

China reaffirms support for new nations in joining BRICS

China reaffirmed its support on Monday for new countries joining the BRICS grouping of developing nations, even as Argentina's likely next foreign minister was quoted as saying that her country would no longer do so. Argentina was among six countries invited to become a new member of BRICS at a summit held in South Africa in August, part of the grouping's push to reshuffle a Western-dominated world order it sees as outdated. However, Russia's RIA news agency cited Diana Mondino, an economist tipped to become foreign minister in the administration of Argentina's newly-elected Javier Milei, as saying that her country would not now join the BRICS group. Mao Ning, a Chinese Foreign Ministry spokesperson, told a press briefing that she was not aware of Mondino's reported comments.

"What I want to say is that the BRICS cooperation mechanism is an important platform for emerging markets and developing countries to strengthen solidarity and cooperation and uphold common interests," Mao said.

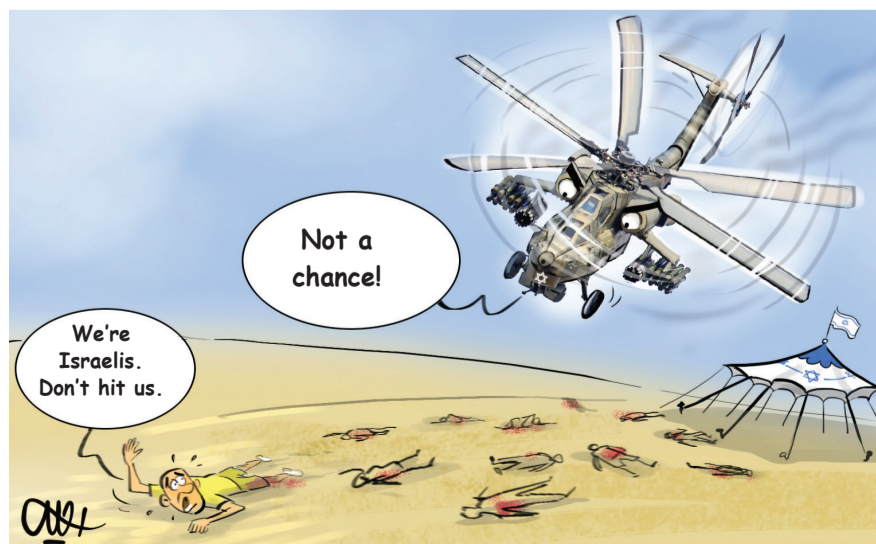
"BRICS is also an open platform and we welcome any interested country to become a member of the BRICS family."

Milei, a right-wing libertarian was elected Argentina's new president on Sunday. Milei and Mondino had both opposed Argentina joining the bloc, which also includes Brazil, Russia, India and South Africa.

"We don't understand what the benefit (of joining BRICS) is for Argentina at the moment. If it later turns out that there is a benefit, we will analyze it," Mondino told the RIA news agency. China and Russia are pushing for the expansion of the BRICS grouping as they seek to counter Western economic dominance.

Saudi Arabia, Iran, Ethiopia, Egypt and the UAE are the other five countries invited at the August summit to join the BRICS grouping.

Mohammad Ali Rajabi
Cartoonist



President Raisi says oil, gas sector best opportunity for investment

Economy Desk

Oil and gas is the best sector for investment in Iran, said President Ebrahim Raisi during a visit to the Oil Ministry on Monday as he was briefed about the oil industry's plans for the current Iranian year (started March 21).

"The increase in oil production and exports, despite sanctions, is a great achievement for the incumbent government since it came to office two years ago," he was quoted as saying by Shana.

Stating that investment is the driving force of economic growth, Raisi asked the managers of the Oil Ministry to accelerate production growth as well as increase income by attracting more domestic and foreign investment.

The president pointed to

reducing the sale of oil in crude form as one of the important tasks, and noted processing crude oil will lead to an increase in production, employment and productivity.

Emphasizing on not delaying the development plans, speeding up the completion of the flare gas collection project by using the capacity of new technology-based firms as well as paying more attention to consumption management along with production management were other important points raised by Raisi.

