

**THE LIKELY EFFECTS OF THE INVASIVE EGYPT ‘FUNGUS’
ON MIDDLE EASTERN STATES**

Beware The Ides Of March !

Last Monday’s report that there had been widespread protests in Iran, with the country’s security forces, shooting at least one, unarmed protestor and severely wounding several others, should be considered worrying.

By Tuesday, the number of unarmed, Iranian civilians, shot dead by the security forces, had doubled, with many hundreds of the protestors, having been rounded up.

By Tuesday, the President of Iran, Mr Mahmoud Ahmadi-Nejad had gone on State television, assuring the world that the protests would go nowhere, vowing to punish (that means, shoot dead) the organisers.

The President stated that the enemies of Iran (that means, inter alia, the United States of America) were trying ‘*to tarnish the Iranian nation’s brilliance.*’

It was very surprising, actually, that Wall Street did not react negatively to the reports, coming out of Iran.

The US, however, one must remember, is a very insular country, actually, with most of the human population, not even knowing that Egypt is in the north-east of the Continent of Africa, and that the Pyramids are located in the Capital City of the country, at Cairo.

During the 18 days of protests in Egypt, some of those days, seeing very violent clashes between anti-Hosni Mubarak and pro-Hosni Mubarak forces, with an estimated 800 people either killed or maimed, which came to a climax, on Friday (February 11, 2011), even the English-language, daily Press of Hongkong did not appear to understand the importance of the protests in this important, Middle Eastern country, keeping the historical events, almost hidden in the middle of the paper in smallish columns.

Only a craven idiot would take the matter of the recent people protests in the Middle East lightly. In **TARGET**’s opinion, these protests are unlikely to go away in a hurry.

On the same day that protestors marched through the streets of the major cities of Iran – Tehran, Isfahan, Mashhad and Shiraz – street brawls broke out in other countries of the Persian Gulf, including Bahrain and Yemen.

The Egypt ‘*fungus*’ was spreading, quickly.

The natives of other Middle Eastern countries were restless and their thinking must have been that, if Egypt, a country of about 85 million people with **Gross Domestic Product (GDP)** of about \$US215 billion, for what reason cannot we, the peoples of Bahrain (about 500,000 people with a GDP of about \$US30 billion), the peoples of Yemen (about 24 million people with a GDP of about \$US62 billion), and the peoples of Iran (about 77 million people with a GDP of about \$US864 billion), climb aboard similar political vehicles in order to improve their lives and become free of despots.

With regard to Bahrain, petroleum production and oil refining account for more than 60 percent of the country's export receipts, 70 percent of its Government revenues, and 11 percent of GDP (exclusive of allied industries). The country exports about 238,300 barrels of crude oil, per day, according to the latest estimates. The country has proven oil reserves of not less than 125 million barrels.

King Hamad bin Isa al-Khalifa, after coming to power in 1999, has known to be pushing ahead with economic and political reforms. Shia Muslim discontent has resurfaced in recent years, with street demonstrations and occasional low-level violence.

The unemployment level is known to be about 15 percent.

In respect of Yemen, it is highly dependent on its declining oil resources for revenue. Petroleum exports account for about 25 percent of GDP and 70 percent of Government revenue.

The unemployment rate in this country is about 35 percent, and about 45 percent of the total population lives below the poverty line. The rate of inflation is about 12 percent per annum.

Oil production per day is about 289,000 barrels, most of which is exported. The country has confirmed oil reserves of about 3.16 billion barrels of crude oil.

President Ali Abdallah Salih came to power on May 22, 1990, and Major General Abd al-Rab Mansur al-Hadi assumed the post of Vice President on October 3, 1994.

The President appoints all of the senior posts in his Government, including the posts of Vice President and Prime Minister.

As for Iran, President Mahmud Ahmadi-Nejad came to power in 2005 and was re-elected in June of 2009 for another 4-year term. The Supreme Leader of the country is Ali Hoseini-Khamenei who was installed in that position in June of 1989 and is, in fact, the Absolute Controller of the entire country.

The unemployment rate of Iran is about 15 percent; about 18 percent of the population lives below the poverty line. The annual inflation rate is known to be about 12 percent.

The country produces about 4.17 million barrels of crude oil, daily, of which, about half is exported. The country owns about 10 percent of the world's oil reserves; it is ranked as the world's third-largest in terms of oil reserves, at about 137.60 billion barrels of crude oil.

The final Middle Eastern *'hotspot'*, which could upset the world's applecart, very smartly, is Algeria.

