

Business Briefs

Aerospace

South Korea, China agree on joint production

South Korea and China have agreed to jointly produce mid-sized passenger airplanes, an official at Seoul's International Trade and Industry Ministry said on April 23, after negotiations between government officials from both countries, Reuters reported.

Under the agreement, a South Korean consortium, led by Samsung Aerospace Industries Ltd. and the state-run Aviation Industry of China, would select a foreign partner from U.S. and European firms to provide state-of-the-art technology that Seoul and Beijing lack. The third partner would be allowed to take up to 20% of the equity in the project to produce 100-seat aircraft. Boeing of the United States, France's Aerospatiale, and Daimler Benz Aerospace of Germany will be considered.

The ministry last year said that the South Korean consortium would have to invest \$1.2 billion by 1998 to develop the aircraft.

Nuclear Energy

Vietnam needs nuclear to develop, says official

Do Muoi, general secretary of the Communist Party of Vietnam, said in an interview with South Korea's Yonhap news agency that "for national industrialization to be materialized, Vietnam needs nuclear energy." Reuters reported the comments based on their release by the official Vietnam News Agency on April 17.

Muoi said that South Korea and other countries, which were unidentified, have "expressed their preparedness to help Vietnam build a nuclear power plant." Muoi, during his first visit to Seoul, said experts could soon study possible cooperation in the nuclear field.

Meanwhile, Muoi signed an agreement with Japan on April 18 for a 58 billion yen loan (\$707 million), which is earmarked for eight infrastructure projects. The loan is for 30 years, with a 10-year grace period, at an annual

interest rate of 1.8%, bringing Japan's total yen loans to Vietnam to 165.6 billion (\$2.01 billion). About 17.1 billion yen of the loan will go for the first phase of construction of a thermoelectric power plant in southern Vietnam; other projects include rebuilding highways and railway bridges.

Central Asia

Turkmenistan, Iran, India boost cooperation

Turkmenistan Foreign Minister Boris Shikhmuradov announced during a visit to India in April that his country is planning a gas pipeline project extending through Afghanistan, Pakistan, and India, continuing to the Far East to Japan. Shikhmuradov said India and Turkmenistan are "strategic partners," following the signing of a tripartite agreement on April 18 by India, Iran, and Turkmenistan for increasing trade and cooperation.

According to the agreement, Turkmenistan will open up the "Silk Route" to India through the Persian Gulf, instead of the traditional route through the Khyber Pass. The Persian Gulf route is shorter and does not involve Afghanistan and Pakistan. Iran has offered a new land route through its territory for Indian goods in transit to Central Asia, and has urged greater bilateral cooperation in oil, natural gas, and petrochemical products. Iran, which signed six memorandums of understanding with India, has set up four new ports to facilitate trade. Iranian President Ali Akbar Hashemi Rafsanjani also expressed Iran's desire to deepen cooperation in science and technology and partake of India's expertise.

The proposed new route will take Indian goods by sea from Bombay to Iran's southern port of Bandar Abbas, and then overland, by road or rail, to Central Asia. The route runs through Sirzan, Karamex, Firdaus, and Mashad in Iran, to Sarrah on the Turkmenistan border.

Shikhmuradov said Pakistan has agreed to extend the gas pipeline to India through Pakistan, which will also deliver gas to Pakistan. A similar pipeline will supply liquid fuel to Europe. Shikhmuradov said Turkmenistan

has already invested \$3 billion in foreign and domestic funds in building up infrastructure to develop its huge natural gas reserves, and he called upon India to assess possibilities of participating in 32 projects, which he unfolded before industry representatives at a meeting organized by the Confederation of Indian Industry in New Delhi.

Debt

Nigerian urges relief for developing nations

Nigerian Foreign Minister Tom Ikimi called for at least 70% of the debt of developing countries, especially Africa, to be written off, Reuters reported on April 13.

Ikimi said that nearly half of Nigeria's debt was "a result of interest rate charges, the recapitalization of interest arrears, and debt rescheduling," as opposed to debt incurred in order to boost production.

Ikimi said the capacity of Nigeria to play a necessary leadership role in Africa depended upon its economy: "It must be understood that the well-being of Nigeria lessens the burden of the international community toward Africa—a responsibility which we have willingly shouldered since 1960."

Medicine

Adult human brain could renew itself

Dr. Steven Goldman at Cornell University Medical College has discovered that the human adult brain harbors precursor neurons (nerve cells), vestiges of embryonic development, which can be made to divide in tissue culture, if properly stimulated, he told *21st Century Science & Technology* magazine on April 18. Although the current understanding of what signals trigger these cells to divide is very crude, Dr. Goldman envisions that within a decade or two, clinically it may be possible to pharmacologically induce neurogenesis to

Briefly

● **ISRAELI** Foreign Minister Shimon Peres arrived in Amman, Jordan on April 24 for a seminar on a multi-billion-dollar plan to develop the Rift Valley, Reuters reported. "It is a serious attempt to engage the private sector" of the United States, Israel, and Jordan, a Jordanian official said.

