

Business Briefs

Transportation

Fairbanks Meet Promotes Alaska-Canada Rail Line

An international conference in Fairbanks, Alaska on Oct. 10-11, supported the construction of an Alaska-Canada rail line, through to the lower 48 U.S. states. The proposed route would run from Fairbanks to Fort Nelson, British Columbia, whence it would connect with rail systems to points south and east.

Conference sponsors included the Greater Fairbanks Chamber of Commerce and the Fairbanks Industrial Corp., and it was organized by Rep. Jeannette James, Majority Leader of the Alaska House of Representatives. Among the 50 participants were representatives of mining companies, rail experts, and legislators from Alaska and from Canada's Yukon Territory — who were especially gung-ho. Larry Bagnell, MP of the Yukon Parliament, told the *Fairbanks News-Miner*, "It's a great long-term project. It'll change the face of the world."

Transportation consultant Hal Cooper (see interview, *EIR*, Oct. 19, 2001) addressed the conference on the larger need for rail-based development corridors, and presented a 50-page paper, with detailed maps of new corridor projects under discussion for eastern Asia and North and South America.

Space

Asian Nations Step Up Plans For Cooperation

The China National Space Administration (CNSA) said on Oct. 19 that Asian-Pacific nations are making progress in plans for cooperation in use of space technology for social and economic development, *China Daily* reported. China, Pakistan, Thailand, and South Korea have taken steps to increase space cooperation, increase exchanges, and train and educate people from nations which need assistance in this field.

The Sixth Asia-Pacific Conference on Multilateral Cooperation in Space Technology and Application was held in Beijing in September. Proposals include establishing a

neutral Asia-Pacific astronautics society, a neutral Space Cooperation Consulting Committee, and eventually setting up an Education and Training Center of Asia-Pacific Space Science and Technology, to benefit nations which need space aid, announced Luo Ge, the CNSA official in charge of international cooperation. This would create the Asian counterpart of the European Space Agency.

Health

WHO Warns Of Imminent Tuberculosis Epidemic

The World Health Organization is warning of a sharp increase in new cases of tuberculosis, largely as the result of increasing poverty, shortages of medicine, and the overall breakdown of public health systems, particularly in parts of Asia, the Oct. 20 *Washington Post* reported. The head of the WHO Tuberculosis Strategy, Mario Raviglione, warns that 56% of those newly infected with TB will die from the disease.

In particular, TB in Afghan refugee camps in Pakistan is bad, and threatens to worsen and become a "mass incubator," the Oct. 21 *New York Times* reported. The rate of TB infection was already high in recent years in Pakistan and Afghanistan, with 350,000 people contracting the disease annually. Worldwide, an estimated 8.7 million people developed the disease and 2 million died of it last year.

Singapore

Nation Works To Break Its 'IT' Addiction

Singapore has formed a team headed by Deputy Prime Minister Lee Hsien Loong to help diversify the economy and reduce the city-state's dependence on information technology and electronics industries, Prime Minister Goh Chok Tong said on Oct. 15. Singapore is facing its most severe challenge since independence in 1965, Goh told labor union leaders.

The team will help develop policies to encourage local firms and innovation, as the country shifts from its traditional reliance on foreign investment. "It is a very long-term strategy," said Gene Frieda, head of research at Forecast consulting company. "But the notion of encouraging creativity is a very difficult proposition, which goes beyond just doing everything through money."

Singapore's economy continued to collapse for the seventh straight month in September, recording a 30.7% decline in non-oil domestic exports. Exports to the United States fell 44.5% compared to last year; exports to the European Union, 27.4%, and to Japan, 30.1%. Electronics exports fell 38.9% compared to last year. Exports of integrated circuits posted the biggest fall of 61.1%, followed by personal computers, at 52.2%. An economist at ING Barings commented, "We haven't a clue on how long the recession in the U.S. will be."

The number of Singaporeans visiting psychiatrists has doubled. Dr. Brian Yeo told the Oct. 22 issue of *Singapore Straits Times* that, instead of bonuses, this year "they are wondering when they are going to get the chop." The Institute of Mental Health (IMH) reported the number of its patients had almost doubled since April, while psychiatrists said they had been seeing 20% more people for depression in the last two months. Men, especially 30- to 49-year-olds, i.e., bread-winners, are having the worst time, because "their self-esteem hinges on whether they are employed," said IMH chief executive Kua Ee Heok, who sees two to three new patients a day. The Manpower Ministry said that the number of laid off workers may reach 25,000 this year, higher than the earlier forecast of 20,000. The economy is expected to contract at least 3% this year, compared to a rate of 9.9% growth in 2000.

Energy

Philippines Opens Natural Gas Field

Philippines President Gloria Macapagal Arroyo took part in the launch of the \$4.8 billion Malampaya deep-water, natural gas facility on Oct. 16, the single largest foreign invest-

UN DIRECTOR of Development Analysis Ian Kinniburgh warned of a “devastating impact on the world’s poorer nations” from the global economic collapse. “The first and most fundamental point is that the world economy was already in a state of slowdown” before Sept. 11, he said. Gross World Product is now expected to grow at 1.4% compared to 2.4% before Sept. 11, with international trade to hit zero growth.

