

# Business Briefs

## Finance

### Brits upgrade Singapore for colonial war in Asia

Although Singapore took a hit in the recent financial turmoil in Southeast Asia, its role as the primary British banking center after the loss of Hongkong is being reinforced. Prime Minister Goh Chok Tong differentiated himself from his Association of Southeast Asian Nations neighbors on Aug. 29, by insisting that "you can't fight the market." Instead, for example, Gerald Corrigan, former head of the New York Federal Reserve and now managing director of Goldman Sachs, is being brought in to head a review panel to "look at the present policy of internationalization of the Singapore dollar covering the banking sector, the stock exchange, and also the derivatives market," according to the Singapore *Business Times*.

Singapore's Finance Minister Richard Hu said, "Corrigan is familiar with new technologies and new instruments being developed in the U.S. as well as the regulatory requirements to safeguard their use."

## China

### Steel production target to double by 2010

China's Vice Minister of the Ministry of Metallurgical Industry Dr. Weng Yuqing announced at a two-day Australia-China business forum, which began on Sept. 8 in Beijing, that China wants to double its annual production of iron and steel in its electric arc furnaces, from 20 million tons to 40 million, by the year 2010, the *Australian* reported. If China did so, it would become the world's largest steel producer. Weng said that he expects China to increase its iron ore imports from Australia by 8 million tons, to 30 million tons a year, to meet its target.

Australia already supplies 50% of China's iron ore imports. To help meet these goals, Weng and Shanghai Mayor Xu Kuangdi laid out a program to cooperate with Australian companies to fast-track the production of direct reduced iron.

Australian Deputy Prime Minister and Trade Minister Tim Fischer and Chinese State Councillor and Minister for Science and Technology Song Jian opened the forum, entitled "Into China's Future," which was attended by about 300 Australian and Chinese business and government representatives. Both countries are looking at the economic benefits to both countries, especially because China's domestic market for manufactures is worth \$120 billion a year. It was reported that much of the focus was on food and food processing, financial services, transport, telecommunications, and information technology. Australia-China bilateral trade is currently \$8 billion per year.

## Nuclear Energy

### Russia plans to build floating power plant

Russian officials announced on Sept. 10 that they will be building the world's first floating nuclear power plant, which will be anchored in the Arctic Ocean, the *Washington Times* reported. The plant will use a nuclear reactor from one of Russia's deactivated submarines, and provide energy for heat and desalination, as well as electric power. The plant will provide 50 megawatts of electricity.

This region, near the Bering Strait and 500 miles from Alaska, is very isolated, and has had problems receiving coal used in a 40-year-old power plant. The nuclear plant will replace the coal-generated energy. A spokesman for Greenpeace said he had not heard about the project, but that Greenpeace would oppose it, "on principle."

Nuclear energy specialists in the United States have promoted the use of floating plants for more than two decades. For developed countries, they present flexible siting arrangements, and a way of circumventing the sabotage by the environmentalists to building new plants. Specific projects for floating plants have been designed for New Jersey and California, and at one time Westinghouse was prepared to build a manufacturing plant to produce them in Florida, plans for which fell by the wayside after the environmentalist political onslaught helped destroy the market for nuclear plants in the

late 1970s.

For developing countries, floating plants do not require the time-consuming and costly preparation of a site on land, and would allow the quick deployment of power plants to produce electricity. Japan has expressed interest in developing such a capability in the past.

## South Africa

### Mandela steps back from British economic policy

South Africa's President Nelson Mandela, speaking on the opening day of the Congress of South African Trade Unions (Cosatu) annual congress on Sept. 16, acknowledged that the government had not consulted its allies in drawing up its Growth, Employment, and Redistribution (GEAR) macro-economic strategy, and was prepared to revise the policy if it were found to be inappropriate, SAPA wire service reported. GEAR is modelled largely on a draft by the British-created South Africa Foundation, and is a disaster for the economy.

"Like any policy, it is not cast in stone," Mandela said. "I confess even the ANC [African National Congress] learnt of GEAR far too late—when it was almost complete." Mandela said the government had forgotten to adequately consult the constituency that put it in power. "There is nothing more dangerous than that," he said. While the GEAR strategy was regarded as an important one for the Mandela government, if the ANC's alliance partners are unhappy with it, their views have to be taken into consideration, he said.

Cosatu President John Gomomo called GEAR "the reverse gear of our society," in his speech to the congress. He said that the ANC and its tripartite alliance partners failed to jointly develop strategies aimed at transforming South Africa. "We have failed to agree on what the opportunities, possibilities, and constraints are in the current situation. This, in turn, has led to unnecessary tensions within the alliance." Gomomo called for redefining the role of activists and the masses during the present phase of the struggle for economic liberation. Parliamentari-

ans should spend time with their constituencies, sharing information and developing strategies to raise the concerns of the masses in Parliament, he said.

