

Business Briefs

Tanzania

AIDS Threatens Nation's Survival, Says President

Tanzanian President Benjamin Mkapa said that "HIV/AIDS is a veritable threat to the very survival of our nation, to our socio-economic development, and to our welfare," in a New Year's message on Jan. 1. The Pan-African News Agency reported the story under the headline, "AIDS Threatens Tanzania's Survival."

"Statistics on our situation are very worrying," Mkapa said. He said that there were at least 600,000 orphaned children under the age of 15, who had already lost both parents to the disease as of the end of 1999. "Add those orphans who have died since the onset of the pandemic, and the total reaches beyond 1 million orphans," he said.

Mkapa said that at least 1.7 million Tanzanians are currently HIV-positive. Bed occupancy with underlying HIV infections in urban hospitals is 50-60%. "I plead with you not to harden your hearts regarding this matter. The urgent task ahead of us is to stop the further spread of the virus, so that those that are not yet infected should remain uninfected," he said.

Africa

'Growth Triangle' Modelled on Asia

The approach to economic growth that was pioneered by Malaysia and other Southeast Asian countries is being tried by Zambia, Malawi, and Mozambique, three of the poorest southern African nations, according to an article on Misanet.com/Afrol.com. Without the participation of South Africa, the effort is expected to be on a very small scale, but it reflects the degree to which southern Africa is looking toward Southeast Asia as a model. In particular, Malaysia took steps to defend itself against the global financial collapse which broke out in Asia in 1997-98.

"The model is the Asian Tigers' economies of Southeast Asia," the article said. It quotes Malawian Vice President Justin Ma-

lewezi, in his address upon the formal launching of the project in November 2000, who said that Africa could claim this era as the African millennium only if countries started their own development initiatives. He said that the challenge that the partners in the initiative have, is to create wealth, so as to eradicate poverty by creating new jobs and encouraging an environment that would bring benefits to the rural populations.

Peter Kaleso, the Malawian Minister of Commerce and Industry, said that the "Growth Triangle" would enhance cross-border trade and investment among the three countries. "We remain convinced that the success story [of Southeast Asia] is a living testimony of what can be achieved with determination and hard work."

Asia

LaRouche Echoed on Importer of Last Resort

Lyndon LaRouche's warning, that the economic collapse in the United States threatens economies throughout the world that have adapted to globalization and now depend on exporting to the U.S. market (see "The Demise of an Importer of Last Resort," *EIR*, Jan. 19, 2001), was echoed by David Ignatius, in a commentary in the Jan. 14 *Washington Post*.

Entitled "The Greenspan Effect in Asia," Ignatius writes, "Travel across Asia for two weeks and you begin to see the global economy as a vast central nervous system—with the nerve endings stretching out to every factory and assembly plant from Singapore to Seoul—all connected to the brain of Alan Greenspan. . . . The Fed chairman's sudden decision two weeks ago to cut interest rates half a percentage point was like a code red alert to Asia: U.S. downturn coming! Pulse weakening! Prepare for trouble!"

"'If Americans stop buying, that's trouble,' Singapore's senior minister, Lee Kuan Yew, said. Asian business executives were already seeing the signs of softness in their order books. Demand for the components of the New Economy—semiconductors, disk drives, circuit boards—had been sagging over the last few months, in an early warning

of the U.S. economic malaise. 'We take it that Greenspan must be worried, and he must know more than we know,' said a top Hong Kong policymaker. 'We are especially concerned about the impact on Asian economies.'"

Ignatius comments, "For nearly a decade, the world has been able to count on a robust America as the engine of global growth. Now the U.S. economic pulse is finally slowing, and people at the other end of the global nervous system are frightened. The global economy has been built on the illusion of never-ending American prosperity. . . . The Asian economies will have to sweat out the sudden American downturn, and hope Dr. Greenspan's magic pills will work."

Economic Policy

India Calls for New Petroleum Order

India's Petroleum Minister Ram Naik called for a New Petroleum Economic Order, speaking at the Fourth International Petroleum Conference and Exhibition (Petrotech 2001), *Asia Pulse* reported from New Delhi on Jan. 10. "The experience of the recent past, when international crude prices have more than tripled in just one year, calls for evolving a better world petroleum economic order which will ensure long-standing, mutually beneficial economic and trade relations among the oil-producing and oil-consuming nations," he said.

This perspective has also been taken by Lyndon LaRouche, who called for a return to state-to-state oil deals (see "LaRouche: Bring Oil Price Inflation Under Control," *EIR*, Sept. 29, 2000).

The new petroleum order should address the energy security concerns of developing countries like India, while insulating them from price fluctuations in the international market, Naik said, adding that price security is an important aspect in sourcing of crude oil and petroleum prices.

"There is a need for all of the developing oil-importing countries to engage the oil-exporting countries at the political level to ensure reasonable prices. On its part, India has

JORDAN AND IRAQ are planning to revive the project of setting up a rail link. A joint committee will be formed to re-study the project, which will first link their capitals, Amman and Baghdad, respectively, and later link the port of Al-Aqaba.

