

Mashhad's 4th intl. agro fair kicks off

Tehran Times Economic Desk
TEHRAN — The 4th international agricultural exhibition of Mashhad kicked off on Saturday in the city's international exhibitions fairgrounds.

Seyyed Mohammad Seyyedi, the managing director of Mashhad International Exhibitions Company, stated in the inauguration ceremony that 120 Iranian and foreign companies have so far attended the fair and the number is still rising, the Mehr News Agency reported.

Twenty foreign companies from the Netherlands, Italy, Spain, Britain, Germany, Austria, Japan, China, the U.S., Belgium, and Russia have attended the event to develop their relations with Iranian companies, he said.

Agricultural machinery, implements, and inputs, as well as irrigation systems, greenhouse cultivation, specialized publications, and commercial and technical consultation firms, are the main themes of the expo.

3700 air flight seats added: official

Tehran Times Economic Desk
TEHRAN — The chairman of Civil Aviation Organization here on Saturday announced that 3700 seats have been added to the passenger transportation fleet in the current Iranian calendar year (to end March 20, 2009).

Talking to Mehr News Agency, Hossein Khanlari said that the country has imported several aircrafts to meet the domestic need.

At the beginning of the current calendar year, the fleet had 23,500 seats, he added, noting that it was speculated to be increased by 25 percent by the end of year.

Iran's 2nd trade expo opens in Oman

The second Iranian trade exhibition in Muscat opens today at Oman International Exhibitions Center and will run till February 4.

The expo has been organized by Oman's Chamber of Commerce with the cooperation of Iranian embassy to Muscat and Mashhad International Exhibitions Company.

Officials of the two countries will continue discussions on the transportation of Iranian gas to the Sultanate, according to Oman daily Times of Oman.

Trade between Oman and Iran has increased by more than \$1 billion during the past two years in the cement, bronze and steel industries, it was revealed on Saturday. Morteza Rahimi, Iranian ambassador to the Sultanate said: "The trade exchanges between the two countries as well as the mutual visits by the businessmen from the two countries increased during the last two years," he said.

"Two trade conferences were also held in Tehran and Muscat in a span of two months. All these show that the bilateral trade relations are strengthening day by day," Rahimi said.

Former trade initiatives have included the formation of an investment company and joint investments in cement, bronze and steel.

This year's conference will see more than 35 Iranian companies taking part who will display the latest Iranian products in the field of oil, gas, petrochemicals, textiles, ceramics, foodstuff, agricultural products, carpets, food industries, tools, equipment and steel industry.

(Source: timesofoman.com)

Tehran Stock Exchange tops WFE index performance list

Tehran Times Economic Desk
TEHRAN — The World Federation of Exchanges (WFE) has placed the Tehran Stock Exchange (TSE) at the top of its index performance list with 0.7% growth over the December 2007-December 2008 period.

Iran's TSE pushed the Santiago Stock Exchange of Chile and the Mexican Exchange to second and the third place according to the WFE 2008 market highlights report.

The Amman Stock Exchange, JSE, Colombia Stock Exchange, Bermuda Stock Exchanges, London Stock Exchange, JASDAQ, and the New Zealand Stock Exchange are also on the list of the top 10 performing broad market indexes in 2008.

The TSE's domestic market capitalization hit \$48.7 billion, seeing an 11% rise, preceding the Amman and Colombia stock exchanges in this respect, the report said.

The TSE ranks second after the Luxembourg Stock



Exchange in terms of the value of share trading by members.

Trade volume at Tehran's Stock Exchange in the first nine months of the current Iranian calendar year (began March 20, 2008) hit 12.4 billion dollars, the report said.

The WFE is the association of 52 regulated exchanges around the world.

Kish hosting ITEX 2009 expo

Tehran Times Economic Desk
TEHRAN — Iran's First International Exhibition of Information Technology and Communication (ITEX 2009) kicked off in Kish Island on Friday.

The expo targets to show Iran's achievements in this field in the past 3 decades.

According to IRINN, 75 domestic and foreign companies are showcasing their latest products and achievements in ITEX 2009 in the fields of satellite and computer-based telecommunications, smart systems, software and hardware, wireless networks, e-banking and e-insurance systems, administrative automation, and digital libraries.

China, the United Arab Emirates, Turkey, Japan, and Ukraine have attended the event with five companies.

A number of workshops and conferences will be held on the sidelines of the expo.

Iranian organizations such as the Islamic Republic of Iran's Broadcasting will present their achievements in the field of information and communication technologies in the show.

An International Open Robocop Champion will also be held on the sidelines of ITEX 2009.

The expo will run to February 3rd.

Khuzestan's 10-month exports hit \$2.6b

Tehran Times Economic Desk
AHVAZ — The director general of the Khuzestan Province's Customs Office announced here on Saturday that some 3.95 million tons of goods, including petrochemical products, worth over \$2.58 billion have been exported via the province in the first 10 months of the current Iranian calendar year (started March 20, 2008).

