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Despite \$6 million in annual trade German firms flee Iran German firms get cold feet following Iran riots



Hundreds of German companies in Iran are fleeing because of post election violence

CAIRO (Al Arabiya)

Hundreds of German firms operating in Iran have called it quits as post-election violence in the Islamic Republic has forced many to freeze activities and evacuate workers, according to press reports Wednesday.

German companies are sending their German workers on vacations and freezing their business plans in Iran to avoid the political and civil unrest which has shaken their confidence in the Iranian market, said Felix Neugart, a German business expert responsible for the Middle East region in the Association of German chambers of Industry and Commerce.

"Riots have caused confusion among German companies as to the future of the Iranian market," Neugart told Kuwaiti news agencies, adding firms will wait for signs of stability before resuming business activities in Iran.

About 50 German firms have their own branch offices in Iran while more than 12,000 firms have trade representatives in the country, according to Mehr News Agency.

Although the German government adheres to United Nations and EU sanctions on Iran and propagates a "discouragement strategy" to urge private companies not to trade with Iran, German firms remain closely tied to the Iranian market.

With some \$6 million in annual trade, Germany is Iran's major European trade partner and the third worldwide. The first quarter of 2009 saw a 22 percent drop in volume of Germany's exports to Iran.