

# Business Briefs

## Petroleum

### Azeri-Iran oil swaps possible, says Aliyev

Azerbaijan President Heidar Aliyev said that it is still possible for the first crude oil produced by the Azerbaijan International Operating Co. (AIOC) to be exported through the Persian Gulf in a swap deal with Iran, in an interview with *Petroleum Argus*, the Ettelaat-Iranian news agency reported on May 17. He also listed several projects for possible collaboration with Iran, including an agreement currently being negotiated to construct a gas pipeline to the Nakhichevan enclave, and joint construction of an oil refinery and a hydroelectric power plant.

Aliyev maintained that it is possible to satisfy all interests, including those of Iran, Russia, and the United States. He confirmed that the exclusion of the National Iranian Oil Co. from the AIOC \$8 billion deal led by U.S. oil firms, was due to protests from Washington. Azerbaijan had little choice but to go along, Aliyev argued.

The means and route for export of crude oil, which is due to begin within 15 months, remains a problem for the landlocked state. Aliyev refused to confirm speculation that such an export agreement with Iran could be reached in June.

## Great Britain

### A former industrial nation, says paper

Great Britain is a former industrial nation, the German daily *Frankfurter Allgemeine Zeitung* said in an editorial in its economic section on May 20. British industry in the year 1880 controlled 40% of the world market, compared to 7% today. This looks rather miserable, and so is the state of industry in Britain, the paper commented. Ironically, on the 50th anniversary of the end of the war, the British have to concede that they won the war but lost the peace.

Not being able to capitalize on the postwar impulse of the Marshall Plan, the British never really invested in key industrial sectors, such as chemicals, machine tools, and electrical engineering, as did the Japanese and Germans, the paper said. Rather, they invested in capital-intensive, military-related sectors, in which they had to compete with the Americans but without having the resources to do so successfully in the long run.

Then, the Thatcher era, with its fixation on privatization and deregulation, its ideology of promoting financial and other services as an alleged alternative to industry, did a lot more to ruin the British economy. Now, with the disasters at Barings, Warburg, and Lloyd's, the British are in a state of paranoia about the prospect of being taken over by foreigners.

## Europe

### Hasten high-speed rail planning, cities say

Municipalities from France, Germany, Austria, and Hungary, including representatives from Strasbourg, Nancy, Karlsruhe, Stuttgart, Ulm, Augsburg, Munich, Salzburg, Vienna, and Budapest, called for an acceleration of the planning process for a southern high-speed rail route, in a conference in Munich at the beginning of the week of May 15.

The municipal initiative, "Mainline for Europe," welcomes the European Union's plans for completing the TGV-ICE (the French and German high-speed rail systems, respectively) link into southern Germany through Strasbourg by the year 2002, but wants an acceleration of the decision process for the extension of this link to Stuttgart and Munich, and on from there to Vienna and Budapest. According to the original plans discussed some years ago, the extension was scheduled to be completed by no later than the year 2004. Present EU plans and delays on the German side of the planning process would postpone the completion of this extension by another five years, if there is no acceleration.

At the conference, Karlsruhe Lord Mayor Gerhard Seiler referred to a recent study by

the International Union of Train Companies, which forecast an increase of commodity transport by rail from the current 13.9% of all goods transported, to 21% by the year 2010, provided that high-speed train connections that pose a realistic alternative to transport by highway are available by then. Overall rail transport capacities will increase by 73% over the next 15 years, according to this study.

In a related initiative, Austrian members of the European Parliament are calling for the EU's Trans-European Network (TEN) program to be extended to the railway grid of Austria, to upgrade rail travel there to 160 kilometers per hour in the first phase, and then to speeds of 250 km per hour. The first meeting of the Austrian members of the European Parliament with EU Commissioner for Transport Neil Kinnock took place in Brussels on May 17.

## North Africa

### Europe must aid the Maghreb, says Delors

Former European Union Commission President Jacques Delors called for visibly increased EU economic support of the Maghreb states in North Africa, in a speech at the Free University of Berlin on May 17, according to German press accounts.

Delors, who had come to Berlin to receive an award from the municipality for his active support of German reunification in 1990, said that false alternatives, between an increased engagement of the EU in Europe's East and one in North Africa, should not be posed. Upgraded support for the Maghreb should not lead to a slowing of the economic integration of the East into the EU, he said.

Delors said that it should be possible, with the right commitment, to have 27 member states in an expanded and functioning EU by no later than the year 2005.

Delors identified Britain as the leading voice for those who have opposed and obstructed the functioning of the EU. Against that background, he endorsed a multi-tiered system through the formation of a group of

governments committed to accelerating the EU process, and recommended that majority rule replace the current system, in which a single government can hamstring the EU by use of the veto.

