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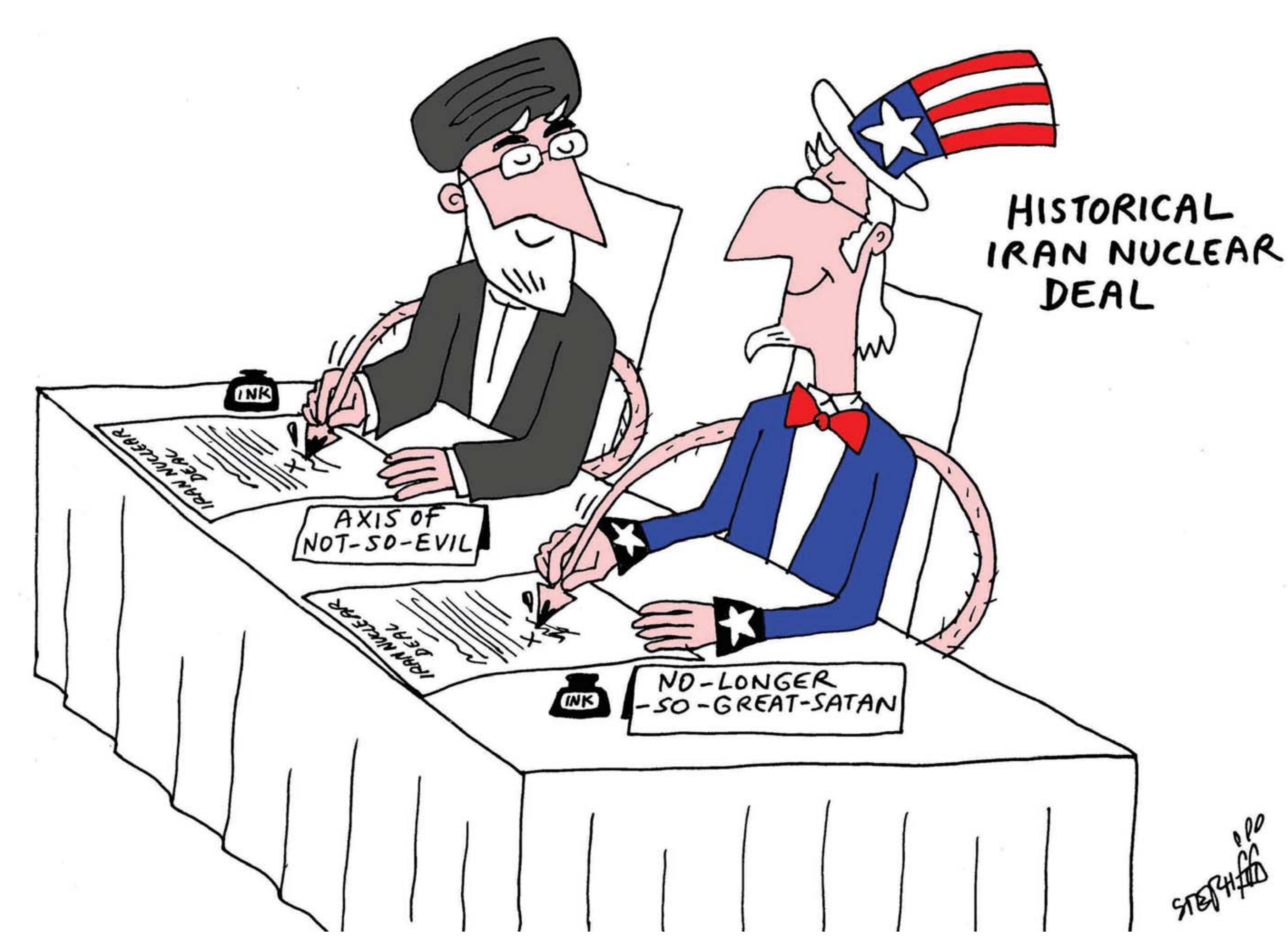

What happens next in Iran nuclear deal?

Following is a timeline for the implementation of a historic deal signed between Iran and six major powers on July 14 to curb Iran's nuclear program in exchange for relief from sanctions. The negotiators gave no specific dates for the implementation timeframe, other than saying it would begin "upon conclusion of the negotiations".

July

After announcing the deal, Iran and the P5+1 - France, Britain, China, Russia, Germany and the United States-said they would submit the so-called Joint Comprehensive Plan of Action to the United Nations Security Council for adoption "without delay". The European Union is then expected to "promptly" endorse the resulting resolution. EU foreign ministers will sign off on the agreement at a council meeting in Brussels on July 20. Meanwhile, US President Barack Obama is set to submit the proposal to the US Congress for review by the end of this week.

