

## An Excerpt from the Editorial of the Weekly Courier

June 29<sup>th</sup>, 2015

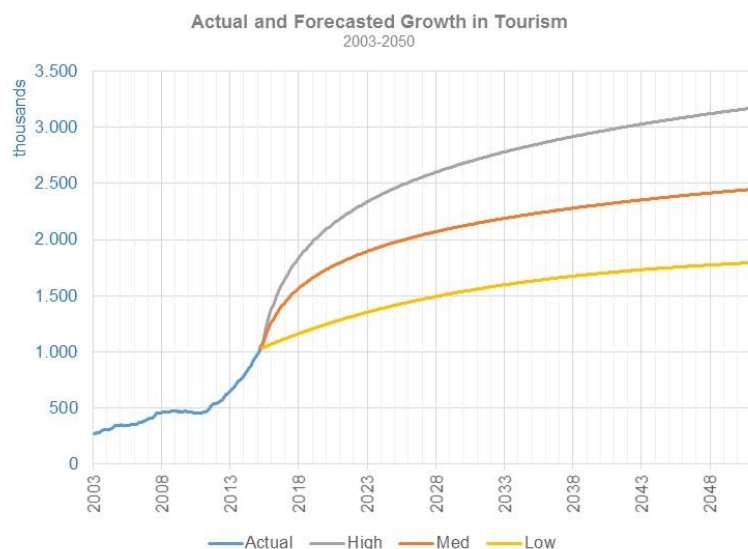
### Price of Nature?

Recently, Arev has looked at land on top of a geothermal area with temperatures running as high as 250°C underground. The land is very picturesque with a great deal of geothermal activity at the ground level where hot springs eject water, steam and clay into the air.

In an effort evaluate the land, two options are theoretically possible. Firstly, they could lease the land to a 25 MW<sub>e</sub> power plant. Or secondly, they could build tourist walkways and stands whereby the tourists could enjoy watching the remarkable natural phenomena. Arev evaluated the land based on these two options.

Traditionally, countries have had to sacrifice nature for industry as it often is much more profitable to harness the energy of nature and to put it to industrial use. The situation in Iceland has been changing however. The number of tourists that come to the country has been growing steadily as is shown in the picture above. Visitors to the country come to witness the unspoilt nature and most of them are quite prepared to pay for the experience.

Arev calculations show that the land is more than four times more valuable kept intact than if it were converted to a power plant. This shows that as the number of tourists increase in the country it may make more sense to preserve nature rather than exploiting it for industrial use.

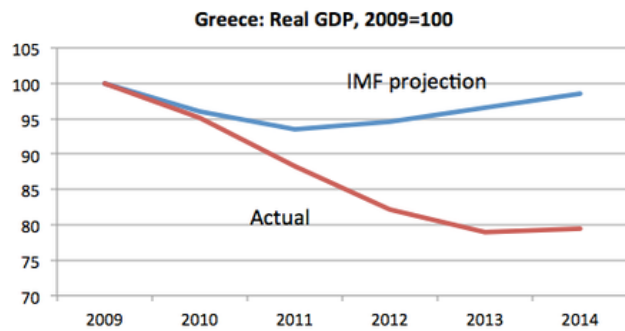


# Arev

## A Greek tragedy

The Greece government is imposing capital controls this weekend. The Weekly Courier is struggling to understand why the Troika insists upon more austerity in Greece. The country has been absolutely hammered since its bailout in 2010. We have long argued that it is a mathematical impossibility that Greece will ever manage to repay its current debt and pushing austerity is not going to help.

The above picture shows that GDP has fallen by more than 20% in real terms. Unemployment has hit 27%. These numbers compare to that of the Great Depression in the United States, arguably the worst economic crises to hit that country.



The stated position of the troika (ECB, Eurogroup on the IMF) on the one hand and the Greek proposals on the other are more or less the same although the timing of the Greek proposals allows for more phasing. It is true that the Greek proposals rely more on taxes than spending cuts, but the gap has narrowed enormously. Given the expected forecast error this is but a tiny variance and will hardly be noticeable in due course.

The Greek public is vehemently against more concessions after the pain they have suffered over the past six years. Chances are that they will take to the streets as soon as tomorrow.

It is time that European politicians stop showing off to their voters and shoulder the humanitarian and peace mandate of the European Union by working with the Greeks on realistic proposals.