

Business Briefs

Petroleum

Azerbaijan, Iran discuss cooperation

Azerbaijan's President Heidar Aliyev met with Ali Akbar Hashimi, director general of Iran's Oil Industries Engineering and Construction Co., on Sept. 2, to discuss increased cooperation in the oil sector. The Iranian firm has a 10% stake in the consortia formed to exploit the Shah-Deniz and the Lenkoran-Deniz offshore Caspian Sea oil fields. Hashimi indicated that his company is interested in expanding activities in Azerbaijan and entering the petrochemical and gas sectors. Natic Aliyev, president of the Azerbaijan state oil company, SOCAR, whose dismissal on corruption charges was recently rumored to be imminent, also attended the talks.

Meanwhile, the Abkhazian government delegation to the Coordinating Council meeting in Sukhumi, Georgia on Sept. 2, indicated that the breakaway republic's leadership is interested in the proposed construction of an oil pipeline linking Russia's Black Sea terminal of Novorossiysk with the Georgian port of Supsa, the Russian newspaper *Nezavisimaya Gazeta* reported on Sept. 4. The delegation said that construction of the pipeline would contribute substantially to restoring the region's economy and reducing unemployment.

Science

Ice at lunar poles may be more than expected

Scientists who have been analyzing data collected by the Lunar Prospector spacecraft over the last six months, report in the current issue of *Science* magazine that their previous estimate of 300 million tons of water ice at the lunar poles, is being revised upward, to 6 billion tons. The ice, which has collected in the permanently shadowed craters at the poles, is thought to most likely have come from impacts of watery comets.

Principal Investigator Dr. Alan Binder told the press on Sept. 3 that further analysis

of the earlier Lunar Prospector data confirms that there is hydrogen at the lunar poles, and that although "other explanations are possible, we interpret the data to mean that significant quantities of water ice are located" there. The new analysis indicates that nearly pure water-ice deposits are buried beneath as much as 18 inches of dry regolith (soil).

Lunar Prospector has also been carrying out global mapping missions of the minerals, elemental composition, magnetic fields, rock types, and mass concentrations of the Moon. It has found that there are localized concentrations of magnetic field, evident in magnetized rocks on the surface, which seem to have been produced when large bodies crashed into the Moon. There are also indications that the Moon has a small, iron-rich core, which would discredit some of the theories about the Moon's origin. For example, it has been proposed that the Moon accreted from material tossed into space by a huge impact on the Earth, in which case it is expected that there would not be a metallic core.

South Asia

Bimstec focusses on cooperation guidelines

Indian Commerce Minister Ramakrishna Hegde attended the meeting of the Bimstec economic ministers in Bangkok, Thailand, which formulated "guidelines for economic cooperation" to improve mutual trade and investment, the Indian newspaper *The Hindu* reported on Aug. 21. Bimstec (Bangladesh, Myanmar, Sri Lanka, and Thailand-Economic Cooperation) sees itself as a potential "bridge linking the Association of Southeast Asian Nations and the South Asian Association for Regional Cooperation."

The ministers agreed to work toward an "early operationalization of the Bimstec component of the southern corridors of the Trans-Asian Railways and Asian Highway projects." They decided to establish a senior economic officials committee, consisting of officers not below the rank of secretary. Its mandate, to be carried out through various working committees, is to draw up an "action agenda" and "monitor progress."

On previously agreed areas of cooperation, the meeting decided that India would

coordinate activities relating to technology, and Bangladesh would handle trade and investment. Transportation and communications was entrusted to Thailand, energy to Myanmar, and tourism and fisheries to Sri Lanka.

A Bimstec tourism summit is to be held in India later this year, and the following new areas were identified for cooperation: rubber, tea, coffee, coconut, and spices; automotive industry and parts; and processed food, seafood, fruits, vegetables, and rice products. Trade and investment spheres that were initially identified cover textiles and clothing, drugs and pharmaceuticals, gems and jewelry, horticultural and floricultural products, information technology, and services.

Indonesia

Poverty dramatically increasing, says ILO

The International Labor Organization warned that the percentage of Indonesian citizens below the poverty level will rise to 53% in rural areas, and to 39% of urban residents in 1999, in a report released on Aug. 31, according to the Sept. 1 Singapore *Straits Times*. These are "poverty levels not seen since the 1960s," the report said. Almost all economic sectors are expected to continue to decline.

The report cautioned that the combination of price increases, mass unemployment, and rising poverty will raise the threat of renewed violence. The team of experts which prepared the report, which included prominent economists with links to the Habibie administration, said that the evaluation was based on data covering the decrease of agricultural production and Indonesia's growing dependence on food and basic commodity imports, in the context of rising inflation. Already, 37% have fallen below the poverty line in the first half of 1998, and 48% will be there by the end of this year.