September

The Republican-controlled US Congress then has 60 days, or until September, to give its verdict on the plan. This period is likely to be marked by high drama with intense lobbying on both sides. Lawmakers have the option of passing a resolution preventing Obama from waiving most US sanctions. The president can veto this - a move which in turn could be overridden if opponents can muster a two-thirds majority. As a result, the total review period could last up to 82 days, stretching to early October. Meanwhile, Iranian approval of the agreement should be more straightforward. It will first have to be endorsed by the Supreme National Security Council, which reports to supreme leader Ayatollah Ali Khamenei. The council includes two major architects of the nuclear deal-President Hassan Rouhani and Foreign Minister Javad Zarif. Parliament will then vote to approve the agreement. Parliamentary speaker Ali Larijani has said lawmakers will not stand in the way of a deal that has Khamenei's backing.

November

Iran's implementation of the deal will take about four months, or until November, according to Zarif.

December

The UN's atomic watchdog will issue a report on whether Iran has complied with nuclear-related measures. The report by the International Atomic Energy Agency (IAEA) is an essential verification step for international sanctions to be lifted.

January 2016

If Iran has respected its engagements, the EU, UN and US will gradually begin to lift their sanctions.

In five years

A UN arms embargo on Iran will be lifted.

In eight years

If the IAEA determines that Iran's nuclear activities have stayed peaceful, the EU will terminate any remaining sanctions, while the US will end or modify any remaining sanctions.

In 10 years

When the 10-year limitations of the deal expire, Iran will be able to use the more modern centrifuge technology it insisted on being able to develop under the agreement. The UN Security Council "would no longer be seized of the Iran nuclear issue", or close the file. —AFP

Issues

IMF threat to pull out of Greek bailout challenges Germany

By Paul Taylor

The International Monetary Fund's threat to pull out of bailouts for Greece unless European partners grant Athens massive debt relief poses a stark challenge to Germany, the biggest creditor, which insists on IMF involvement in any future rescue. The global lender has made itself unpopular with both sides in the Greek debt saga by playing its role as a teller of inconvenient truths without excessive diplomacy.

Its latest intervention, saying in essence that Greece will never be able to repay its debt mountain, is bound to sharpen debate when the German parliament meets on Friday to decide whether to authorize negotiations on a third bailout for Greece since 2010 that could cost an extra 85 billion euros. It sharpens an un-admitted rift between Chancellor Angela Merkel, who wants to hold the euro zone together, and Finance Minister Wolfgang Schaeuble, who thinks Greece needs to leave the currency area, at least temporarily.

Merkel can count on a big majority in favor of opening loan talks with Athens due to her grand coalition's near monopoly of seats, although she may face an embarrassing revolt among her own conservatives. But the IMF's debt sustainability analysis may force her within months to choose between two far more unpalatable options: grant massive debt relief or see the IMF walk away. The report's conclusion that Greece needs debt relief "on a scale that would need to go well beyond what has been under consideration to date" makes it harder for her to argue that Germany will ever get much of its 57 billion euro exposure back.

The IMF released its findings late on Tuesday after Reuters had reported exclusively the study showing Greek debt rising to 200 percent of economic output in the next two years and staying at "highly unsustainable" levels for decades. To avoid big writedowns - "deep upfront haircuts" in IMF-speak - Greece would have to be given either a 30-year grace period before it starts servicing or repaying all European loans, present and future, or large fiscal transfers by the euro zone.

The European Commission issued its own, less stark forecast on Wednesday, which said the Greek debt-to-GDP ratio would be 165 percent in 2020 and 150 percent in 2022 if Athens made reforms. It accepted that Greece needs "a very substantial re-profiling, such as a long extension of maturities of existing and new loans, interest deferral and financing at AAA rates", but gave no figures. Commission Vice-President Valdis Dombrovskis, presenting the EU executive's study, said what mattered was not the size of the debt stock but the annual debt service cost, which is already lower in Greece than in most euro zone countries because of an existing 10-year holiday on most interest payments.

No 'classic haircut'

Germany is by no means alone in opposing any outright write-off of Greek debt to European governments. Countries like Spain, Portugal and Ireland that went through their own programs successfully and paid towards Greece's bailout do not want to take any loss. Slovakia and the Baltic states, which carried out wrenching fiscal adjustments, are just as tough, as are the Netherlands and Finland under pressure from anti-bailout Eurosceptics. Merkel has stated publicly that there cannot be a "classic haircut" because that would be illegal under the EU treaty. By adding the adjective "classic", she may have been preparing Germans for a gradual acceptance of the inevitable - the money won't be coming home in her lifetime or theirs. True to her "step by step" mantra, after Monday's last-ditch agreement with Greece in Brussels, the chancellor played down the euro zone's pledge to look at lengthening loan maturities, already extended to 30 years on most European loans.

The statement merely repeated a 2012 commitment by Eurogroup finance ministers, she said, and would be considered only once Greece passed a first quarterly review by bailout monitors of its compliance with a new program. Her easiest course would be to salami-slice the issue, giving a little loan extension at a time in return for strict conditionality, so no one in Germany could spot the moment when a "Schuldenschnitt" (debt cut) actually happened. But the IMF is signaling that more drastic debt relief is needed, and Merkel is desperate to keep the Fund involved, both to retain parliamentary confidence in the program and because she doesn't trust the Commission to be tough enough on Greece.

