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Iran Agrees Interim Free Trade Zone With Russia-Led Eurasian Union

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Chairman of the board of the EEC Tigran Sargsyan (Aleksander Scherbak / TASS)

Iran has signed a provisional free trade zone agreement with a Russia-led economic union, days after being hit by U.S. sanctions.

The U.S. imposed sanctions on Iran's central bank governor and three other individuals Tuesday after President Donald Trump pulled out of an international nuclear agreement with Tehran last week. Iran, which sought to save the nuclear deal with European signatories including Russia, was due to finalize a free trade deal with the Moscow-led Eurasian Economic Union (EEU) by the end of 2017.

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The free trade zone agreement between the EEU and Iran lowers or abolishes customs duties,

setting off a three-year process for a permanent trade agreement, the state-run RIA Novosti news agency reported on Thursday.

The deal seeks to expand on the $2.7 billion trade turnover between Iran and the EEU, which includes Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan.

“The interim agreement provides for an effective dispute resolution mechanism,” RIA cited Tigran Sargsyan, the head of the EEU’s governing body, as saying.

The EEU also signed a trade and economic cooperation agreement with China, RIA Novosti reported.

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