

Business Briefs

China

Tumen, southern rail lines near completion

China has completed track-laying for its portion of the Tumen-Yunchun Railway, designed to be part of the Tumen River development region, Xinhua reported Oct. 31. The 80.85-kilometer rail line is designed to link up the Tumen River region of northeast China with Russia, and is jointly funded by China and Russia. Upon completion of the railway, a triangular railway network is expected to take shape in the Tumen River area among China, Russia, and the Democratic People's Republic of Korea. The Russians are also laying track for their part of the rail system. A transfer station has been built on the Chinese side to deal with the different rail systems of the two countries.

In addition, in south China, the 898-kilometer Nanning-Kunming railroad is now being completed. This railway runs through extremely difficult terrain, including changes in elevation of 1,900 meters in the mountainous Guangxi Region and Yunnan Province in southeast China. China plans to build a series of major railways in this area, to open up its great mineral resources and end its long-term poverty through industrialization. Current projects include a fiber-optic cable along the railroad and several hydro-electric power plants.

Middle East

Joint electric grid will integrate area

Electricity ministers of Jordan, Iraq, Egypt, Syria, and Turkey, ending a meeting in Damascus on Nov. 7, agreed to add Lebanon to an electricity network that will link up the five states by the year 2002. Ministers welcomed a request by Lebanon to join the network, part of an ambitious \$2 billion plan.

The five states had approved a plan to establish the joint grid three years ago. Since then, they have been holding regular meetings to discuss progress in each individual country and to review joint efforts to com-

plete the project. Lebanon's minister of electricity and water resources, Elias Hobeika, attended the meeting.

Under the plan, Jordan and Egypt will complete the link-up of their electricity grids by December 1997, Jordan and Syria by July 1998, Syria and Turkey by July 1997, Syria and Iraq by the year 2000, and Iraq and Turkey by 2002. The sources said that the joint grid of the five, plus the new member, Lebanon, would later be linked with the northern Maghreb countries through Egypt and with Gulf Cooperation Council states via Jordan.

North Africa

Irrigate the western desert, says Mubarak

Egyptian President Hosni Mubarak opened a new session of Parliament on Nov. 10, stating that a giant project to irrigate the Western Desert was an absolute necessity and Egypt should look at special incentives for foreign investment in the scheme, Reuters reported. Mubarak said that within 20 years the number of Egyptians would increase to 85 million, from 60 million now, and the Nile Valley and Delta could not accommodate the increase. The vast majority of Egyptians have lived for millennia on the land irrigated by the Nile, but this amounts to only about 4% of Egypt's surface area. The rest is desert.

Finding an answer, Mubarak said, means a complete review of population distribution and a serious "invasion" of desert areas. Mubarak's plan, inspired by the Nile having reached its highest level ever behind the great dam at Aswan, is to divert water into the Western Desert and irrigate 500,000 acres (200,000 hectares) of land there. After the level of the lake reached 178 meters above sea level in October, water flowed out of the lake westwards into the Toshka overflow canal for the first time.

The next stage will be to dig a canal northward from the Toshka depression to irrigate what the government says is fertile land ready for reclamation. "For us to see this giant national project implemented, I call on the government to start immediately . . . to start digging the north Toshka canal," Mubarak said. "I call on investors, Egyptians

and non-Egyptians, to come to this area with their investments, their projects, and their ideas. I give the government the task of studying new advantages to investors in the valley to be set up, on top of the advantages set out in the laws now in force. . . . The concept of invading the desert is no longer a mere slogan or a dream to which we aspire. It has become a necessity imposed by population growth."

The government newspaper *al-Akhbar* said on Nov. 10 that a consultative committee had agreed work should start on a 30-kilometers canal north from the Toshka depression. The minister of public works and water resources, Abdel-Hadi Radi, has said the first stage of the project will cost \$1.9 billion.

Infrastructure

China, Iran build links in trans-Asia railway

China is preparing to begin construction of a rail line in southwest Yunnan province which will connect China to Laos and Thailand, one of the missing links in the trans-Asia railroad, the *Hindustan Times* reported Oct. 23. The trans-Asia rail line will connect Singapore, Malaysia, Thailand, Laos, China, Mongolia, and Russia.

Iran is now busy constructing the vital link between Kerman and Zahidan (near Pakistan) in Iran, one of the biggest remaining gaps in the trans-Asia railway. Once this is completed, it will be possible for trains to travel from Iran on the rail systems in Pakistan, India, and Bangladesh. This link will connect the Subcontinent to the Middle East and Europe by railroad for the first time.

However, even when this link is built, "through traffic" to Southeast Asia will not yet be possible, because the link from Lekhapani, India to Mitkyina, Myanmar (Burma) is lacking. Even if that link were built, the rail system in Myanmar itself is "skeletal" at best, and Laos has virtually no rail system, posing serious problems. In addition, there are gauge changes, from Iran to Pakistan, from India to Myanmar, and from China to Vietnam. The problem can be solved, but it is necessary to employ advanced technologies to do so.

