



The Meir Amit Intelligence  
and Terrorism Information Center



### Highlights of the week

- ✓ Iranian press attacks Persian Gulf rulers as tensions escalate between Iran and Persian Gulf states
- ✓ Ninth Majles elections slated for March 2, 2012 as internal disagreements in the conservative camp continue
- ✓ Iran to restrict activity of NGOs
- ✓ Iran's stock exchange breaks new records from beginning of new Iranian year
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### Iranian press attacks Persian Gulf rulers as tensions escalate between Iran and Persian Gulf states

As tensions escalate between Iran and the Persian Gulf states, in recent days Iranian press has stepped up its attacks on the Persian Gulf rulers. Newspapers affiliated with the conservative camp have accused the rulers of Saudi Arabia and Bahrain of "genocide" and "crimes against humanity" in Bahrain with the support of Gulf Cooperation Council (GCC) members. According to Iranian press, the leaders of Saudi Arabia serve the interests of Israel and the West.

Revolutionary Guards weekly Sobh-e Sadeq, which dedicated its editorial to developments in the Persian Gulf, referred to the rulers of Saudi Arabia, Bahrain, and the UAE as "criminals", arguing that the GCC charter cannot justify the use of military force to suppress the citizens of GCC members.

The leaders of Kuwait also came under harsh criticism from Iranian press. The daily Jomhuri-ye Eslami accused the leaders of Kuwait of anti-Iranian incitement driven by the West, warning them not to put Iran's wrath to the test lest they suffer the same fate as the rulers of Egypt, Tunisia, Libya, and Yemen.

### **Ninth Majles elections slated for March 2, 2012 as internal disagreements in the conservative camp continue**

Iranian media have reported this week that the ninth Majles elections will take place on March 2, 2012. The release of the election date will likely speed up the election preparations of the two main political factions: the conservatives and the reformists.

The conservatives' preparations for the Majles elections are expected to focus on the ongoing major controversy between President Ahmadinejad's supporters and his critics in the conservative camp. The controversy was reflected in a strong-worded letter sent this week by Majles member Ali Motahhari to President Ahmadinejad. Motahhari, considered one of the president's strongest critics in the conservative bloc, accused Ahmadinejad of straying from the ideas of Ayatollah Khomeini, the founder of the Islamic revolution, and adopting the controversial religious and cultural views of his associate, Rahim Masha'i, who was removed from his post as chief of the president's office this week.

The reformist camp is also stepping up preparations for the Majles elections, while attempting to resolve the issue of whether reformists should take part in the elections in light of their experience in the latest presidential elections in the summer of 2009. The differences of opinion in the conservative camp have prompted some to consider the possibility of cooperation between moderate reformist elements and those in the conservative camp affiliated with the president's critics for the Majles elections.

### **Iran to restrict activity of NGOs**

Last week, the Majles resumed discussions of a bill to limit the activity of Iran's NGOs. According to the bill, all NGOs will be monitored by a supreme committee under the Interior Ministry, whose members would also include representatives from the judiciary branch, the interior and intelligence ministries, and the Basij. The committee will be authorized to approve the NGOs' activity, revoke their license, and approve their cooperation with international organizations and participation in international conferences, processions, or demonstrations.

Opponents claim that the bill is designed to let the government put an end to the activity of independent NGOs and bolster those NGOs affiliated with the government and supporting its policy. According to government critics, if approved, the bill will cripple Iran's "civil society", which greatly relies on the activity of the numerous NGOs established starting from the late 1990s.

### **Iran's stock exchange breaks new records from beginning of new Iranian year**

The Tehran stock exchange broke three new records earlier this week: its main index crossed the 26,000-point line (an increase of over 12 percent since the beginning of the new Iranian year), the trade volume on a single day reached 303 billion tomans (some 30 million dollars), and it reached a record value of over 121 billion dollars (an increase of 14 billion dollars in just 10 days). In the past 24 months, the Tehran stock exchange rose sharply by 225 percent.

The stock exchange director mentioned the subsidy policy reform, global increase in oil prices, low bank interest rates, increasing public trust in the stock exchange, announcement on the five-year economic development program, increase in liquidity, ongoing recession on the housing market, implementation of the privatization plan, and government support for market economy as the main factors behind the sharp increases on the financial market.

