

Business Briefs

Central Asia

Financing sought for Trans-Asia rail project

Kyrgyzstan, Uzbekistan, and China are discussing how to finance a feasibility study for the Trans-Asian rail project, Kyrgyz Railroad Construction Co. General Director Erkin Masadykov told Moscow Interfax on March 19.

A group of Chinese, Uzbek, and Kyrgyz experts recently finished the preliminary analysis of the project. The construction costs of the 454 kilometer rail line, which will connect China to Uzbekistan and Kyrgyzstan, is estimated at \$2.5-3 billion. Masadykov said that, in his opinion, the project is feasible.

Some leading railroad companies and international financial institutes, including the Asian Bank for Development and a number of major Japanese companies, have shown interest in the project, Masadykov said. He added that the new rail line will be much shorter than either the Trans-Siberian railway or the rail line between Kazakstan and China.

Space

Fusion-propulsion concept advances

NASA astronaut Franklin Chang Diaz said that the Variable Specific Impulse Magneto-Plasma (VASMIR) project, a propulsion system that he and a NASA-industry-university team are working on based on continuous-thrust plasma drive, could take people to Mars in about 2018. He told the Space Exploration at the Millennium symposium, held in coordination with First Lady Hillary Clinton's Millennium initiative, on March 24 in Washington, D.C., that experiments are being done in the laboratory to test aspects of the design using non-fusion-generated plasmas, and that he plans to fly an experiment in space in three years to test the technology.

Chang Diaz, a plasma physicist, is director of the Johnson Space Center Advanced

Propulsion Laboratory and an Adjunct Professor of Physics at Rice University and the University of Houston.

Using a continuous-thrust plasma drive, a spacecraft would accelerate for the first half of a trip to Mars, and then turn around and continue firing in the opposite direction, to slow the spacecraft down on the second half of the trip. In this way, Chang Diaz explained, the "ship is always accelerating, producing artificial gravity," to eliminate, or at least mitigate, the physiological impact on the crew of zero-gravity spaceflight.

The trip from the Earth to Mars would take about three months using this design. In addition to being faster than the six- to nine-month travel times using traditional chemical rocket systems (as proposed by Bob Zubrin and others), if the crew or spaceship had problems, it could be turned around at any point in the mission and head back to Earth.

Health

Financial crisis fuels holocaust

The UNICEF representative to Indonesia and Malaysia, Stephen Woodhouse, has warned that malnutrition related to the economic crisis could lead to lower IQ development for an entire generation, the *Straits Times* reported on March 27. UNICEF says that 8 million pre-school-age children in Indonesia are malnourished; already before the crisis began in 1997, it said that 12 million were suffering from vitamin A, iron, and protein deficiencies.

Woodhouse said that 90% of brain cells develop in the first two years after birth, and that malnutrition during that period has devastating effects. "The nation as a whole cannot afford this massive loss of human potential, which, among other things, will condemn Indonesia to lower economic growth and competitiveness in the global economy." He cited Ministry of Health reports of 610 deaths in recent months due to marasmus and kwashiorkor, acute malnutrition due to a diet lacking, respectively, in calories and protein. UNICEF reported that women in Jakarta suffer from a vitamin A deficiency at a rate twice as high as in rural

Bangladesh.

Researchers attending a conference in Singapore report that Asia's fragile public health care system has seen a 20-25% increase in demand since the onset of the economic crisis, as middle class and wealthy families, no longer able to afford private hospitals, have turned to public health care facilities, which are now straining under 80-85% occupancy rates. This is compounded by the skyrocketing cost of pharmaceuticals, mostly imported and dollar-denominated, with costs rising 20-300% in Indonesia. One participant concluded, "I just don't think people are being treated in Indonesia."

Industry

Orders for plant construction collapse

The German association of plant construction industry (steel plants, power plants, chemical plants, and so on) on March 25 presented figures for 1998 which showed a devastating collapse in orders, particularly from the Asia-Pacific region. Foreign orders fell 14%, on top of a sharp fall the year before. For 1999, the association expects orders to drop below 30 billion deutschemarks, which would be the worst year since 1992. For 2000, a decline of orders by 10-20% is forecast. In 1998, orders from the Asia/Pacific region dropped to DM 3.1 billion, compared to DM 8.8 billion the year before. The share of the Asia-Pacific region in total foreign orders, once more than 50%, fell from 38.6% in 1997 to only 16.1% in 1998.

The association argues that due to the overall shift in the industry toward construction of turn-key plants, in which the German producers are specialized, most of the 35 German producers can survive the collapse of demand in Asia. However, Japanese and South Korean firms are facing a 50% drop in orders and are finding themselves in an "extreme situation." The wave of mergers and takeovers in this sector is expected to escalate. Orders from Ibero-America and the Middle East are now starting to crash as well, the association reports.