## Middle East

### World Bank collapses Palestinian economy

The World Bank's policy of blocking infrastructure building in the Palestinian territories is forcing the economy to the threshold of collapse, *Al-Quds* reported. Palestinian Deputy Minister for Planning and International Cooperation Dr. Anis Alqaq asserted on Sept. 17 that the financial situation of the Palestinian Authority has reached the "red line," including because donor nations have declined to fulfill their commitments, and the Israeli measures targetting the Palestinian economy.

Alqaq said that the PA's financial deficit has increased from \$50 million, to \$130 million. He urged the donor nations to "concentrate on direct grants to finance vital infrastructure projects in the territories," and emphasized that basic "infrastructure projects for power generation, water management, industrial zones, the Gaza seaport and airport, the Beth Lehem 2000 infrastructure project, water treatment and sewage, building infrastructure for schools and hospitals, are still stalled." He said that these projects "represent the basis for the Palestinian institutional structure and national economy."

## Britain

### Pension privatizations cheat over 2 million

New revelations are showing that the private pension scheme fraud in Britain is turning out to be "much bigger in volume than previously thought," the Swiss daily *Neue Zürcher Zeitung* reported on Sept. 20. Headlined "Escalation of British Pension Crisis," the article presents new estimates, which were to be released in late September by British

Deputy Finance Minister Helen Liddell, bringing the number of cheated persons up toward about 2 million.

All these persons had signed private pension contracts during 1988 to 1994 with altogether 41 different British insurance companies, whereby the former pension security of these persons was cancelled. This was being promoted by the government of former Prime Minister Margaret Thatcher, and had been made possible by the Thatcher deregulation of pensions systems. According to the new estimates, the barrage of lawsuits against the insurance companies could involve compensation payments totaling £4 billion.

## Africa

### Regional economic and political grouping forms

Foreign ministers or envoys of nine African nations have agreed on a draft pact for formation of a new regional economic and political group. In a statement at the end of a three-day meeting in the Libyan city of Benghazi, the representatives of Nigeria, Sudan, Egypt, Libya, Niger, Chad, Mali, Burkina Faso, and Tunisia said they would submit the pact to their heads of state, JANA news agency reported. A summit of the countries' leaders is expected to be held before the end of the year.

"The initiative was to establish an economic and social complementarity between the peoples of the region, and reinforce the human and economic capabilities . . . enabling these peoples to establish solidarity, security, and stability in the region," read a statement released after the meeting.

The meeting followed a summit on Aug. 15 in Tripoli attended by heads of state of Libya, Chad, Burkina Faso, Niger, and Mali. Nigeria's President Sani Abacha missed that summit because of illness, but Foreign Affairs Minister Tom Ikimi attended instead.

In August, Libyan leader Muammar Qaddafi said that his country is ready to open its ports to landlocked African countries, such as Niger and Chad, to give them access to the Mediterranean. For this, he proposed building roads throughout the Sahara Desert.

**ITALY'S** three main trade union confederations organized rallies against free trade and for national unity and jobs, on Sept. 20. Up to 1 million participants attended in Milan, and up to 80,000 filled Venice's St. Mark's Square. "I've never seen such a massive demonstration," said Venice Mayor Massimo Cacciari.

**TANZANIA** has declared a food emergency in the wake of widespread crop failure due to drought, and has imposed a ban on food exports out of the country. President Benjamin Mkapa said that Tanzania's immediate food requirement was 916,000 tons.

**THAILAND'S** publishing industry has been hard hit by the financial blowout, with two English-language papers, three Thai-language financial papers, and several magazines falling by the wayside this year, including *Asia Times* and the *Thailand Times*. Even the anglophile Nation Multimedia Group, which publishes the second-largest English daily, has slashed bonuses, cut salaries 10-20%, and ended medical and fringe benefits.

**RABOBANK** Australia, a subsidiary of the Dutch food cartel conglomerate, has taken over the rural finance business of Wrightson Ltd., New Zealand's biggest farm services group, expanding its control of New Zealand's rural sector finance to 12%.

**THE MESSINA** Bridge project, which will connect the Italian mainland with Sicily by road and rail, is expected to get the go-ahead from the government in early October, and be presented to a group of investors in Washington later in the month.

**RESEARCHERS** at the Chemical Industry Institute of Toxicology have shown that liver cells which process toxins, vary by species in regard to an absorbed dose; mice absorbed 10 times more of a chemical than did humans, and rats about 4 times as much. This means that environmental studies that used animals to determine toxic doses in humans, are wrong.