The economic daily Donya-ye Eqtesad ("World of Economy") has extensively covered the sharp increases on the Tehran stock exchange, reporting that opinions among Iranian economists differ as to whether the increases reflect a bubble on the Iranian financial market. Some economists believe that the

ongoing increase on the stock exchange is to be expected considering the non-profitability of other investment options in light of the housing market recession, and the low bank interest rates compared to the inflation rate. Other economists, however, believe that the stocks of many companies are heavily overpriced, warning about a possible bubble on the financial market.

### **“Iranian, speak Persian!”**

The Tabnak website criticized an announcement made by the Central Bank governor, according to which a new coin called “dinar” will be introduced as part of the monetary reform planned for the coming year. The website claimed that the plan to give the new coin a name originating in a Roman currency reflects an inappropriate trend of giving preference to foreign terms over their Persian counterparts. Tabnak also used the opportunity to criticize the Persian Language Academy (Farhangestan) for not encouraging the use of proper Persian terms in its translation policy, and Iran Broadcasting for making extensive use of foreign terms in its programming.

The website’s complaints join criticism heard in recent years by Iranian intellectuals and academia members, who express concern over the ongoing deterioration in the status of the Persian language in the wake of Western penetration and the influence of communications technology and computers. In light of the criticism, Iran’s authorities have also stepped up their efforts to strengthen the Persian language, such as by prohibiting the use of foreign words in commercials and encouraging the use of text messages in Persian letters.

### **Iranian press attacks Persian Gulf rulers as tensions escalate between Iran and Persian Gulf states**

The tensions between Iran and the Persian Gulf states have escalated in recent days on the backdrop of the ongoing political crisis in Bahrain and the exposure of Iranian spy networks in Kuwait operated by the Revolutionary Guards, according to Kuwaiti authorities. This week, Iran expelled three Kuwaiti diplomats in response to last week’s expulsion of three Iranian diplomats from Kuwait accused of espionage.

Senior officials in the Persian Gulf have repeatedly accused Iran of meddling in Bahrain’s internal affairs, political subversion in Persian Gulf states, and fanning ethnic tensions in the region. At the same time, top Iranian officials warned Saudi Arabia against escalating the

situation in the Persian Gulf following the deployment of its military forces in Bahrain. As tensions escalate between Iran and the Persian Gulf states, in recent days Iranian press has also stepped up its attacks on the Persian Gulf rulers.

The conservative daily Qods accused the rulers of Bahrain and Saudi Arabia of "genocide" and slaughter of innocent civilians who only wanted to realize their civil rights. An editorial published by the daily says that Saudi Arabia's meddling in the events in Bahrain and deployment of military forces to that country in an attempt to suppress the rightful demands of Bahrainis are tantamount to occupation and crimes of war. The daily also criticized the silence of Muslim countries' rulers over the crimes committed in Bahrain.

Speaking about the recent accusations from the leaders of the Gulf Cooperation Council (GCC) about Iran's involvement in Persian Gulf states, the daily claimed that those "false allegations" reflect the concerns of the Persian Gulf states' rulers over the popular uprisings in their countries. The daily claimed that the Islamic revolution in Iran was the result of spilling innocent blood by the Shah's regime and that in Islamic countries, particularly Bahrain, the will of the people will eventually triumph over the oppression and tyranny of bloodthirsty rulers (Qods, April 7).

The daily Keyhan also addressed the events in Bahrain, strongly criticizing the silence of international organizations over the crimes committed by Saudi Arabia in that country. The daily said that what Saudi Arabia is doing in Bahrain with the GCC's support is a "crime against humanity" and "state-sponsored terrorism". Keyhan wondered why the UN Human Rights Council remains silent over the arrest of hundreds of political activists in Bahrain, preferring to condemn Iran rather than Saudi Arabia, which cooperates with Israel's intelligence services and sends its military forces to Bahrain to suppress the people of that country (Keyhan, April 11).