Algeria has a population of about 35 million people, about 25 percent of whom are living below the poverty line. The unemployment rate is in excess of 10 percent. Inflation is about 5 percent.

The country exports about 2 million barrels of crude oil per day, and produces upwards of 2.20 million barrels of crude oil per day. Proven oil reserves are about 13.50 billion barrels. The GDP is about \$US255 billion.

The President of Algeria is Mr Abdelaziz Bouteflika, who, with the backing of the Algerian military, won the presidency in 1999. He was elected to a third term in office in 2009 after the Government had amended the constitution in 2008 to remove presidential term limits.

The President rules with an iron fist.

As with Egypt, all of the above-mentioned nations have very high unemployment levels, high levels of poverty, high levels of inflation, and all have one other factor in common: They all embrace dictatorial governments, regardless of embedded political constitutions.

The Revolution

There is, without question, a revolution, taking place in the Middle East, today, even though many people may be unable to appreciate it as it spreads its neophyte tentacles throughout this oil-producing region of the world.

And, if crude-oil production and/or its distribution to the world are affected, materially, all Hell could follow in short order.

The world's total supply of crude oil, today, is about 88 million barrels, daily, with between 2 million barrels and 3 million barrels, daily, transiting through The Suez Canal, which is operated by the Government of Egypt.

If The Suez Canal were to stop operations for a period of time, it would only mean that those 2-3 million barrels of crude oil would have to go round the Cape of Good Hope instead.

On the other hand, should the Egypt '*fungus*' spread to the oil-producing countries of the Middle East, with production, being affected materially, it could well spell chaos to many an economy.

And just last Wednesday, it was reported that Libya was the latest Middle Eastern country to suffer protests, throughout many of its major cities.

The country is ruled with the iron fist of Colonel Muammar Gaddafi, who has held onto power for the past 42 years.

In Benghazi, the second-largest city of the country, dozens of protestors were either killed or maimed as they clashed with police and security personnel. Petrol bombs were hurled, defiantly, and police stations were burned to the ground in Zentan, south of Tripoli, the Capital City of the country, and in Beyida, in the east of Benghazi.

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), this country is dependent on revenues from the sales of crude oil to the extent of about 95 percent.

The country's GDP is about \$US90 billion, with more than 30 percent of the workforce, being unemployed. The total population of the country is about 6.50 million people.

Libya exports about 1.54 million barrels of crude oil, daily, and is known to have proven, crude-oil reserves of about 47 billion barrels.

When the price of crude oil hit the record-high level of \$US147 per barrel in July 2008, it was said to have been a contributing factor to huge financial losses for many companies, worldwide, some of which had to declare insolvency as a direct result.

It is recalled that the financial failure of Oasis Hongkong Airlines Ltd (), the first and only, long-haul, budget airline of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), blamed the extraordinarily high cost of jet fuel on the demise of Reverend Lee Cho Min's venture into the airline industry.

Reverend Lee Cho Min () and his wife, Priscilla, are, today, undischarged bankrupts in the HKSAR.

The Middle East is the world's supplier of about 15 million barrels of crude oil per day, representing about 17 percent of the world's total oil production.

To state that it is important and that political stability in the Persian Gulf States is extremely important to the world is to state that which everybody and his cat already appreciates.

Earlier this week, also, there were anti-government protests in the Capital Cities of Algeria and Yemen as the populations of these nations called for their Presidents to step down.

On Saturday, February 12, an estimated 30,000 riot police were deployed in Algiers, the Capital City of Algeria, in order to quell any protestors who might have been brave enough to consider, going against a well-armed militia.

A similar situation occurred in Sanaa, the Capital City of Yemen, last Tuesday, in the fifth, consecutive day of protest rallies.

There are no shortages of flashpoints in the Middle East, today, and the success of the peoples' protests in Tunisia and Egypt, no doubt, serves as a reminder to all politicians and despots, around the world, who think that a dictatorship can last forever.

People can tolerate hardships for a limited period of time, only, and, when the situation becomes intolerable, they have nothing to lose and take to the streets in a display of dissatisfaction of their lot.

An empty stomach is a large incentive for complaint, leading to violence more often than not.

Invariably, protestors will seek out a common enemy, as was the case with Egypt's former President, Mr Hosni Mubarak.

With a plethora of despots in the Middle East, there is no shortage of would-be common enemies for the common folk, many of whom have no shoes on their feet, little food in their stomachs, and many without a roof over their heads.

Beware the ides of March!

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