ISNA quoted Abbas Alidadi as saying that petrochemical products accounted for 67 percent and 83 percent of the total exports in terms of weight and value, respectively.

Over 2.67 million tons of gasoline, ammoniac, thinner, grease, and oil valued at \$2.16 billion have been exported in the period, he added.

"Over 292,000 tons of agricultural products including apples, oranges, tomatoes, watermelons, potatoes, garlic, and onions valued at \$122.683 million have also been exported, accounting for 8 percent and 4.75 percent of the exports in terms of weight and value, respectively," he said.

In the same period, more than 445,000 tons of metal products worth \$195.37 million have been exported, he noted.

Exports of industrial goods and minerals amounted to 537,000 tons valued at \$103 million during the mentioned period, he concluded.

Iran envoy calls for more cooperation with Lebanon

BEIRUT (IRNA) — Iran's Ambassador to Lebanon Mohammad-Reza Sheibani called on Friday for expansion of cooperation with Lebanon.

In a meeting with Lebanese Minister of Industry Ghazi Zoayer, Sheibani said the two countries have a strong will to implement the mutual

agreements reached already between the two nations' presidents.

Sheibani also submitted the invitation of Iran's Minister of Industries and Mines Ali-Akbar Mehrabian to his Lebanese counterpart to visit Tehran.

The invitation was welcomed by the Lebanese industry minister who

said he will soon visit Iran, heading an industrial delegation, in order to boost Tehran-Beirut cooperation in industry.

The volume of trade exchange between Iran and Lebanon reached 73 million dollars during the last year, according to a report by the Lebanese Customs Office.

Japan pledges \$17b Asia aid package



DAVOS, Switzerland (AFP) — Japanese Prime Minister Taro Aso pledged 1.5 trillion yen (\$17 billion) in development aid to other Asian countries on Saturday for infrastructure projects that will help boost growth.

The prime minister highlighted Japan's involvement in projects in the Mekong region and the Delhi-Mumbai industrial corridor and said overseas development assistance (ODA) would increase by 20 percent this year.

"Japan is ready to provide ODA not less than 1.5 trillion yen or about 17 billion dollars in total," he told the World Economic Forum here.

Japan's official development

aid, an important diplomatic tool for the pacific country since the end of World War II, has historically focused on Southeast Asian countries.

Turning to the causes of the global financial crisis, Aso pointed to the responsibility of leading exporting countries such as Japan and China in what his spokesman said was a call to end the blame-game.

Russian Prime Minister Vladimir Putin and Chinese premier Wen Wen Jiabao made forceful speeches here pointing the finger at the United States for its overconsumption and poorly regulated banking sector.

"In order to put the world economy back onto a stable growth trajectory, one imperative is correcting the global imbalance that has arisen from overconsumption in the United States and insufficient internal demand in other countries," he said.

"Countries must shed their dependence on external demand," he said.

Elsewhere, Aso announced a new emissions plan for the country and reiterated a pledge last November to lend \$100 billion to the International Monetary Fund.

"We are currently examining our mid-term target (for emissions reductions) based on scientific analyses ... and I intend to announce the

target in June," he said.

Aso also highlighted Japan's own efforts to increase domestic demand with stimulus packages worth a total of 75 trillion yen, calling for other nations to adopt similar economic policies.

Also in Davos, Japan's Trade Minister Toshihiro Nikai and Farm Minister Shigeru Ishiba are to propose a plan to cut or lift tariffs on environmentally friendly products at an informal meeting of World Trade Organization members here, the Japanese business daily Nikkei reported.

The proposal is aimed at promoting trade in goods such as lithium-ion batteries and solar power generation systems, which could help address global warming, it said. These are areas in which Japanese companies are strong.

Aso left on Friday on a lightning visit to the Davos gathering, where he also underlined the ability of Japan to take a leadership role to help the Asian economy power global growth.

The prime minister, embroiled in a stormy session of the politically divided parliament, was to spend only six hours in the Swiss mountain resort and return to Tokyo by late Sunday.

He called for greater international cooperation to battle the global financial crisis and concluded with a call for optimism in the face of adversity.

U.S. economy may keep sliding after shrinking most since 1982

WASHINGTON (Bloomberg) — The U.S. economy is likely to keep deteriorating in early 2009 after shrinking last quarter by the most since 1982, as consumers and businesses retrench.

The 3.8 percent annual pace of contraction in the fourth quarter was less than forecast, with a buildup of unsold goods cushioning the blow. Excluding inventories, the decline was 5.1 percent, the Commerce Department said Saturday in Washington.

Job cuts announced this month by companies from Starbucks Corp. and Pep Boys - Manny, Moe & Jack to Eastman Kodak Co. mean there'll be little respite in the first half of this year, economists said. The Obama administration used the figures to reinforce its call for Congress to pass a stimulus package in excess of \$800 billion to arrest the economy's decline.