Similarly, Barmag AG, based in Düsseldorf, expects the world market for chemi-

VIETNAM and India have agreed to cooperate in the peaceful uses of nuclear energy, including training, exchange of scientists, setting up of a pilot plant for the manufacture, control, and assessing of uranium ceramics for fuel assemblies, and exploration of uranium mines in Vietnam.

GERMANY'S participation in the International Space Station is threatened by the Schröder government's proposed cuts in the space budget (from 1.53 billion marks to 1.26 billion marks), the German Aerospace Industry Association has warned. Germany has a 38% share in the European Space Agency's ISS program.

THE GREATER MEKONG River subregion met on April 7-8 in Bangkok, to address the impact of the Asian financial crisis on the region. The intent is to develop strategies to promote trade and investment and to push the project forward.

INDIA'S industrial production growth rate declined to 3.5% during first nine months of the fiscal year, as compared with 6.7% last year; the electricity sector posted a 6.6% growth rate. A Finance Ministry report released on March 22 said that foodgrain production would be 195 million tons in 1998-99, some 2.6 million tons more than 1998.

MALAYSIA has begun to slaughter pigs infected with Japanese encephalitis, which is transmitted to humans by mosquitos. Since January, 35 people have died. Extensive drainage and spraying have been undertaken to wipe out mosquito infestations. So far, owners of 406 farms have surrendered 326,971 pigs out of a herd of more than 600,000.

THE NEW ZEALAND government is allowing a Christchurch clinic to offer patients loans at 15.5% interest to pay for surgery, which they would otherwise have to wait months, if not years for, due to budget cuts. Opposition Labor Party spokeswoman Annette King attacked the scheme as akin to "usury."

cal fiber machines to collapse this year by 50%; the firm currently accounts for 40% of worldwide production. The company recently fired its board chairman, who as late as November 1998 was presenting an optimistic outlook for the years ahead. Employment, which shrunk from 5,300 in 1993 to 3,200 in 1998, will fall to 2,500 by the end of the year. The worldwide fall in demand for chemical fibers has led to a collapse of prices. The large chemical fiber producers in the United States, Europe, and Asia are cutting back production and have cancelled orders for new chemical fiber processing machines.

Trade

WTO a 'death sentence' for industry, China told

A paper calling on China to suspend talks to enter the World Trade Organization is being circulated by e-mail among policymakers in Beijing, the *South China Morning Post* reported on March 23. The paper, titled "Reconsidering Strategy on China's Entry into the WTO," warns that entering the WTO would destroy many of China's strategic industries. The paper has not appeared in official media, but its quality indicates that the author is likely a scholar or senior economic official, the *Post* commented.

The paper said: "We should suspend consideration of entering the WTO. . . .

"Globalization is not the natural order, but a way for strong powers to manipulate conditions in the world, interfere in the governments of all countries and build a new order for monopoly capital," the paper read. "It means the governments of developing countries ceding control to multinational companies and financial conglomerates. . . .

"In the 1990s, the destructive power of this globalization has become apparent, with economic and financial crises in Russia and most countries in Asia, Africa and Latin America."

Entry into the WTO would mean a "suspended death sentence" for China's metallurgy, machinery, electronics, and high-technology industries, because the WTO would eliminate state support for these in-

dustries, it said. China's exports are mostly commodities, of which 40% are produced by joint ventures with foreign firms. The paper said that these firms are branches of multinationals, which provide little input of technology or tax revenue for the mainland.

It is far too early for China to lift its protective barriers, the paper stated. The United States retained high tariff and tax protection from Britain for nearly a century, while Japan retained them for more than 40 years after World War II and is still criticized for them by the United States. "The road of China's take-off is very long and needs one to two generations," the paper concluded.

Debt

U.S. bishops urge relief to aid development

Archbishop Theodore E. McCarrick of Newark, New Jersey, chairman of the U.S. Catholic Conference International Policy Committee, and Bishop John H. Ricard of Pensacola-Tallahassee, Florida, chairman of Catholic Relief Services, urged the World Bank and the International Monetary Fund to base debt relief on the need for development. "Our concern is with the human aspects of the debt problem—its impact on the poor and vulnerable in a society. We advocate criteria for evaluating debt sustainability that are based on human development," they said on March 15. The remarks were addressed to the Highly Indebted Poor Countries (HIPC) initiative.

A statement released by the U.S. Catholic Conference stated, "The two Bishops expressed concerns with the fiscal criteria currently used by the international financial institutions (IFIs) in determining a nation's ability to keep up with debt repayments. Rather than focusing primarily on economic indicators like export earnings, the Bishops urged the IFIs to look also at the impact of debt repayment on human development indicators such as health, education, and sanitation in highly indebted nations, as well as other expenditures necessary for sustainable development and poverty reduction."