● **CHINA** is using Russian government loans for nuclear power plants, according to an article entitled "Liaoning Imports Russian Capital to Develop Nuclear Energy" in *Ta Kung Po*, a pro-Beijing paper in Hongkong. The acting governor of Liaoning province was quoted saying that they have made use of \$1.2 billion in Russian loans.

● **DONORS** have agreed to finance the cash-strapped Palestinian Authority's 1995 budget deficit, and have reportedly pledged to cover last year's remaining deficit, Reuters reported on April 15. Last year the authority received \$238 million out of \$820 million pledged.

● **INDIA AND IRAN** are discussing a pipeline to supply India with Iranian gas. Iranian Foreign Minister Ali Akber Velayeti told the Iranian News Agency in New Delhi that the two nations would share the cost of "a feasibility study" for a \$5 billion, 2,200 km pipeline, the London-based Arabic *Al-Hayat* reported on April 20.

● **CHILE** is facing a strike of 8,000 state hospital doctors, their second in less than a month, who are demanding a 50% wage hike. Most earn under \$1,000 a month. Earlier, a strike in Santiago, the capital, shut down 90% of the city's bakeries. Teachers were also expected to begin an indefinite strike.

● **CHECHNYA** is facing the imminent outbreak of typhus because of the prevalence of body lice, the chief disease control officer of Badakshan has warned Red Cross officials. Hospitals are short of soap, heating fuel, medicine, food, and other essentials.

guide and enhance the survival and migration of just-divided neurons to replace areas of the brain which have suffered damage. This would provide the basis for long-term rehabilitation and recovery of functions destroyed by acute brain trauma or diseases such as Parkinson's and Alzheimer's disease.

Medically, it has long been held that the adult human brain, once damaged by disease or trauma, cannot repair itself, because nerve cells cannot be made to divide beyond the embryonic phase.

Goldman reported that researchers are now working on techniques that will transform the care of acute brain trauma patients, so that more of the brain will survive the immediate trauma, providing a better basis for long-term rehabilitation.

This work is expected to provide an alternative to the use of fetal brain tissue transplants, and stands in marked contrast to the eugenics approach toward coma patients suffering from acute brain trauma.

Currencies

European aerospace hit hard by dollar fall

The European aerospace industry "risks disappearance," because of the collapse in the value of the dollar, Louis Gallois, director of the French firm Aero Spatiale, said in an interview in the French daily *Le Figaro* on April 19. "The current value of the dollar is giving an undeserved and destructive advantage to the aerospace industry situated in the dollar zone," he said.

While correct that currency fluctuations are destroying industry, Gallois offered no solutions. He backed up the International Monetary Fund, calling for pressure on the United States to balance its budget and lower its debt.

Jürgen Schrempp, the head of Daimler Benz Aerospace, said that if the dollar remains at less than 1.40 deutschemarks, another 10-20,000 high-technology jobs will be cut in DASA's German operations and transferred into dollar-zone countries. He said two-thirds of DASA's business is denominated in dollars, calculated on the basis of the dollar at 1.60

marks. DASA reported a loss of DM 438 million for 1994, after 16,000 jobs were cut and six DASA factories closed down.

Finance

Japanese industrialist warns of global crisis

Tadahiro Sekimoto, chairman of the Japanese Nippon Electric Co. (NEC), warned on April 19 that the Group of Seven nations "must take measures immediately to modify the floating rate currency system . . . along with other major actions," or "we are likely to experience a financial crisis on a global scale." Sekimoto, who is also the vice chairman of Keidanren, Japan's leading industrial association, issued a statement to the press intended to convey the concerns of Japan's elite. NEC is Japan's largest manufacturer of electronic equipment.

Sekimoto sharply attacked currency speculators. The fall of the dollar "is the result of a money game being played by fund managers and currency speculators simply for their own profits," he said. He pointed out that entire nations have been forced into dumping the dollar to buy yen, to salvage the value of their foreign currency reserves. Since this involves dollar sales in the hundreds of billions, it is a process which, if not halted, would quickly lead to the sort of Weimar financial mudslide predicted by U.S. economist Lyndon LaRouche.

Meanwhile, most of Japan's cabinet now questions the floating rate currency system. On April 21, Japanese Finance Minister Masayoshi Takemura repeated his call (first made on April 10 and then characterized as a personal comment by the Japanese Finance Ministry) for "rethinking" the floating rate currency system, Japanese official sources confirmed. On April 20, the source said that Prime Minister Tomiichi Murayama, Ministry of International Trade and Industry Minister Ryutaro Hashimoto, and Bank of Japan chief Yasuo Mitsuhashi all agreed in hearings of the Japanese Lower House Budget Committee that "something must be done" to stop the chaos in the currency markets.