

Iran cell phone firms deny blocking text messages

January 10 2012, By NASSER KARIMI , Associated Press

(AP) -- Iran's mobile phone companies have denied blocking text messages with the words dollar and currency after the Iranian rial rapidly weakened on the announcement of new U.S. sanctions against Iran.

Cell phone users had complained that messages containing the words "arz," or currency in Farsi, and "dollar" were not being delivered. That triggered speculation the government was ordering the messages blocked out of fear they could spark panic and reduce the Iranian rial's value even more.

The company denials appeared Tuesday in the pro-reform Shargh daily.

The rial, which has fallen by about 40 percent against the dollar since December 2010, has come under more pressure since the United States announced new sanctions targeting Iran's central bank.

The sanctions are aimed at hindering Iran's ability to sell oil in hopes of pressuring Tehran to curb its [nuclear program](#), which Washington fears could be used to develop weapons. Iran denies such an intention and says its nuclear work is only for peaceful purposes like [energy production](#) and research.

Last week, a website that carries quick updates on currency exchange rates suddenly became unavailable with no explanation.

The rial was trading at 17,400 against the U.S. dollar on Tuesday, well

below levels set by the government days earlier to prop up the currency.

The rapid weakening of the rial has caused fear among traders.

Assadollah Asgarowladi, a prominent member of the country's chamber of commerce, told the semi-official Pana news agency on Tuesday that with the new price of the dollar "we will have famine in the country after six months." He said the weakening of the rial had pushed the rate of inflation to 40 percent.

The official inflation figure is about 19 percent.

On Sunday, Mahmoud Bahmani, governor of Iran's central bank, did not appear at a meeting which he was invited to by lawmakers to discuss the currency market.

Last week, authorities ordered exchange shops to trade U.S. dollars at 14,000 rials, leading to confusion and prompting many dealers to avoid transactions.

Though the U.S. sanctions, signed into law by President Barack Obama, do not go into effect for six months, they are already sending ripples through the markets.

The latest U.S. sanctions would bar foreign financial institutions that do business with Iran's central bank from opening or maintaining correspondent operations in the United States. The Obama administration, however, is looking to soften the impact of the measure, fearing they could lead to a spike in global crude oil prices or pressure key allies that import Iranian oil.

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