Asia

Nations call for early effort on land transport

A UN Economic and Social Commission conference of 24 Asian countries in New Delhi on Oct. 29, called for "early implementation of the Asian land transport infrastructure development project, completing the Asian highway and trans-Asia railway project," *Asia Times* reported. The Asian highway will run from China through Myanmar, Bangladesh, Nepal, India, Pakistan, Iran, and Turkey, connecting to European roads. Other branches will connect the Central Asian republics to the network.

The meeting adopted a "New Delhi Action Plan on Infrastructure Development in Asia and the Pacific," and set up an "Asian Infrastructure Development Alliance." The Alliance is composed of "government, private sector, and multilateral agencies," according to the *Asia Times*, and "is a first attempt at making the private sector an equal player in the infrastructure business."

The effort to bring in the private sector is a recurring theme from the British and the UN, in order to assert more control over the process by the private sector, with the potential to sabotage government projects. On Nov. 1, the *Hindustan Times* noted that, except for the efforts of China and Iran, the trans-Asia railway project "remains elusive."

Trade

France, Britain improve relations with Iran

Iranian Deputy Foreign Minister Mahmoud Vaezi forecast the improvement of economic relations between France and Iran, after a two-day visit in Paris, for discussions on Iraq, Lebanon, Central Asia, the Caucasus, and Afghanistan, the daily *Libération* reported on Nov. 9. Vaezi said that "a page had been turned" in relations between the two countries. French Foreign Minister Hervé De Charette, who met Vaezi, said he hoped that France would be-

come "the number-one economic partner of Iran."

Vaezi announced that Iran would purchase 10 Airbuses and satellite communications equipment for 500 million francs (\$100 million). He said that Coface, the agency which insures French exports, had again started "unrestricted coverage" in September for exports to Iran, which had been interrupted in 1993. This was facilitated by the settlement in June of a \$120 million debt to Peugeot. He said that there were a number of great projects being discussed, including in the oil sector, with participation of the state company Elf.

Meanwhile, the Confederation of British Industry held a seminar in London on Nov. 19 on the Iranian economic situation, with 100 U.K. firms attending, the first such event since 1990, the Iranian paper *Ettela'at* reported Nov. 8. The conference is said to be going ahead despite U.S. attempts to isolate Iran.

Debt

Pope urges solution for Third World, for Jubilee

Speaking to a conference held by the Vatican's Justice and Peace Council on Nov. 8, Pope John Paul II said that the heavy debt burden is stifling nascent democracies in the Third World, and he urged the international community to help solve the problem as a Christian act in the run-up to the year 2000.

"The debt burden is inflaming social tensions in a number of countries, constituting a dramatic arrest of the democratic development of their political and economic systems," the pope said. The international community had started to look for a reasonable way out of the debt problem, but the final solution would require a true "change of hearts, an essential element of the grand Jubilee."

The pope told the Justice and Peace Council, a Vatican body that works for social justice, to draw up a series of suggestions for solving the debt problem and to present them during the Jubilee.

ALGERIA is being told by the World Bank to privatize 300 public companies. The Bank is complaining that since a privatization law was passed in 1995, only a dozen small local enterprises have been sold. Incredibly, the bank is citing Poland, the Czech Republic, and Albania as privatization "success stories."

THE PRESIDENTS of Turkey, Iran, Pakistan, Egypt, Malaysia, Indonesia, Nigeria, and Bangladesh will meet in Ankara on Nov. 27. Turkish Environment Minister Ziyattin Tokar said that they will focus on strengthening economic relations.

JAPANESE authorities closed down the Osaka-based real-estate firm Sueno Kosan on Nov. 5, with liabilities of about \$6 billion, including \$2 billion to the *jusen* housing loan companies. The Swiss daily *Neue Züricher Zeitung* said that "the Sueno bankruptcy might trigger a domino effect" among its creditors.

ISRAEL'S Prime Minister Benjamin Netanyahu told the Jerusalem Business Conference on Nov. 9 that his government is set to embark on a sweeping program of privatization. "By the end of four years, we'll be a different country," he said. He hinted that deregulation may include public transportation, energy, and the sale of state-owned broadcasting media.

BOSNIA'S new Central Bank governor is Serge Robert, a French official, the International Monetary Fund announced Oct. 29. Under the Constitution of Bosnia, the Central Bank is the sole authority for monetary policy and issuing domestic currency, and the IMF names the governor for the first six years.

INDIA must develop new relations with Myanmar (Burma), based on developing the "southern Silk Route," an op-ed in the *Hindustan Times* of New Delhi stated Oct. 25. "Roads and railways have to be opened, bridges constructed, and infrastructure put in place. It will take time, and a beginning needs to be made now."