Strong criticism against the rulers of Saudi Arabia was also made by the conservative daily Siasat-e Rouz. According to the daily, Saudi Arabia could play a major role in the advancement of regional stability and the rightful demands of Arab peoples in view of its particular position among Arab and Muslim countries. Instead, Saudi Arabia serves Western interests and its involvement in the suppression of Arab peoples in the Middle East and North Africa has provoked anger from the Arab nations.



**Protest demonstration in front of the Saudi embassy in Tehran (April 11)**

The daily accused Saudi Arabia of acting in service of the West to instigate a conflict between Sunnis and Shi'ites instead of playing a role in the establishment of Islamic unity. The daily also accused the rulers of Saudi Arabia of helping the West promote the campaign designed to demonize Iran, giving Israel the go-ahead to continue the massacre in Gaza, the West Bank, and Jerusalem, and playing a part in the attempt to weaken the resistance front led by Iran, Syria, and Lebanon in accordance with the desires of the Zionists and the West. The daily warned the rulers of Saudi Arabia that their current policy does not serve the interests of their country. For Saudi Arabia to be able to fulfill its true role in the region, it needs to stop serving Western interests, distance itself from Western and Zionist schemes, and abandon its current policy in light of the regional developments. This policy will likely escalate the crisis and isolation facing Saudi Arabia, and only by changing its policy will it be able to restore its regional and global status and regain the sympathy of the public (Siasat-e Rouz, April 11).

Revolutionary Guards weekly Sobh-e Sadeq also dedicated its editorial to the developments in the Persian Gulf and addressed the warnings made by the GCC leaders against Iran at the organization's conference last week. According to the weekly, the GCC charter is designed to protect its members against outside aggression, and the GCC leaders have no right to use the council's military force to suppress the people of the Persian Gulf states. No charter can justify crimes against the people of a country, and those who wish to protect human rights cannot be accused of meddling in the internal affairs of a country. The Revolutionary Guards weekly referred to the Saudi and UAE military forces operating in Bahrain and to the rulers of Bahrain, Saudi Arabia, and the UAE as "criminals" (Sobh-e Sadeq, April 11).

The rulers of Kuwait also came under harsh criticism from Iranian press. The conservative daily Jomhuri-ye Eslami accused the rulers of Kuwait of running a psychological campaign against Iran under the instructions of Islam's enemies. The daily noted that, during the Iran-Iraq War, Kuwait had put all of its resources at the disposal of the Iraqi "war machine" and took a hostile stance towards Iran. Nevertheless, Iran condemned Iraq's invasion into Kuwait in 1990 and demanded that Saddam Hussein end the occupation of Kuwait. According to Jomhuri-ye Eslami, Kuwait's current conduct indicates that its rulers have not learned the

lessons of the past. The daily warned the rulers of the emirate that they should not put Iran's anger to the test unless they want to suffer the same fate as the rulers of Egypt, Tunisia, Libya, and Yemen. They must understand that the time of hereditary dynasties has come to an end and that they cannot rely on the Americans to save their thrones (Jomhuri-ye Eslami, April 12).

### **Ninth Majles elections slated for March 2, 2012 as internal disagreements in the conservative camp continue**

The Ninth Majles elections will be held on March 2, 2012, according to Iranian media. Mehr News Agency reported that the date was agreed upon by the Interior Ministry and the Guardians Council. The release of the election date will likely speed up the election preparations of the two main political factions: the conservatives and the reformists.

The conservatives' preparations for the Majles elections are expected to focus on the ongoing major controversy between President Ahmadinejad's supporters and his critics in the conservative camp. The controversy was reflected in a strong-worded letter sent this week by Majles member Ali Motahhari to President Ahmadinejad. Motahhari, considered one of the president's strongest critics in the conservative bloc, accused Ahmadinejad of straying from the ideas of Ayatollah Khomeini, the founder of the Islamic revolution, and adopting the controversial religious and cultural views of his associate, Rahim Masha'i (Fars, April 9).

