

Business Briefs

Southeast Asia

Thailand initiates new regional economic group

Thailand is spearheading the formation of a new regional grouping intent on building economic infrastructure to link the Indian subcontinent to the Association of Southeast Asian Nations (ASEAN). Ministers from Bangladesh, India, Sri Lanka, and Thailand held a press conference in Bangkok on June 6, to announce creation of BIST-EC, an acronym representing the four country names and "economic cooperation." The group was initiated by Thailand, Indian Minister of State Saleem Iqbal Shervani told the press. He said, "Thailand started the idea and Thailand has the vision. India is going to play a very important role in making this declaration reality."

Prof. Somchai Phagaphasvivat of Thammasat University said that the role of the group will be to fill the gap not addressed by the ASEAN Free Trade Area. "There is no mention of road linkage, and BIST-EC could help fill this infrastructure gap between its members and other regional countries," he said.

Nuclear Energy

Iran's President says use is a 'natural right'

"It is every country's natural right to use the nuclear industry for peaceful applications, especially in the fields of agriculture, nuclear medicine, and discovering the secrets of nature," Iran's President Ali Akbar Hashemi Rafsanjani said at the inaugural ceremony of the center for research and application of radio processes in Yazd, central Iran. "Through the efforts of Iranian experts at the Atomic Energy Organization of Iran, a major portion of the country's requirements in the sensitive field of agriculture and nuclear medicine has been met," he said.

Rafsanjani said that "foreigners, especially the Americans, despite hundreds of scientific achievements gained through this

technical know-how, and taking full benefit of these sources, are accusing Iran of intending to gain access to nuclear armaments." He said that the United States, while maintaining its monopoly on nuclear technical know-how, is making every effort to prevent Iran from gaining access to this useful industry, by making baseless claims. "However, as we have witnessed today, the foundations have been laid in this extremely valuable industry in the nuclear field, which will have an immense impact on the service and industrial sectors," he added.

He said that access to this knowledge has opened wide the door toward prosperity, progress, and further development of the country, and the nation holds dear this valuable endeavor.

Eurasia

Land-Bridge gets boost from transport ministers

The transport ministers of eastern European and Central Asian nations, and China, met in Tashkent, Uzbekistan in early June, and advanced the work on the Eurasian Land-Bridge project, the Iranian news agency IRNA reported on June 6.

In a meeting on June 4 with Iranian Minister of Roads and Transport Akbar Torkan, Uzbek Minister of Railroads Armatov said that his country regarded Iran as the best, surest route for landlocked Central Asian states to reach European and international markets. At a separate meeting during the ministerial session on railway cooperation, Armatov expressed his appreciation for Iranian efforts to link its railways and roads to the Central Asian network in order to serve as a bridge between East and West.

The meeting was also attended by Kazakhstan's Railway Minister Arken Aliyev, who lauded the building of the rail line between Kerman and Zahedan in southeast Iran. Zahedan is already linked to the Pakistani rail network, and, as Aliyev noted, the completion of the Kerman-Zahedan link will connect Central Asia to the subcontinent. Torkan said that in Iran's second five-year plan (1995-2000), the Bafq-Mashhad rail

line will be completed, thereby cutting the distance between Central Asia and Iran's Persian Gulf ports by 1,000 kilometers.

In another meeting with Torkan, the Azeri minister discussed promotion of cooperation with Iran in transportation, and means of transfer of cargo and passengers along the Caspian Sea.

China

Space technology used for economic development

Baosheng Chen, the Washington representative of the China Great Wall Industry Corp., described how China's space program is being called upon to support his country's economic development programs, in a speech to an American Astronautical Society seminar on "Non-U.S. Space Agencies," in Washington, D.C. on June 6. Over 80% of the Chinese people have access to television via satellite, he reported, which is impressive for a nation the size of China. This has allowed more than 2 million people to receive university and technical education through courses transmitted via television, he said.

In a discussion afterwards, he remarked that many times when he says this before a U.S. audience, people laugh, because in the United States, everyone has two televisions, but for a developing country the size of China, this is a significant accomplishment.

China's weather satellite system is used to forecast typhoons and storms, and remote sensing systems are surveying the land and aiding agriculture. China has started to conduct microgravity experiments in materials, life sciences, and fluid dynamics, using the system of recovering small unmanned satellites and their experiments that have been sent into orbit, and has established international satellite communications businesses with over 150 countries.

Chen reported that in the Chinese plan for 2000-2020, it is stated that China shall "keep strengthening the development and research of space power systems, propulsion, telecommunications, and manned space technologies." Before the end of this century, he said, China is committed to develop increased-capacity communications and

COFFEE PRICES are at the highest level in 20 years. In May alone, they rose \$900 per ton, to \$2,470 per ton. Fear of a frost in Brazil is being blamed, but an expert said that the hikes are purely speculative, the German weekly *Welt am Sonntag* reported on May 25. The market became a casino, he said, because everybody suddenly wants to invest in goods.

