
Economics in Brief

Rail

China and Nigeria Sign A \$12 Billion Deal

Nov. 20—A Chinese company signed a \$12 billion rail deal Nov. 19 in the Nigerian capital, Abuja. The 1,400-km-long line, with 22 stops, will follow the coast, establishing a rail link between Lagos, the economic capital of Nigeria, across the Niger delta to Port Harcourt, the center of oil production in the eastern part of the country.

This is China's single biggest contract overseas, according to Xinhua. The signing makes official the agreement that was reached last May during the visit of Premier Li Keqiang. Li had said during his visit that "Nigeria emphasizes development of railway and other infrastructure, while China possesses technical strength and rich experience in this regard." He was on a tour of Ethiopia, Nigeria, Angola, and Kenya, at the time, emphasizing infrastructural development.

Nigeria is currently China's third-biggest trading partner in Africa, according to bricspost.com. In 2013, China-Africa trade increased to \$210.3 billion, making China Africa's largest trade partner for five years in a row. Nigeria, the most populous nation in Africa, and South Africa, are the two most powerful economies on the continent.

Nigerian Transport Minister Idris Audu Umar signed the contract with the China Railway Construction Corp. (CRCC). CRCC head Meng Fengchao said that the company will use the latest technologies and rail products in the project. At the same time, CRCC is working on a several-billion-dollar rail-modernization project in Nigeria, along with road-building projects and expansion of the Murtalla Mohammed International Airport in Lagos.

The 120 km/hr line is the first part of a Nigerian project to build a nation-wide high-speed rail system which is intended to eventually serve most of Nigeria.

The Lagos-Port Harcourt project will create up to 200,000 jobs, according to Xinhua. As many as 30,000 permanent positions will be created when the project is finished.

Infrastructure

SCO Bank Proposes Projects in India, Iran

Nov. 19—The Shanghai Cooperation Organization (SCO) Development Bank, now in the process of being formed, has indicated that it would like to finance the proposed overland Russia-India oil and gas pipeline—traversing through transit states such as Kazakhstan or China, Turkmenistan, Afghanistan, and Pakistan, said Russia & India Report (RIR). Establishment of the SCO Bank had been in the news for a while, but it got a boost during its 2013 Tashkent Heads of State summit. The article went on to say, citing a source familiar with the Russia-India talks, that New Delhi has already initiated the formation of a joint working group to study the pipeline running through Central Asian nations.

The SCO Development Bank, with a concept that is undergoing stage-by-stage discussions, will focus on financing multilateral infrastructural projects, the SCO's top official told RIR.

In addition to investing in the Russia-India oil and gas pipeline, RIR's article said the bank is also keen to shore up transport infrastructure within Iran. It said Russia's discussion with Iran, which is an observer country in the SCO and not a full member yet, centers on enhancing trade with Iran, particularly in transporting surplus Russian grains to Iran, and selling Iranian crude oil through Russian traders. This would increase the sale of Iranian crude, since the West-imposed sanctions against Iran prevent the country from selling a large amount of the crude it is capable of producing.

Water

EIR Brings Transaqua to Lake Chad Commission

Nov. 18—This week's meeting of the Lake Chad Basin Commission (LCBC) heard a presentation from Lawrence Freeman, an *EIR* Africa specialist, which included a message from the author of the water transfer project Transaqua, Dr. Marcello Vichi of Italy. The Commission agreed to include Freeman's remarks in its proceedings, and to have its newly formed International Scientific Advisory Committee formulate a response to Dr. Vichi.

In his message, Dr. Vichi called on African leaders to "be utopian," and move to implement great projects. The takeoff of the African continent "could never take place by limiting interventions to many small projects, politically important, but almost exclusively subsistence-producers," Dr. Vichi wrote. Instead, Transaqua includes "the creation of more than 2,000 km of south-north river transport in the heart of the continent, the creation of an industrial "pivot" in the Central African Republic, and a possible east-west, coast-to-coast motorway connection between the ocean ports of Lagos and Mombasa, together with a major production of hydroelectric power for local use."

With the Commission under a determined new leadership, there is a recognition that replenishing Lake Chad must be a top priority. To insure that Transaqua is part of that commitment, Freeman was appointed to the Scientific Advisory Committee.

The Lake Chad Basin Commission was founded in 1964 by the four nations—Chad, Niger, Nigeria, Cameroon—that border the lake, the fourth-largest on the continent. While the Commission has failed to take action over the last 50 years, the vast lake has nearly disappeared, receding from 25,000 sq km to less than 2,000 sq km today. This shrinkage directly affects the livelihood of 30 million people employed in farming and fishing.