This week, the president removed Masha'i from his post as chief of the president's office. He was replaced by Hamid Baqa'i, who is also the head of the Cultural Heritage and Tourism Organization. Javan, a conservative daily affiliated with the Revolutionary Guards, assessed this week that Masha'i's removal from office had to do with the election preparations of the political faction affiliated with him. Javan, which formerly strongly criticized Masha'i and the ideological school of thought he represents, assessed that those elements in the conservative bloc affiliated with this "deviant" faction soon intend to launch additional organizational changes to allow them to run as a separate list in the coming Majles elections (Javan, April 11).

The reformist camp is also stepping up preparations for the Majles elections in the midst of an internal debate on whether the reformists should take part in the elections given their experience in the latest presidential elections, which took place in the summer of 2009. Several months ago, former reformist president Mohammad Khatami announced that the release of political prisoners, respect for the constitution, and the guarantee of proper, free elections were basic conditions for the reformist bloc's participation in the elections. In



response, Ayatollah Ahmad Jannati, chairman of the Guardians Council, responsible among other things for screening candidates, said that the reformists' participation in the elections was unnecessary.

Reformist opposition leaders Mir-Hossein Mousavi and Mehdi Karoubi are currently still under house arrest, while the two major reformist parties—the Islamic Participation Front and the Mojahedin of the Islamic Revolution Organization—were banned following the riots that broke out in the summer of 2009.

In an interview to Khabar Online, Mohammad Reza Khabbaz, member of the minority reformist faction in the Majles, said that in the next several days, the reformist Majles members intend to hold a discussion on the reformist bloc's participation in the coming Majles elections. Khabbaz also discussed the possibility of cooperation between those moderate elements in the conservative camp affiliated with President Ahmadinejad's critics, saying that he does not rule out that possibility (Khabar Online, April 10). In response, the daily Keyhan warned against the possibility of cooperation between conservative and reformist elements. The daily claimed that true conservatives can never cooperate with those who took part in the "incitement" after the 2009 presidential elections even if they have criticism regarding the government's functioning (Keyhan, April 12).

Following the release of the Majles elections date, the conservative daily Resalat warned against premature preparations by political elements for the elections, which may intensify Iran's political polarization. An editorial published by the daily states that the enemies of Iran may take advantage of the pre-election atmosphere to deepen the political disagreements in the country. The political bodies should prepare for the elections, the article says, but refrain from involving the public until it is time. The daily also called on the political bodies planning to take part in the elections to promise to accept the results, whatever they may be, to avoid repeating the events that followed the presidential elections (Resalat, April 12).

## **Iran to restrict activity of NGOs**

Last week, the Majles resumed discussions of a bill to limit the activity of Iran's NGOs. According to the bill, first brought up in 2007 and discussed throughout this year, all NGOs will be monitored by a supreme committee under the Interior Ministry, whose members would also include representatives from the judiciary branch, the interior, intelligence and foreign ministries, the Religious Endowments Organization, the Mosques Organization, the Islamic Propagation Organization, and the Revolutionary Guards' Basij force. The committee will be authorized to approve the activity of NGOs seeking to work in Iran and revoke their license. The committee will also have the power to monitor the NGOs' board members, approve their participation in government and non-government projects, approve their cooperation with international organizations and UN-run agencies, approve their participation in seminars and conferences abroad, and even in processions and demonstrations. The committee will also be in charge of allocating resources to the NGOs.

Opponents claim that the bill, which further curbs the freedom of association in Iran, is designed to let the government put an end to the activity of independent NGOs and bolster those NGOs affiliated with the government and supporting its policy (Jaras, April 8).

An editorial published by Mardom Salari, a daily affiliated with the traditional conservative bloc, claims that the approval of the bill by the Majles will weaken the NGOs and limit their influence in society. The daily argues that the Majles members should be guided by the philosophy that is the foundation on which the NGOs operate, and discuss the bill in a way that will remove existing obstacles to their work and make it easier for them to operate effectively, rather than pose even greater obstacles to these organizations. Even if some Majles members have criticism about the activity of some NGOs, the article says, they must not prohibit their activity as they play a vital role in the expansion of public participation in managing social and political affairs. These organizations are designed to serve as mediators between the government and the public and they are critically important for the functioning of Iran's civil society and the citizens' ability to take part in the shaping of their lives. If the organizations are limited by a supervisory committee, they will no longer be able to serve as mediators, which would compromise their vital role and their independence (Mardom Salari, April 9).

