

US expands sanctions to Iran's 'ghost fleet' of oil tankers

Timothy Gardner : 4-5 minutes : 10/11/2024

Iranian flag with stock graph and an oil pump jack miniature model are seen in this illustration taken October 9, 2023. REUTERS/Dado Ruvic/Illustration/File photo [Purchase Licensing Rights, opens new tab](#)

WASHINGTON, Oct 11 (Reuters) - The United States expanded sanctions against Iran's petroleum and petrochemical sectors on Friday in response to an Iranian [missile](#) attack on Israel, the administration of President Joe Biden said.

The U.S. move adds petroleum and petrochemicals to an executive order that targets key sectors of Iran's economy with the aim of denying the government funds to support its nuclear and missile programs.

"The new designations today also include measures against the 'Ghost Fleet' that carries Iran's illicit oil to buyers around the world," Jake Sullivan, the national security adviser, said in a statement. "These measures will help further deny Iran financial resources used to support its missile programs and provide support for terrorist groups that threaten the United States, its allies, and partners."

Israel is vowing to respond to Iran's Oct. 1 missile attack, launched in retaliation for Israeli strikes in Lebanon and Gaza and the [killing of a Hamas leader](#) in Iran.

The U.S. Treasury can now "impose sanctions on any person determined to operate in the petroleum and petrochemical sectors of the Iranian economy," it said in a statement.

Biden [has said](#) Israel should seek alternatives to attacking Iran's oil fields. Gulf states [are lobbying](#) Washington to stop Israel from attacking oil sites because they are concerned their own facilities could come under fire from Tehran's proxies if the conflict escalates, three Gulf sources told Reuters.

The Treasury Department also said it was designating 16 entities and identifying 17 vessels as blocked property, citing their involvement in shipments of petroleum and petrochemical products in support of the National Iranian Oil Company.

Concurrently, the State Department took steps to disrupt the money flow into Iran's weapons programs and support for "terrorist proxies and partners."

It imposed sanctions on six entities involved in Tehran's petroleum trade and identified six ships as blocked property.

Iran's oil exports [have risen](#) under Biden's tenure as Iran succeeds in evading sanctions and as China has become Iran's major oil buyer.

The Eurasia Group risk consultancy said on Friday the U.S. could cut Iran's oil exports through tighter enforcement of previously imposed sanctions, for instance through satellite imaging for stricter monitoring of tankers that have turned off transponders.

The U.S. could also pressure countries to support enforcement efforts such as Malaysia, Singapore and the United Arab Emirates, it said. But that approach "would require strong diplomatic pressure on two partners, Malaysia and UAE, which are both reluctant to support efforts favoring Israel," it said. Tougher enforcement of sanctions would likely require targeting Chinese firms shipping Iranian crude, it said, as China buys nearly 90% of Iran's crude-oil exports.

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Timothy reports on energy and environment policy and is based in Washington, D.C. His coverage ranges from the latest in nuclear power, to environment regulations, to U.S. sanctions and geopolitics. He has been a member of three teams in the past two years that have won Reuters best journalism of the year awards. As a cyclist he is happiest outside.