



According to the Joint Majlis Commission's decision, car import tariff will be reduced from 90 percent to 70 percent in the next Iranian year (to start March 21).

European Blame Game

If you believe some European politicians, there may be a sinister force behind the economic crises currently convulsing Greece and Spain, and threatening the stability of the euro.

They believe the problems in the two countries did not happen by accident or even as a result of poor financial planning, but were instead planned well in advance, TIME reported.

Last month, Greek Prime Minister George Papandreou blamed his country's economic meltdown on "an attack on the eurozone by certain other interests, political or financial. We are being targeted, particularly with an ulterior motive or agenda".

According to Spain's El Pais newspaper, agents at the country's National Intelligence Center are investigating whether "attacks by investors and the hostility shown by some sectors of the British and US press" amount to collusion. "None of what is happening, including editorials in some foreign media with their apocalyptic commentaries, is happening by chance or innocently," Spanish Transport Minister José Blanco declared in a radio interview earlier this month.

> Conspiracy Theories

Is there any truth to the other conspiracy theories being circulated?

"This certainly has some entertainment value," says Johnny Munkhammar, a research director at the European Enterprise Institute, a Brussels-based think tank aimed at promoting entrepreneurship. "But the idea that any of these theories have anything to do with creating the current crisis is, of course, ridiculous."

Munkhammar says Greece is to blame for its own mess, having amassed a huge pile of debt from years of statistical fraud in Greece's public-accounts sector. "Politicians turn to conspiracy theories because they feel they need someone else to blame," he said.

The blame is certainly going around. Many conspiracists accuse "foreign hands", more specifically Anglo-Saxons, for the Greek and Spanish crises, arguing that they have always hated the euro and are now using their hedge funds and media operations to bring it down. Some suggest that speculators are attacking the euro to block moves toward tougher European Union regulation of the market.

Others, like European Central Bank chief economist, Jürgen Stark, suggest people are perpetrating a ruse to hide



✚ Eurozone countries are guilty of shifting the blame for their own problems.

the UK's budget deficit. "It's astonishing to see where most of the criticism of the euro is coming from," Stark says. "Much of what they are printing reads as if they were trying to deflect attention away from problems in their own backyards."

> Some Truth

Nicolas Véron, a senior fellow at the Bruegel economic think tank in Brussels, says the theories reflect a virulent public mistrust of the free market in eurozone countries, particularly in southern Europe. "There is a very long and deep suspicion of markets in these places," he says.

Veron believes these countries are guilty of shifting the blame for their own problems. "It is absurd to imply a political purpose in this," Véron says. "This scapegoating is a distraction from the serious political reform that is needed and contributes to ingraining politi-

cal prejudices."

But while most conspiracy theories are overblown, some experts believe there is at least some kernel of truth to them. "They are correct to say there has been massive short-selling against the euro," says Iain Begg, an associate fellow at the London think tank Chatham House.

"Speculation is what markets are about. It is simply an opportunity to make money. Financial markets are amoral, feral beasts. If they see a weakness, they go for it. And Greece was seen as weak."

> Deeper Purpose

Begg admits that the role of Goldman Sachs and other major banks in helping Greece disguise its mounting debts, which US Federal Reserve Chairman Ben Bernanke pledged on Feb. 25 to investigate, reinforces the image of evil geniuses pulling the market's strings.

But Begg stresses that conspiracy theories were being bandied about long before the Goldman Sachs revelations emerged and were characterized by deliberately vague allegations about political and media interests.

The associate fellow sees a deeper purpose behind the blame game, as politicians try to mitigate the public criticism that will accompany the inevitable austerity measures needed to fix the Greek and Spanish economies.

"There is an Italian concept of *vincolo esterno*, or external constraint," he says. "It is a device a canny politician can use to say, 'We must do this or we will be eaten alive.' Although the conspiracy theories are preposterous, they help prepare for the reforms which are needed."

So, perhaps there is a devious conspiracy behind these countries' financial problems after all. If so, it's one concocted by the very politicians conjuring up the conspiracy theories.

Trade Balance Improves

Iran has witnessed a 5-percent growth in non-oil exports and an equivalent drop in imports of goods, which has improved the country's trade balance in the last 11 months.

Speaking with reporters on Saturday, Economy and Finance Affairs Minister Shamseddin Hosseini told IRIB non-oil exports during this period have increased by 5 percent to reach \$22.5 billion.

"The country's imports have also witnessed 18.5 percent and 5 percent decline in terms of weight and value respectively," he said.

Petrochemicals saw a 22-percent growth in terms of weight and a 9.5-percent decline in terms of value, while liquefied gas comprised the most exported product.

"Compared with petrochemicals, industrial goods



✚ Shamseddin Hosseini

witnessed a bigger growth both in terms of weight and value," he said.

"88 percent of imports during the last 11 months account for raw materials as well as intermediary goods."

Hosseini said companies listed on the stock exchange, which give 49 percent of their shares to foreign companies, can receive loan from the Forex Reserve Fund for investment.

"The country's stock exchange has witnessed a 55-percent increase in comparison with the beginning of the current Iranian year (started March 21)," he said.

The combined index of the stock exchange surpassed 12,000 units in the past two weeks, while its value increased by 40 percent in the past eleven months of the year to reach \$63 billion.

Agricultural Biotech Use Rising Globally

A record 14 million farmers in 25 countries are now using agricultural biotechnology.

