worsened by the sanctions.

Four days before he was fired by the parliament in August for failing to do enough to protect the jobs market from sanctions, Iran's Labor Minister Ali Rabiei said, "Iran would lose a million jobs by the end of year as a direct result of the U.S actions."

Unemployment has already totaled up 12.1%, with the failure of three million Iranians to find jobs.

A parliamentary report in September warned that **high unemployment** could threaten Tehran's stability.

The report read, "If we believe that the economic situation in Iran was the main driver for the recent protests, and that 10% inflation rate and 12% unemployment rate caused the protests, we cannot imagine the severe reactions caused by the sharp rise of inflation and unemployment rates."

The report added that if Iran's economic growth remains below 5% in years to come, unemployment could be 26%.

The International Monetary Fund (IMF) expects that the Iranian economy will contract by 1.5% this year and by 3.6% in 2019 due to shrinking oil revenues.

Copyright © 2018. Alyammamah Press Est. Provided by SyndiGate Media Inc. (Syndigate.info).

CITATION (MLA STYLE)

Riyadh. "Iranian economy collapses.. High unemployment, companies shut down and workers' protests." *Al Riyadh (Saudi Arabia)*, sec. NEWS, 20 Nov. 2018. *NewsBank*, infoweb.newsbank.com/apps/news/document-view?p=AWNB&docref=news/16FD17E065D132B8. Accessed 12 May 2019.

Copyright © Al Yamamah Press