Following the establishment of Mohammad Khatami's reformist government in the late 1990s, thousands of NGOs were established in Iran, which fulfill a major role in the existence of the country's civil society. The organizations operate in numerous areas, including the advancement of women's rights, aid to people in need, environment protection, etc. In recent years, Iranian authorities have stepped up their efforts to restrict the activity of some of

these organizations, particularly those working for human rights. Following the political crisis that broke out following the 2009 presidential elections, some organizations were shut down (for example, the organization for the protection of political prisoners' rights), and legal action was taken against some of their members.

### **Iran's stock exchange breaks new records from beginning of new Iranian year**

The Tehran stock exchange broke a new record this week since its establishment in 1967, when its main index crossed the 26,000-point mark. The stock exchange has risen by 12 percent since the beginning of the new Iranian year last week (1390). Copper, steel, and shipping companies' stocks were responsible for most of the increases. In addition to crossing the 26,000-point mark, the stock exchange has broken two new records in recent days: the trade volume on a single day reached 303 billion tomans (some 30 million dollars), and it reached a record value of over 121 billion dollars (an increase of 14 billion dollars in just 10 days).

Hassan Qalibaf-Asl, the general director of the stock exchange, addressed the ongoing rise of the Tehran stock exchange. In an interview to Fars News Agency, Qalibaf-Asl mentioned the subsidy policy reform, global increase in oil prices, low bank interest rates, increasing public trust in the stock exchange, announcement on the five-year economic development program, increase in liquidity, ongoing recession on the housing market, implementation of the privatization plan, and government support for market economy as the main factors behind the sharp increases on the financial market. Qalibaf-Asl called on financial institutions, investors, and the private sector to increase their stock exchange investments to profit from the historic opportunities that the Iranian financial market will continue offering this year. He noted that in the coming year, at least 15 new companies will be registered with the stock exchange (Fars, April 9).

The economic daily Donya-ye Eqtesad ("World of Economy") has extensively covered this week the sharp increases on the Tehran stock exchange, reporting that opinions among Iranian economists differ as to whether the increases reflect a bubble on the Iranian financial market. Some economists believe that the ongoing increase on the stock exchange is to be expected considering the non-profitability of other investment options in light of the housing market recession, and the low bank interest rates compared to the inflation rate. Other economists, however, believe that the stocks of many companies are heavily overpriced. These economists note that, in the past year, there has been no increase in the number of companies traded on the stock exchange, resulting in increased demand for the stocks of



currently-traded companies. The implication is that the stocks are traded at prices far higher than their real value. Stock exchange board member Mohammad Reza Rahbar has claimed that a distinction should be made between the reasonable increase in the value of companies belonging to the petrochemical, metal, and mineral industries, which enjoy the price increases on international markets, and the increase in the value of service sector companies, whose stocks are heavily overpriced.

In an interview to Donya-ye Eqtesad, financial expert Mohammad-Ali Ahmadzadeh-Asl warned about a bubble on the financial market. He said that the stock prices of some automotive, mineral, and equipment companies have increased sharply and without any economically-sound reason (Donya-ye Eqtesad, April 9).

Aftab News Agency has argued this week that the stock exchange publishes fabricated, exaggerated data on its profits to attract new investors. According to the news agency, the stock exchange provided data several percent higher than the real figures on its profits in the last business days of the previous Iranian year (1389). The agency estimated that the stock exchange will rise by less than 10 percent this coming year, lower than Iran's current bank interest rate (12.5 percent) (Aftab, April 9).