## Health

### Researchers link IMF policies to AIDS spread

The International Monetary Fund (IMF) and World Bank have created social and economic forces that may have contributed to the spread of the human immunodeficiency virus (HIV, which causes AIDS) in developing nations, researchers said on May 18, Reuters reported.

Peter Lurie, a researcher at the University of California at San Francisco's Center for AIDS Prevention Studies and lead author of an article in the May 18 issue of the scientific journal *AIDS*, said that by the year 2000, some 90% of HIV infections will have occurred in developing countries. "HIV prevention efforts in these countries have focused on changing the risk behavior of individuals, often overlooking socioeconomic factors that have contributed to the spread of HIV," he said. "If we are serious about stemming this global epidemic, everything, including these 'sacred cow' economic programs, will have to be on the table."

In the article, the authors proposed requiring "AIDS impact reports" for future IMF and World Bank loans, assessing what impact they would have on the spread of AIDS. Eighty-nine developing countries entered into 566 structural adjustment programs between 1980 and 1991, and Lurie says these programs may have created conditions favoring the spread of HIV. In many cases, the programs have undermined the social fabric of developing countries, promoting behaviors that place citizens at increased risk, he said.

Unfortunately, instead of attacking the crucial point that it is the IMF conditionalities which have spread poverty and lower the standard of living, which U.S. economist

Lyndon LaRouche has charged contribute to the spread of known diseases and create the conditions for the appearance of new ones, Lurie suggested that structural adjustment programs may help increase HIV transmission by "emphasizing exports and thereby promoting urbanization." Apparently influenced by the idea of sexual transmission of the virus, rather than it being a marker of poverty, he cited how male migrant workers may leave a single sexual partner in the countryside for multiple casual partners in the city.

## Africa

### Electricity grid project on agenda

A meeting of the Egyptian Electricity Agency and an international group of experts from the United States, France, and Italy on a project for an electricity grid for Africa began in Cairo the week of May 22. According to the May 15 *Al-Hayat*, the focus of discussion was to be on a report prepared by the French Electricity Agency and a German company.

The study was sponsored and financed by the African Bank in the form of a \$5 million grant. Egyptian Electricity Minister Mahir Abadha told reporters that the study was conducted on the recommendation of leaders of the African Contact Group (Egypt, Zaire, Central Africa, Chad, and Sudan) during their meeting in Zaire last year. Abadha added that ministers from these countries will meet in July to plan the programs to carry out the project, especially as a number of "international finance establishments" have agreed in principle to provide the necessary investments for the projects.

The study, which lasted one year, Abadha said, "emphasized the importance of the project because it promotes the exploitation of the river rapids and water falls in Africa generally and in Zaire in particular for the purpose of power generation." The electricity expected to be produced would amount to 60,000 megawatts, which is about 12 times the power generated by the Aswan High Dam.

## Briefly

● **UKRAINE** is planning to buy \$1 billion of oil annually from Dubai, *Asharq Alawsat* reported on May 18. Ukraine does not have enough hard currency to cover the deal, and is considering bartering its steel, machinery, sunflower oil, and textiles.

● **CHINA** has won a contract to build a subway in Teheran, the capital of Iran, and a 27-mile electrified railway between Teheran and the town of Karaj, Reuters reported on May 20. The projects will cost \$573 million, according to Xinhua news agency.

● **RUSSIA'S** Spektr space research laboratory, which is carrying scientific equipment for the Mir space station, was launched from the Baikonur cosmodrome on May 20, officials in Moscow said. Two more space walks scheduled for May were to prepare Mir for the docking of Spektr in about 10 days and the arrival in June of the U.S. shuttle Atlantis.

● **ONE MILLION** Iraqis who depend on U.N. handouts are in danger of starvation, Viktor Wahlroos, deputy U.N. coordinator in Iraq, told Reuters on May 17. "The civilian population of Iraq is at risk. Our food storages are empty. There is nothing, nothing. . . . And nothing is in the pipeline," he said.

● **THE HOLLINGER** Corp. board of directors has voted down Conrad Black's offer to purchase 41% more of Telegraph PLC, so that it could be transferred to his American Publishing Co., the May 17 *New York Post* reported. Apparently, the revolt was led by N.M. Rothschild & Sons, Ltd., i.e., Sir Evelyn de Rothschild.

● **LI KA-SHING**, who has made huge profits investing in China, is moving his capital out of the colony of Hongkong, and depositing much of it in the Cayman Islands, while the fight between Beijing and Hongkong Gov. Chris Patten is on-going, Reuters reported on May 20.