U.S. RETIREMENT funds can expect to show substantial losses from 2000, when statements arrive in January, according to the Jan. 13 *Richmond Times-Dispatch*. As of 1999, Americans had more than \$1.5 trillion invested in employer-sponsored retirement programs called 401ks.

XEROX Corp. has hired the Blackstone Group as its bankruptcy adviser for "restructuring," the Jan. 9 *New York Post* reported. Xerox recently sold off its Chinese operations for \$550 million, as part of selling off \$4 billion of its assets. Xerox has \$7 billion in bank debt, with the merged J.P. Morgan-Chase holding \$750 million.

EL SALVADOR is facing an epidemic of life-threatening childhood diarrhea, caused by a rotavirus. The government is reportedly resisting declaring an emergency, though requested to do so by doctors who are treating 5,000 cases.

SOUTH AFRICAN President Thabo Mbeki will outline his all-African development project, called the Millennium Africa Program, at the World Economic Forum in Davos, on Jan. 25-30, his spokesman said on Jan. 14. The plan, billed as a sort of Marshall Plan, aims to coordinate African nations' approach to debt, investment, and human and infrastructure development.

BANGLADESH and India began talks on Jan. 12 aimed at an agreement on sharing the water, and sharing flood information, from the six rivers which flow through both nations. Bangladeshi experts blame India for the flood that ravaged Bangladesh last year. They say that Indian authorities opened the sluice gates of dams after heavy monsoons without informing Bangladesh.

taken up the matter at several international forums and impressed upon the oil-exporting nations the need to have a special pricing package for the developing countries in high oil price situations," Naik said.

Meanwhile, Venezuela's state-owned oil company, Pequiven Petroquimica de Venezuela SA (PDVSA), which is the second-largest oil company in the world, is exploring long-term contracts for oil supplies with Indian firms. PDVSA sold its first load of crude oil to India last year, when Reliance Petroleum bought 1.07 million barrels. Subsequently, the firm sold another 7.4 million barrels to Indian companies. "We are talking to both private and public sector companies," Aires Barreto, vice-president of PDVSA, told a news conference.

India is now in the process of working out bilateral oil deals to reduce its dependency on the spot market.

Health

Use DDT in Fight Against Malaria, Scientists Say

An open letter signed by 380 scientists from 57 countries, calls for the use of DDT in the fight against malaria, the German daily *Die Welt* reported on Jan. 3. As *EIR* has documented repeatedly, the use of DDT has saved hundreds of thousands of people's lives—whereas the murderous, racist, and oligarchical-motivated campaign against DDT and the end of its widespread use have produced as many victims.

For example, in Sri Lanka, within one decade, the malaria incidence was reduced from 2.8 million cases per year to 17; the number of deaths, from 7,300 per year to zero.

In Madagascar, within two years, the malaria incidence could have been reduced by 90%. But, in the early 1980s, the fight was stopped in Madagascar. The result was that in 1986 alone, 100,000 people died from the disease.

The environment agency of the United Nations, the UNEP, wants to ban DDT totally by 2001, the which plan is in sharp contrast to the fact that DDT is highly effective. It fails in only 6 of altogether 63 anoph-

eles mosquito species, which are responsible for the transmission of malaria in tropical areas.

Central Asia

Oil, Gas Development Demands \$19 Price

Oil and gas development in Central Asia depends on a minimum price of \$19 a barrel for oil, according to a survey conducted by the accounting firm Arthur Andersen. The survey included executives from top Russian producers, LUKoil and Yukos, Shell Azerbaijan Exploration and Production B.V., Offshore Kazakstan International Operating Co., Pennzoil Caspian Co., Japan Azerbaijan Operating Co., and Kazakoil. Other major players in the region, such as Chevron, ExxonMobil, and BP Amoco, declined to participate.

The survey concluded that the area has even more reserves than are presently known, and the U.S. foreign policy has a significant impact on companies operating there. But to justify further development, the price of a barrel of oil has to average more than \$19 over the next year and half.

The area in and around the Caspian Sea, bordered by Kazakstan, Russia, Azerbaijan, Turkmenistan, and Iran, has about 16 billion barrels of proven oil equivalent, according to the U.S. estimates, and some estimates put that figure ten times higher. Kazakstan and Russia were rated as the most promising of the five countries for new oil finds, while Turkmenistan was rated as the most promising for new gas reserves.

The survey has endorsed the 1,580 kilometer Caspian Pipeline Consortium line. This route, of which the Russian government is the major shareholder, has been opposed by the United States. It runs from the giant Terghiz field in western Kazakstan to Russia's Black Sea port of Novorossisk, and will begin exporting oil to Western markets later this year. The United States has been a strong promoter of a more costly route that runs from Baku, Azerbaijan to Ceyhan, Turkey and bypasses Russia. The Kazak government has proposed its own pipeline to Iran through Turkmenistan.