According to the International Service for the Acquisition of Agri-Biotech Applications' (ISAAA) report titled "The Global Status of Commercialized Biotech/GM Crops: 2009", 90 percent (13 million) of these are resource-poor farmers in developing countries.

"The annual ISAAA report is proof positive that the global adoption of biotech crops, especially corn, soybeans, cotton and canola, increases each year as more and more farmers gain access to this technology," said Sharon Bomer Lauritsen, executive vice president, food and agriculture for the Biotechnology Industry Organization (BIO).

Agricultural biotechnology provides solutions for today's farmers in the form of plants that are more environmentally friendly while yielding more per acre,



resisting diseases and pests, and reducing farmers' production costs.

"When you look at the rising number of acres of biotech crops planted each year (330 million in 2009 compared with 309 million in 2008), and the increasing number of farmers who have chosen this technology (14 million in 2009 compared with 13.3 million in 2008), it's obvious that biotech crops are delivering value to more and more growers around the world," she said.

Lauritsen said the United Nations Food and Agriculture Organization has predicted that feeding a world population of 9.1 billion people in 2050 will require raising overall food production by some 70 percent (nearly 100 percent in the developing countries).

"The findings of this report prove that biotechnology is a key solution in meeting the growing demand to feed, fuel and heal the world," she said.

International News

IEA: Oil Price Volatility Returning

Countries must brace for a return to wild oil price swings as the global economy recovers, the head of the International Energy Agency (IEA) warned on Friday.

Crude oil prices surged to \$147.50 per barrel in July 2008 before tumbling to \$35 five months later in the eye of the financial storm. Prices are now hovering between 70 and 80 dollars per barrel, Middle East Online wrote.

"Volatility has receded compared to the roller-coaster of 2007 and 2008," Nobuo Tanaka told reporters on the sidelines of an energy forum in Tokyo.

"But the market could easily become again more volatile once the world economy grows again and the supply tightens."

Among factors that would induce volatility, Tanaka cited the absence of fruitful negotiations over tackling climate change as well as persistent uncertainty over the outlook of many economies.

According to a scenario offered by the Paris-based IEA, which represents the energy interests of 28 developed economies, oil prices may climb to \$100 a barrel in 2020 and up to \$200 in 2030.

"The cheap energy age is over and we have to prepare for that in the government and private sector," said Tanaka.



Lloyds Reports Losses for 2009

Lloyds Banking Group announced on Friday that it has run an annual loss of £24 billion due to client defaults.

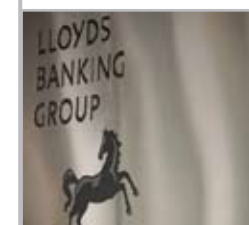
The gigantic losses are blamed on commercial property loans made by Halifax Bank of Scotland (HBOS), which Lloyds integrated at the beginning of 2009.

According to MarketWatch calculations, the bank made a profit of £202 million in the second half of 2008, before it completed its acquisition of HBOS.

Comparing the combined operations, Lloyds recorded a pretax loss of around £2.34 billion in the second half of 2009, compared to a £9.49 billion loss a year earlier.

However, in the last two quarters of 2009, the bank saw its decline rate slowed down by 21 percent. It hopes that the current trend lasts throughout this year.

The Lloyds results were reported one day after rival Royal Bank of Scotland said it had decreased its losses last year and uncovered plans for major bonuses to its staff.



Asian Gov'ts Pessimistic Of Trade Accord

Southeast Asian governments will discuss ways to restart the latest round of global trade talks this weekend, as optimism for completing an accord appears to have faded.

According to Bloomberg, World Trade Organization negotiations on a new accord have been dogged by clashes between rich and poor economies since talks began in Doha, Qatar in 2001.

"We were quite bullish and optimistic" at the end of last year that the Doha round would progress, said Malaysian International Trade and Industry Minister Mustapa Mohamed, who is hosting a retreat this weekend in Putrajaya, near Kuala Lumpur, for ministers from the 10-member Association of Southeast Asian Nations (ASEAN). "There is no ground for optimism." Asia's export-dependent economies are emerging from recession, as global demand increases for the region's computer chips, cars and commodities.

ASEAN members have sought to boost growth by signing trade deals and agreements to form an integrated economic community modeled on the European Union, without a common currency, by 2015.

2010 Most Complicated For China Economy

China's premier says 2010 will be the most complicated year for the country's economy and he promises the government will fight inflation and soaring property prices.

According to AP, Premier Wen Jiabao answered questions in a rare online chat on Saturday with citizens worried about corruption, food safety and other social problems.

Wen also addressed economic and trade friction between China and the United States, saying it should be solved through negotiation and not sanctions.

China's leaders have been carefully reaching out to the world's largest online population with such online chats. Wen promised another one next year.



US Consumer Sentiment Weakens

Consumer sentiment was weaker in February, as Americans grew more impatient with the government's gridlock over efforts to stimulate jobs, a survey released on Friday showed.

While not fearful of another spike in layoffs, consumers have turned more gloomy about their job and income prospects, according to the Thomson Reuters/University of Michigan's Surveys of Consumers.

The survey's overall index of consumer sentiment was at 73.6 in February, down from 74.4 in January and below the 74.0 forecast by analysts polled by Reuters. The preliminary February reading was 73.7.