'time out'

Enter Schaeuble with a much simpler-sounding solution: Greece takes "time-out" from the euro zone for, say, five years initially; its debt to euro zone countries gets a real haircut, which by now looks likely to be a short-back-and-sides; and a healthier Greek economy returns eventually to the currency area. EU officials say that would be illegal. Many economists say it would be impractical, not least because the billions of euros in cash stashed under Greek mattresses would drive out any new currency. The finance ministry plan which Schaeuble said on Tuesday that several cabinet ministers in Berlin still saw as the best solution for Greece shows he is seriously thinking about the need to write off large amounts of Greek debt. —Reuters

After China woes, Vietnam's lychee farmers head to new markets

By Cat Barton

A bevy of workers are carefully sorting and grading an enormous pile of lychees at a packing house in northern Vietnam. The best of the bunch will go to China. "China is by far our largest market," fruit trader Tran Van Sang, 42 said at his warehouse in Luc Ngan-a small town just north of Hanoi which is taken over by lychees during the tropical fruit's short six-week season. Some 60 percent of Vietnam's lychee crop is exported to China, according to official figures.

But the trade is highly vulnerable to political bickering between the communist neighbors, driving a shift into new markets with Vietnamese lychee exported to Australia and America for the first time this year. Last year, peak season arrived in the middle of a bitter maritime standoff, sparked after Beijing moved an oil rig into waters claimed by Hanoi in the South China Sea. "It was difficult-we had a bumper crop but the Chinese buyers didn't come," said Sang. China is Vietnam's largest trading partner and the countries' volatile relationship typically doesn't impact overall trade and investment links.

But it has a dramatic effect on some sectors, like the lychee, a fruit native to northern Vietnam and southern China. Last year, traders said whole unsold consignments of lychee were simply left to rot in border areas. This year, although maritime tensions remain high over Beijing's island-building projects in disputed waters, the Chinese buyers are back in Luc Ngan, with exports up 50 percent year-on-year to 40,000 tons, according to official figures. But in response to the problems of 2014, some farmers and traders have moved on-hoping to find higher prices and more stable markets elsewhere.

Boosting fruit exports

The volume exported to Australia and the US was small-just 35 tons combined-but it was a significant step, experts say. "Vietnam could have a real breakthrough in the export of lychee in coming years," Mai Xuan Thin, the CEO of Red Dragon, a fruit exporter said. If the country focuses on food security and meeting higher US and Australian standards "exports will certainly be higher next year", he said. For Australian importer Alex Alexopoulos, there are clear benefits to buying Vietnamese lychee, which will be flown to Melbourne.

"It's a lot quicker to get fruit from Vietnam (by air) than from top of Australia to the bottom, which would take four days by truck," he said. "So it's fresher to eat lychees in Melbourne from Vietnam... and freshness is our main concern," he added. Vietnam, already a major coffee, rice and catfish exporter, is slowly turning its attention to fruit. For now, it is a relative minnow on the global stage, the eighth largest fruit exporter in Asia, behind leaders China, Thailand and India. The country's fruit crop is mostly consumed domestically, but exports are growing-up from $622 million in 2011 to over $1.4 billion in 2014, according to official figures.

The government is targeting a ten-fold increase over the coming years, with crops like longan, dragon fruit and lychee being given priority. Overall, Vietnam has good potential, said Robert Guillermo, a preclearance specialist at the US Department of Agriculture. "On a scale of one to ten, I'd give them eight. They're very good. The people are very good... they listen to suggestions we make," he said. Opening up new markets will help reduce reliance on China, said Nguyen Van Tuat, vice president of the Academy of Agricultural Sciences. "Vietnam must diversify its export markets to be more active and more economically profitable," he said. Vietnam is part of the Trans Pacific Partnership, a huge US-led trade deal expected to be sealed this year, and this could both be a huge benefit to farmers, but also a risk. "The country will have to deal with a very strong competition on quality and price of products. It will be a challenge," he said.

Farmers earn more

Farmers selling to US or Australian buyers are getting about 20 percent above the typical market price, said Nguyen Huu Dat of Vietnam's Plant Protection Department. "Overall, prices are high and stable now compared to last year (when Chinese buyers stayed away). Farmers are very happy," he said. Farmer Nguyen Thi Nghi, 56, in northern Thanh Ha province, is hoping she will double her family's income by selling her lychees to Australia.

"Currently, my family earns about 20 million dong ($900) per year. And now with the new markets, we hope to see that rise to 50-60 million dong per year," she said. Farmer Nguyen Thi Nu, 55, in Hai Duong province, said the key to keeping foreign buyers happy was to stay away from pesticides. Vietnam's exports have faced repeated food safety issues, with the EU temporarily banning some produce over prohibited bacteria concerns and recently warning on antibiotic residue in shrimp. "I never use chemicals," she said. "The climate (in Hai Duong) is perfect for lychee... people come from all over to buy our fruit." —AFP

BAC GIANG: A farmer waiting to sell newly harvested lychee fruit to local fruit traders at Luc Ngan district, in northern Bac Giang province. —AFP