The need to create integration in the upstream, mid-stream and downstream sectors of petrochemicals with the aim of complying with the general policies of the Ministry of Oil was also emphasized by the president.



Modernity, safety main criteria in construction: Minister

Construction has become one of the fastest growing sectors of economy, said Batir Zakirov, the Uzbek minister on construction.

Within the framework of the «Obod qishloq» and «Obod mahalla» programs, 1944 comprehensive master plans for mahallas (neighborhoods) were prepared in the Central Asian country with a large number of socio-economic problems, he added.

"The strategy and roadmap for the modernization and innovative development of the construction network for 2021-25 were also

approved. It is important to note that within the framework of these documents a number of measures and reforms have been implemented and certain results have been achieved."

In order to introduce modern standards and technologies, cooperation has been established with advanced foreign countries, Zakirov said.

Today, the works and services carried out in the construction sector in Uzbekistan serve not only as a base for strengthening the national economy, but also as an important tool in finding solutions to urgent problems in the social direction, the minister noted adding that the buildings create a new way of life in New Uzbekistan.



What Iran must do for de-dollarization

A dollarized economy is one whose monetary base is either connected to the dollar or is the dollar. Therefore, if the de-dollarization of Iran's economy entails discarding the policies that have brought the economy to this point, the country should first focus on strengthening its national currency.

But even some institutions tasked with protecting the national and economic security operate with little faith in the national currency. For example, in the Ministry of Foreign Affairs, national banks and elsewhere, the euro is accepted as the unit to pay for their services. They claim that the central bank is not ready to offer foreign exchange for the rials it receives. Hence, this weakening of the national currency that has continued for the last three decades should be corrected.

Strengthening the national currency is one of the key pillars of de-dollarization because when the national currency is strengthened, people will trust it and will not try to convert it to foreign currencies, including the dollar. Thus for de-dollarization, Iran has to reform domestic policies first.

However, the problem is not the dollar per se, and the question whether the national economy is capable of creating value to help strengthen the national currency. The main issue here is production; to be able to ditch the dollar, Iran has to build a robust production footing. De-dollarization basically means putting an end to the dominance of the



dollar. The dominance of the dollar in the world economy is very real, having been formed over decades. It has given extraordinary clout to the US economy, where it only costs 40 cents for the US to publish a \$100 note, meaning with the remaining \$99.60, it can import goods for literally nothing. In other words, the dollar has given the United States the monopoly to import goods in exchange for printing paper. But there is a high demand for this paper in world markets, including Iran. The Americans churn out paper in the US, and people line up in front of banks and foreign exchange outlets in Iran to voraciously buy it. This rage has its roots in the weakening of the national currency, which prompts the masses to try to convert their assets into something of value in the world.

To change this attitude, authorities have to help strengthen the rial and reverse the general feeling that their national cur-

rency is losing value by the day, basically due to the monetary policies of state officials.

If de-dollarization is to take place in the world economy, but no serious measures are taken to strengthen the national currency in Iran, it will be of no use.

De-dollarization has the advantage of actually reducing the demand for the dollar, and replacing it with another currency in international relations such as the euro or the yuan. That will not benefit the Iranian economy much unless its national currency is strengthened. When that happens, any ditching of the dollar will reduce the dominance of the US economy.

There are already signs of decoupling from the US economy. Saudi Arabia and China plan their oil transactions to be denominated in the yuan, which can affect the demand for dollars in the world market and weaken the political and economic leverage of the United States.

But the value of the na-

tional currency in Iran does not depend on de-dollarization in the world. It is rather dependent on production and domestic production capacities, not only the production of oil and gas and natural resources, but also production in which the role of technology and the role of human resources are very prominent. Hence, it is absurd to expect that de-dollarization would help strengthen the national currency.

Nevertheless, the repercussions of de-dollarization on the influence of the United States in the global economy and, consequently, on its political influence in other countries are huge, which explains why Washington abhors it.

The fall of the dollar, its devaluation, or its withdrawal from the international reference pricing basket and its decline into a common currency would have seismic ramifications, which would cripple the US's political influence and economic domination.