

US Threatens Pakistan with Sanctions over Gas Pipeline Deal with Iran

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Iranian President Mahmoud Ahmadinejad and his Pakistani counterpart Asif Ali Zardari on Monday officially inaugurated the final construction phase of the Iran-Pakistan gas pipeline project despite US pressure to dissuade Pakistan away from the project.

The US State Department has threatened Islamabad with sanctions if the country goes through with a joint multi-billion-dollar gas pipeline project with Iran.

"We have serious concerns, if this project actually goes forward, that the Iran Sanctions Act would be triggered," State Department spokeswoman Victoria Nuland said on Monday. "We've been straight up with the Pakistanis about these concerns," Nuland added.



This file photo shows technicians welding the Iranian end of the Iran-Pakistan (IP) gas pipeline to its Pakistani section during the inauguration ceremony of the final construction phase of the project, Monday, March 11, 2013.

The 1996 Iran Sanctions Act allows the US government to ban imports from any non-American company that invests more than USD 20 million a year in the Iranian oil and natural gas sector. Nuland said the US was "supporting large-scale energy projects in Pakistan that will add some 900 megawatts to the power grid by the end of 2013."

The threats came on the same day as the inauguration of the final construction phase of the multi-billion-dollar Iran-Pakistan (IP) gas pipeline, intended to carry natural gas from Iran to its eastern neighbor.

Iran's President Mahmoud Ahmadinejad and his Pakistani counterpart Asif Ali Zardari attended the ceremony on the Iran-Pakistan border on Monday.

The pipeline is designed to help Pakistan overcome its growing energy needs at a time when the country of 180 million is grappling with serious energy shortages.

Meanwhile, Iranian Deputy Oil Minister Javad Owji said on Monday that Pakistan has raised its demand for natural gas imports from Iran to 30 million cubic meters (mcm) per day from a previous 21.5 mcm.

Owji added that Iran has hitherto spent USD 2 billion to build the section of the pipeline that lies on the Iranian side of the border and that the Pakistani section would need USD 3 billion.

On March 2, Zardari said that Islamabad would not stop the pipeline project at any cost.

The Pakistani president stressed that his government would continue to pursue the construction of the gas pipeline despite threats and pressure from the US.

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