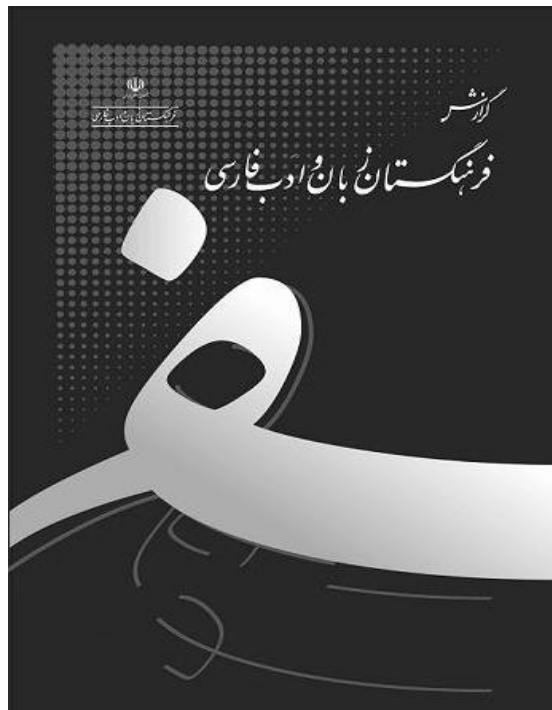
The Tehran stock exchange has risen by 225 percent in the past 24 months. In 2010, the Iranian stock exchange made the largest gains of all stock exchanges in Europe, Africa, and the Middle East. The five largest companies currently traded on the Tehran stock exchange are the Iranian Telecommunications Company, which holds over 14 percent of the stock exchange's value; the National Copper Company with 6.6 percent; the Mobarakeh Steel Company with 6.4 percent; the Chadormalu Mining and Industrial Company with 4.1 percent; and Parsian Bank with 3.4 percent (Donya-ye Eqtesad, April 10).

### **“Iranian, speak Persian!”**

Central Bank governor Mahmoud Bahmani has announced this week that, as part of the monetary reform planned for this year and the removal of zeroes from the local currency (rial), a new coin called “dinar” will be put into circulation (one rial equals one hundred

dinars). Following the governor's remarks, the Tabnak website criticized the decision to name the new coin "dinar", a word that originates from the Roman coin named denarius, instead of choosing a name that comes from Persian.

The website claimed that Bahmani's announcement reflects an inappropriate trend of unnecessarily utilizing non-Persian words. The website also criticized the Persian Language Academy (Farhangestan), which is supposed to preserve and protect the Persian language, when in fact its policy does not encourage the use of Persian terms instead of foreign terms. According to Tabnak, the academy tends to employ literal translations of English or Arabic terms into Persian. The result of such translation is that many new terms introduced by the academy are odd and not accepted by the public.



**The cover page of one of the Persian Language Academy (Farhangestan) publications, from the academy website ([www.persianacademy.ir](http://www.persianacademy.ir))**

Criticism was also made against Iran Broadcasting which, while it is also supposed to protect the Persian language, makes extensive use of foreign terms in its programming.

"Language and culture are an asset," the website told Iranians, calling them to refrain from making extensive use of foreign terms. If the Persian language is not preserved, the website warned, it may some day disappear from the list of the world's living languages (Tabnak, April 12).

In recent years, Iranian authorities have been waging a campaign to strengthen the Persian language amidst increasing concerns over the loss of its status. Last year, Iran's government decided to ban the use of foreign words in commercials, billboards, and Iranian movie names. Iranian senior officials and intellectuals have expressed concern in recent years about the ongoing deterioration in the status of the Persian language as a result of accelerated Western penetration and the influence of IT. In June 2007, for instance, a group of intellectuals published a memorandum of opinion warning against the deteriorating status of the Persian alphabet in light of the increasing use of foreign languages in mobile telecommunications and in computers. They noted that for many years, the Persian alphabet was central for maintaining Iran's national unity and identity, warning that the continuing deterioration in the status of the language was a threat to Persian culture and the Iranian nation. Shortly thereafter, Iran's vice president issued a decree requiring all official bodies to stop using Persian in Latin letters ("Penglish") and use the Persian alphabet for text messaging. The decree ruled that sending text messages by various government bodies, including the broadcasting authority, to private users using the Latin alphabet "hurt Iranian culture and the Persian language". Accordingly, organizations and government companies were required to send text messages only in Persian. In early 2008, the Telecommunications Ministry decided to increase the rates charged for sending text messages in Latin letters and reduce the rates charged for text messages sent in Persian letters.

## Pictures of the week: solar-powered car manufactured by Tehran University

