

Iran's Coronavirus Economic Meltdown

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EXECUTIVE SUMMARY: As the coronavirus pandemic intensifies, Iran is in economic meltdown. Its international isolation is ever more severe, as can be seen in the sharp decline in flights landing in Iran's two busiest airports.

All Iran experts know how hard it is to get reliable data on that country. The regime obscures everything from basic macroeconomic figures to government expenditures and allocations of how much oil and gas Iran sells.

Figuring out the full extent of the COVID-19 (coronavirus) epidemic in Iran is as difficult as determining accurate figures on anything else there.

Some figures cannot be doctored, however. These include the lists of flight arrivals into the two major Iranian airports: Khomeini International, which is the major Iranian access point to the outside world, and the older Mehrabad Airport, which is Iran's busiest domestic hub.

Flight activity at both airports shows in no uncertain terms the extent of economic meltdown in Iran caused by the coronavirus. This crisis comes in the wake of punishing sanctions imposed by the Trump administration in 2018.

Before the sanctions were imposed, a daily average of 100 flights, mostly from abroad, landed at Khomeini Airport and 130 flights at Mehrabad, the nexus for domestic flights from Iran's far-flung cities.

After the second round of sanctions was imposed in the fall of 2018, flight activity fell to approximately 60 flights to Khomeini and 100 to Merhabad, a steep decline.

That decline became a plunging crash as news of Iran's epidemic unfolded, especially in international flights. A look at arrivals into Khomeini Airport on March 3, 2020 shows 32 flights with 11 cancellations, a net 21 landings.

A day later, out of 22 flights scheduled to land, only five actually did so. Ten of the flights were listed as "unknown" (which Israel often identifies as flights dealing with arms transport). Six were listed as "scheduled" but never arrived. Significantly, the five planes that landed were all Iranian carriers.

Most of Iran's plunge into international isolation can be attributed to the fiat of governments that compelled air carriers to their airports to cease flights to Iran out of a sense that the Iranian authorities had lost control over the epidemic, at least for the time being.

The devastating economic effect of this isolation can be seen in the flights by the Iranian air carriers that have continued to fly. Of eight scheduled flights to Istanbul, Iran's major gateway to the outside world, none landed. Obviously they were cancelled because of lack of demand. The same was true of the Iranian carriers from Doha and Dubai, two major international connections for Iran.

While economics explain why many of these planes did not land, politics probably explain at least some of the five landings that did occur. Two were from Chinese destinations (Shanghai and Shenzhen) and one was from Beirut, where Hezbollah, Iran's major proxy, is based.

Iranians have accused their government of continuing flights unabated with China for political and economic reasons despite the linkage between the Chinese source of coronavirus and its spread to Iran. China is Iran's only major friendly power, as its relationships with Turkey and Russia are problematic. Beijing is heavily invested in Iranian energy production.

Iranian domestic travel has also come to a near halt. Of the 89 flight landings at Mehrabad from domestic destinations scheduled for March 3, 2020, only 27 landed. The overwhelming remainder were listed as "unknown". Recall that in better days, 130 landings took place daily.

All told, there were 32 landings at both airports combined, which together service three provinces with a total population of at least 17 million. At Cairo Airport, in a country with half the standard of living of Iranians, there were 211 flights to the airport on the same day, even in the face of the coronavirus crisis.

Iran's leadership no doubt started praying for President Trump's demise long before the Super Tuesday Democratic primaries and was probably relieved to see Joe Biden's strong comeback in the hope that he will defeat Trump and ease the harsh US sanctions. They have a great many other things to pray about, however. No relief from the coronavirus crisis is on the horizon. The economic devastation caused by the crisis will only increase the anxiety of the Iranian people toward the disease and stoke their anger over the way the government has handled it. The regime has transformed Iran from a nexus of civilizations into an international pariah.

This is an edited version of an <u>article</u> that appeared in the Jerusalem Post *on March 11, 2020.*

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