

Iran's actions increase fear, hurt motorists

Staff, wire reports

Oil prices jumped to a nine-month high above \$105 a barrel on Monday after Iran said it halted crude exports to Britain and France in an escalation of a dispute over that country's nuclear program.

By Monday afternoon, benchmark March crude was up \$2.02 to \$105.26 per barrel in electronic trading on the New York Mercantile Exchange, the highest since May. The contract rose 93 cents to settle at \$103.24 per barrel in New York on Friday.

As crude prices increase, so do local gasoline prices. In the Greenville-Spartanburg-Anderson area, regular, self-serve averaged \$3.398 on Monday, up nearly 21 cents a gallon over the past month and more than 50 cents a gallon from a year ago.

Twelve states have lower average prices than South Carolina at \$3.446 a gallon — Wyoming, \$3.036; Colorado, \$3.077; Utah, \$3.10; New Mexico, \$3.311; Idaho, \$3.16; Montana, \$3.23; Oklahoma, \$3.347; Wisconsin, \$3.374; Minnesota, \$3.42; Arkansas and Kansas, \$3.428; and South Dakota, \$3.436.

Nationwide, gas hit \$3.565 a gallon Monday.

Iran's announcement will likely have minimal impact on supplies, analysts said, because only about 3 percent of France's oil consumption is from Iranian sources. Britain hadn't imported oil from the Islamic republic in six months.

"The price rise is more a reflection of concerns about the further escalation in tensions between Iran and the West," said commodity analyst Caroline Bain of the Economist Intelligence Unit.

"Banning the tiny quantities of exports to the U.K. and France involves very little risk for Iran — indeed quite the opposite, it catches the headlines and leads to a higher global oil price, which is something Iran is very keen to encourage."

Markets in the United States were closed Monday for the Presidents Day holiday.

Iran's oil ministry said Sunday it stopped crude shipments to British and French companies in an apparent pre-emptive blow against the European Union after the bloc imposed sanctions on Iran's cru-

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Iran's threats to curb oil exports and even shut down crucial waterways have driven crude oil prices higher, affecting fuel prices. KOJI SASAHARA/AP

IRAN'S IMPACT

Motorists feel global tensions at the pump. Monday's average price per gallon:

UPSTATE

\$3.398

STATE

\$3.446

NATIONAL

\$3.565

cial fuel exports. They include a freeze of the country's central bank assets and an oil embargo set to begin in July.

Tehran also is considering extending the embargo to other European countries.

The head of Iran's state oil company, Ahmad Qalehbandi, was quoted by the Mehr agency as saying the country would stop selling crude to nations that take action against Tehran.

The EU sanctions, along with other punitive measures imposed by the United States, are part of Western efforts to derail Iran's nuclear program, which the West fears is

aimed at developing atomic weapons. Iran denies the charges.

Oil has jumped from \$96 earlier this month amid optimism the global economy may grow more this year than previously expected. J.P. Morgan raised its Brent crude price forecast to as high as \$135 from \$120 — on Monday, the April Brent crude contract was up 79 cents at \$120.37 per barrel on the ICE Futures exchange.

"Building economic momentum has the potential to pull oil prices higher for the next 12 to 24 months," J.P. Morgan said in a report.

Some analysts fear that rising crude and gasoline prices could stall the fragile economic recovery in the United States and Europe.