350 OFFICIALS of big Iranian and Chinese companies met in Shanghai, for the first "Irano-Chinese economic cooperation seminar," the Iranian daily *Ettela'at* reported on June 2. They agreed on joint projects in Central Asia and the Middle East.

GOLD PRODUCTION in Australia in 1996 rose 35 tons, 16% over the year before, "the biggest increase among the major producers," according to the AME Mineral Economics 1997 report, *Gold 1997—Costs Under Pressure*. World production rose 3.8% to 2,349 tons. Declines in output were registered in South Africa (27 tons) and the former Soviet Union.

RUSSIA'S collapse of tax revenues has nothing to do with "tax fraud" and "withholding taxes," but with the collapse of the industrial base, the London *Guardian* commented on June 4. Production, according to official figures, continued to decline by 3%, and "the tax base itself has shrunk to a level where it can no longer support even reduced federal spending."

THE KUNMING to Singapore rail line will be modernized by a joint Italian-Malaysian venture, the Italian daily *La Repubblica* reported on May 28. The Italians beat out a consortium led by the Japanese Mitsui group, partly because they offered to share technology.

AN ITALIAN delegation of industrialists, bankers, and insurance representatives led by government chief Romano Prodi visited China in early June, and was expected to sign numerous deals. The week before, Italy signed a deal to modernize a 200-kilometer rail line.

broadcasting satellites, and next-generation Earth resource and meteorological satellites. They plan to continue to provide launch services to international customers with the Long March rocket, and will work toward "making use of satellite applications by all walks of life."

Chen said that there are four principles for cooperation: "equality and mutual benefit, peaceful use, free competition, and co-development."

Industry

Indian official calls on German 'Mittelstand'

Indian Finance Minister P. Chidambaram called upon Germany's *Mittelstand* (small and medium-sized industry) to become more active in India, "perhaps the world's preeminent development frontier," at the 41st Annual General Meeting of the Indo-German Chamber of Commerce in Bonn on June 5. He offered the group of about 600 German entrepreneurs "five compelling reasons" why they must look at India seriously.

First, he said, there are few countries in the world which, every year, add tens of thousands of megawatts of power, millions of tons of nitrogen, thousands of kilometers of roads and highways, millions of telephones, billions of cubic meters of gas, and so on, to its economy. India is among the handful of countries which have to expand at a furious pace. It is a place where infrastructure has to be built to meet the needs and aspirations of over a billion people, and that is where there is an unprecedented opportunity for German business and industry.

Second, "India is not just a low-wage country," he said. "It is a country that produces scientists, engineers, and technical personnel of world class. Our annual output of scientific and technological manpower is about 200,000." He said, "India has a preponderance of entrepreneurial skills," and "these entrepreneurs are aggressively seeking joint ventures and strategic alliances with foreign companies, particularly from your own *Mittelstand*."

He continued, "I believe, the Indo-German Chamber must now make a determined

effort at wooing investment from the *Mittelstand* companies, which have the technology most relevant to our small and medium industry. I am happy to report that a *Mittelstand* delegation is slated to visit India beginning Jan. 10, 1998. . . . I would also suggest, that the time is ripe for a bold new German initiative in the infrastructure sector in general and the energy sector in particular. This is an area where there is mutuality in interest. There is a perfect match between Indian needs and German strengths."

Shipping

Lancang-Mekong project to open route to China

Authorities in southwest China's Yunnan province are now finishing a major project to dredge the upper reaches of the Lancang River, which becomes the Mekong River outside China's borders, Xinhua news agency reported. "The ongoing project has made it possible to turn the river into an international economic corridor," the *China Daily's Business Weekly* reported on May 25.

"The project, involving 500 million yuan [\$60 million] of investment, will enable 300-ton ships to travel to the South China Sea from Saigon," it said. While the Mekong-Lancang is the eighth longest river in the world, flowing 4,800 kilometers through China, Myanmar, Laos, Thailand, Cambodia, and Vietnam, the Lancang is not navigable for much of the year, because of rapids, sharp curves, and shallow water during the dry season.

The Asian Development Bank, the UN Development Program, and firms from Europe, the United States, Hongkong, and Japan are reportedly interested in investing in the project. Cargo trade on the Lancang-Mekong River climbed to 60,000 tons in 1996, up from 10,000 tons in 1993. The outlook for border trade has become more favorable because of the Chinese, Laotian, Myanmar, and Thai governments' eagerness to tap the potential of the river, *China Daily* said. Besides conferences and joint studies, they are negotiating a multilateral cargo transportation agreement to allow direct shipping.