"The recession is going to last through most of 2009, and we'll be lucky to have growth back at zero by the end of the year," Kenneth Rogoff, a Harvard University economics professor, said in a Bloomberg Television interview from Davos, Switzerland, Friday. Economic growth "will be pretty tepid for a long time."

"This is a continuing disaster for America's working families," Obama said at the White House Friday. "They need us to pass the American Recovery and Investment Plan," designed to save more than 3 million jobs, he said. House lawmakers passed the stimulus Jan. 28, moving action to the Senate next week.

Spending slump

Friday's report underscored the hit to households from the biggest wealth destruction on record. Consumer spending, which accounts for about 70 percent of the economy, dropped 3.5 percent following a 3.8 percent fall the previous three months. It's the first time decreases exceeded 3 percent back-to-back since records began in 1947.

The Institute for Supply Management-Chicago said Friday its business barometer decreased to 33.3 from 35.1 the prior month. The index has remained below 50, the dividing line for contraction, for four months. Meanwhile, consumer confidence rose less than forecast this month, a Reuters/University of Michigan index showed. The gauge climbed to 61.2 from 60.1 in December.

A separate report showed that employment costs in the U.S. rose at the slowest pace in almost a decade in the fourth quarter as companies limited wage gains and benefits. The Labor Department's employment-cost index rose 0.5 percent.

GDP was forecast to contract at a 5.5 percent annual pace last quarter, according to the median estimate of 79 economists surveyed by Bloomberg News.

Without stimulus

"Without the stimulus plan, the economy would be flat to declining in the second half of the year," said Laurence Meyer, vice chairman of Macroeconomic Advisers LLC in Washington and a former Federal Reserve Governor. With the recovery package, the unemployment rate may peak at 8 percent instead of 9.5 percent or higher, he added.

The world's largest economy shrank at a 0.5 percent annual rate from July through September. The back-to-back contraction is the first since 1991.

Economists at Morgan Stanley and Deutsche Bank Securities Inc. in New York lowered their forecasts for growth in the first three months of 2009 following the report. They both now estimate the economy's worst drop will occur this quarter.

For all of 2008, the economy expanded 1.3 percent as a boost from exports and government tax rebates in the first half of the year helped offset the deepening spending slump.

Prices cool

The GDP price gauge dropped at a 0.1 percent annual pace in the fourth quarter, the most since 1954, reflecting the slump in commodity prices. The Fed's preferred measure, linked to consumer spending and excluding food and fuel, rose at a 0.6 percent pace, the least since 1962.

Unadjusted for inflation, GDP shrank at a 4.1 percent pace, the most since the first three months of 1958. The drop in so-called nominal growth explains why corporate profits slumped as the year ended.

"This is a severe, steep, broadly based recession" with "no quick fix," Stephen Roach, chairman of Morgan Stanley Asia Ltd., said in a Bloomberg Television interview from Davos, Switzerland Friday.

Americans may pull back further as employers slash payrolls. Companies cut 524,000 workers in December, bringing total job cuts for last year to almost 2.6 million. The unemployment rate last month was 7.2 percent, up from 4.9 percent a year before.

Job cuts

More cutbacks are on the way. Kodak, Target Corp. and Texas Instruments Inc. are among U.S. companies that announced thousands of layoffs this week.

Target, the second-biggest U.S. discount retailer, said this week it will slash 600 existing jobs and 400 open positions, mainly in its hometown of Minneapolis. It also said it will close a distribution center in Little Rock, Arkansas, later this year that employs 500 workers.

"We are clearly operating in an unprecedented economic environment that requires us to make some extremely difficult decisions," Chief Executive Officer Gregg Steinhafel said in a Jan. 27 statement.

The economic slump intensified last quarter as companies also retrenched. Business investment dropped at a 19 percent pace, the most since 1975. Purchases of equipment and software dropped at a 28 percent pace, the most in a half century.

Housing slump

The slump in home construction also accelerated, contracting at a 24 percent pace last quarter after a 16 percent drop in the previous three months.

PPG Industries Inc., the world's second-biggest paint maker, said this week that it may cut as many as 4,500 employees, or 10 percent of its workforce, because of weak global demand from automakers and homebuilders.

"We are probably looking at the sharpest downturn that anyone working at our company has seen," Chief Executive Officer Charles E. Bunch said in an interview Jan. 27. "The regions outside of North America, which had been really helping PPG in the first three quarters of last year, have sort of caught the disease that started here in the U.S. with the credit crisis."

The slowdown in global demand indicates American exports are unlikely to contribute to growth in early 2009. World growth will be 0.5 percent this year, the weakest postwar pace, the International Monetary Fund said Jan. 28.

Inventories grew at a \$6.2 billion pace in the fourth quarter, the first gain in more than a year. Its contribution to growth was the biggest since the fourth quarter of 2005.

The Fed this week said it's prepared to purchase Treasury securities to shore up lending and warned inflation may recede too rapidly. Fed policy makers voted to leave the benchmark interest rate as low as zero.

The GDP report is the first for the quarter and will be revised in February and March as more information becomes available.