The report said that 5.4 million will lose their jobs this year, with unemployment rising to 7%, or 6.7 million, including 2.8 million displaced workers unable to find work in the informal sector, 1.4 million new entrants into the labor market, and 2.5 million already

CHINA'S Industrial and Commercial bank announced it will make 65.6 billion yuan of credit (\$8 billion) available for capital construction in the immediate future, the *People's Daily* reported on Sept. 4. The Ministry of Civil Affairs also said that at least one-third of the new housing which must be built to replace that destroyed by flooding, must be constructed before the winter begins.

KYRGYZSTAN is playing a key role in the new Silk Road project, that nation's Ambassador to Germany Apas Dzhumagulov told the Berlin daily *Tagesspiegel* on Sept. 1. "As the Great Silk Road is built anew, there will once again be an uninterrupted transport artery from Shanghai to Berlin and Paris," he said.

ISRAEL is facing a strike by 300,000 public sector workers. Histadrut, the trade union organization, is calling for an 8% wage increase (the government has offered 0.75%), and is objecting to the government's hiring part-time and contract workers, without paying benefits and union-scale wages. Half of the grades on the public sector wage scale are below minimum wage.

KAZAKSTAN is interested in Indian expertise in improving infrastructure. Khairat S. Karibzhanov, director of the Department of Roads in the Ministry of Transport and Communications, reported on Aug. 28 that an Indian firm has been appointed by the Asian Development Bank to conduct a study on priority road projects for Kazakhstan.

THE EUROPEAN Monetary Union criteria should be suspended as long as the Asian and Russian crises affect Europe, Hannes Swoboda, a Socialist Party deputy in the Austrian Parliament, said on Aug. 28.

BANGLADESH must double the amount of food grains normally received in aid and imports this year, because of floods, Red Cross officials in Dhaka said on Aug. 30. "Bangladesh's total food shortfall is likely to reach 4 million tons," an official said.

unemployed. One member of the team said that 20% of the 92 million workforce are now unemployed. Half of those retrenched are expected to seek work in the informal sector.

Indonesia's poverty standard is roughly half of the U.S. standard, or income of 55¢ for urban areas and 40¢ for rural areas per day (assuming an exchange rate of 2,300 rupiahs to the dollar; the current rate is 10,750 to the dollar), or a daily diet of 2,100 calories.

Infrastructure

China plans rail link to Hainan

China plans to construct a rail link to Hainan, the large island off China's southernmost coast, *People's Daily* reported on Aug. 31. The rail link, which will cost about 4.5 billion yuan (\$540 million), would involve building 542 miles of track and constructing China's first train ferry across the Jingzhou Strait, which separates Hainan from the province of Guangdong. The project, to be completed in 2001, will be funded by the Rail Ministry and the governments of Guangdong and Hainan provinces.

This is one of nine large rail projects to be constructed over the coming years. Earlier, a plan to build a rail line connecting Tibet and Yunnan province was announced. China plans to increase spending on rail construction to 45 billion yuan this year, up from 34.9 billion yuan last year.

Space

International Space Station launch nears

With the launch of the first element of the International Space Station due on Nov. 20, the U.S. National Aeronautics and Space Administration is seeking ways to infuse cash into the Russian Space Agency (RSA), to allow it to finish critical station hardware and continue to participate in the project. With the deorbit of the Russian Mir station less than a year away, Russia will be out of the manned space effort for the first time

since 1961, if it cannot be rescued from the financial collapse.

NASA has been prevented by the U.S. Congress from giving the RSA the \$80-120 million needed to complete the Service Module, scheduled for launch next spring, and to keep the station on schedule. Science Committee Chairman James Sensenbrenner (R-Wisc.) has preferred to try to get NASA to build the station without the Russians. The Clinton administration refuses to go along with such a proposal.

According to the Aug. 31-Sept. 6 issue of *Space News*, U.S. station managers are now trying to figure out what hardware they can buy from the Russians, such as Soyuz capsules, that can be delivered in the future, but for which they could be paid now. The cash could then be immediately put into completing the critical near-term Service Module. In addition, NASA has asked its industrial contractors to identify what services they could buy from the Russians, instead of performing them in-house. Energia, the main Russian space station contractor, has started laying off employees due to a severe lack of cash from government contracts.

Mexico

Extreme poverty rises 300% in last four years

The Mexican daily *El Financiero* reported on Sept. 2 that in the last four years, the number of indigent people in Mexico, that is, people who do not have enough income even to eat, rose 6 million, from 20 million to 26 million. Another 40 million of Mexico's 96 million population live in extreme poverty (a bit "up" from indigent), while another 20 million survive on incomes of less than two minimum salaries, which is considered barely sufficient to buy one-third of what the UN Economic Commission on Latin America identifies as the indispensable consumption basket for labor.

If this report is accurate, all told, 86 million of Mexico's 96 million people live in inhuman conditions, thanks to International Monetary Fund policies.

Two labor groupings have announced they will be mobilizing protests.