THE AIDS EPIDEMIC in South Africa has reached “shattering dimensions,” asserts a report released in October by the South African Medical Research Council. The report warns that 5-7 million South Africans will die of AIDS by 2010, and that already, 40% of all deaths in South Africa are due to AIDS.

BETHLEHEM STEEL Corp., the U.S. third-largest steelmaker, filed for Chapter 11 bankruptcy protection on Oct. 15, and received a \$450 million loan from General Electric’s GE Capital unit to continue operations while it restructures or until it finds a merger partner or buyer. Bethlehem is the 28th U.S. steel company to seek bankruptcy protection since 1998, including LTV Corp. and Wheeling-Pittsburgh Steel Corp., which have yet to find a merger partner.

SUREBEAM CORP. opened a food irradiation facility in Chicago on Oct. 18, which uses both electron beams and X-rays to process fresh and frozen meats, spices, and other products. The plant will have a capacity of more than 250 million pounds annually. It will use both types of beams simultaneously, thus accommodating products of different size and shape.

METALS DEMAND is having its worst year since the early 1980s. Copper prices are down 25% this year, zinc is down 26%, aluminum is down 18%, and nickel is down 33% over the last 12 months. “Many people still don’t appreciate the severity of the downturn,” said Macquarie Bank analyst Jim Lennon.

ment project ever in the Philippines, the *Philippines Inquirer* reported on Oct. 17. Malampaya is a joint venture between Royal Dutch Shell and the Philippine National Oil Co.

Arroyo described the project as “of historic proportions” in contributing to the country. Arroyo said the project would reduce the country’s annual oil import bill by \$700 million annually, from the current \$3 billion, and that the country would earn \$13 billion in royalties over 20 years. Overall national self-sufficiency in energy supply would rise to 52%. Three power plants in Batangas province—the 500 MW San Lorenzo plant, the 1,200 MW Ilijan plant, and the 1,000 MW Santa Rita plant—started using the gas in early October. The three power plants represent one-quarter of the country’s total power needs.

Arroyo also outlined a number of future projects for the natural gas sector: construction of an onshore pipeline to bring gas from Batangas to Manila, and eventually to Bataan; conversion of certain existing National Power Corp. plants into gas-fired ones; use of compressed natural gas for all public transport in the next two years; and development for non-power uses of small gas fields, which have already been discovered and proven (and are laden with recoverable reserves).

However, the President said the conversion of some power plants could only happen if the Malampaya consortium agreed to lower the price of gas compared to the price stated in the existing sales contract.

Consumer Credit

Overdue Payments Rise Sharply in United States

Nationwide, the percentage of credit-card holders whose bills are 30 days or more overdue, hit 3.93% in the second quarter, up sharply from 2.99% in the first quarter, the highest level since the American Bankers Association began tracking the numbers 21 years ago, the Oct. 22 *Wall Street Journal* reported.

Charge-off rates, where banks write off uncollectible loans, are rising: Capital One saw a charge-off rate of 3.9% in the third

quarter, up from 3.8% a year earlier; MBNA’s rate rose to 4.9% from 3.9% over the same period. Providian’s charge-off rate was 10.33% in the third quarter and is expected to top 12% in the fourth quarter. While many credit-card holders can move their balances from one card to another, Providian specialized in the high-risk borrowers who would have trouble getting credit elsewhere. But, “if they can’t go elsewhere, they’ll default,” said Joel Houck, a credit-card sector analyst for A.G. Edwards brokerage.

The financial sector has been struggling with corporate loan problems for well over a year, but “Providian’s travails underscore fears that consumer credit markets could soon face serious trouble,” the *Journal* said.

Asia

Dramatic Reversal Of Fortune Predicted In Asia

Hong Kong-based Political and Economic Risk Consultancy (PERC) has conducted surveys of expatriate business leaders, both before and after the Sept. 11 attacks, which underscore the prospect for seismic changes in the region. Agence France Presse reported on Oct. 22. The PERC surveys indicated that several of the countries that scored the highest rating for political and social stability before the Sept. 11 attacks, are now perceived as among those most at risk, with Singapore emerging as a key barometer. As PERC put it, the sense of security in these countries “has vaporized.”

The pre-Sept. 11 survey listed the safest countries as Australia, the United States, Japan, Singapore, Hong Kong, and Taiwan. But in the post-Sept. 11 survey, Singapore came in second only to Indonesia as among those most at risk, followed by the Philippines and Malaysia. The demotion of Singapore is largely attributed to the “spill-over effect” of tensions in Indonesia and Malaysia, and the potential for tensions within the city-state between its Chinese and Malay populations.

Ironically, the second poll suggested that the two countries that would be least affected by security concerns are Vietnam and China, relative newcomers to free-trade lunacy.