

Business Briefs

Africa

Egypt, Sudan, Ethiopia reach accord on Nile

In a sign of the changing strategic situation around Sudan and the Horn of Africa, Sudan, Egypt, and Ethiopia have reached a cooperation agreement on projects exploiting the waters of the Nile Basin, officials said on Nov. 19.

In a communiqué issued at the end of a two-day meeting in Khartoum, Sudan's capital, water resources ministers of the three nations said that they had approved an experts' document setting out the terms for cooperation. The accord calls for equitable use of the waters in irrigation and electric power projects, and for steps aimed at the prevention of soil erosion, flooding, and pollution. Feasibility studies are planned for joint water projects and for financing them. The ministers also agreed to hold their next meeting in late January in Cairo.

The agreement assures Egypt and Sudan that there will be no blackmail by Ethiopia, the source of the Blue Nile, on the flow of the water to other countries. There had been growing concern in Egypt and Sudan that Israel, especially under Benjamin Netanyahu's government, would pressure Ethiopia's government into using the flow of the Blue Nile as a weapon against both Egypt and Sudan. In November, Sudan's Water Resources Minister warned Nile Basin states against foreign interference and particularly against what it sees as Israeli ambitions regarding the river waters.

Space

Cooperation agreements involve more nations

Several agreements have recently been signed, which will involve more developing nations in advanced space technologies and applications.

At the ministerial conference of the UN Economic and Social Commission for Asia and the Pacific, in New Delhi on Nov. 20-21, the 20 nations attending concluded with

a call for disaster-prone nations to have free access to satellite data. Indian Prime Minister Atal Behari Vajpayee, who opened the conference, encouraged members to pool their technology and expertise to aid economic and social development in the region. "There is an urgent need to focus attention on achieving a better quality of life for the ever increasing population in this part of the world," he said. "Space technology can make our path easier." The devastating cyclone in the Indian Ocean in October, and the Indonesian forest fires last year, were cited as instances where space remote sensing data could have been used effectively.

At the conference, India and France announced that they will jointly build a satellite that can track cyclones. It will be launched from India, and the two countries will share its cost.

On Nov. 18, Brazil and Ukraine signed an agreement in Kiev to cooperate in the launch of Ukrainian Tsyklon rockets (descended from the SS-9 ICBM), from the Alcântara launch site in Brazil. Because that site is only two degrees from the Equator and can take advantage of the lower energy needed to obtain an equatorial orbit, Ukraine can place a larger payload into orbit than at either the Baikonur or Plestsk launch sites now in use. The agreement will reportedly include the development of radars for remote sensing, and the study of the propagation of electromagnetic waves in the atmosphere in the equatorial region.

Shipping

Russia seeks year-round northern sea route

"The Northern Sea Route from the Atlantic to the Pacific Ocean along Russia's Arctic coast may become a serious competitor to other sea routes through the Suez and Panama canals," Interfax reported on Nov. 22, based on remarks by First Deputy Director of the Merchant Fleet Department at the Transport Ministry Nikolai Matyushenko.

Matyushenko said that the conclusion is contained in a report prepared by European specialists, which was scheduled for presentation at an international conference on the

Northern Sea Route in Oslo, Norway on Nov. 18-20. Matyushenko said that the Arctic route is one-third shorter than other sea routes and therefore the transportation of container freight from Europe to Japan would be 40% cheaper than via the Suez Canal, and transportation time will be reduced by 15-16 days.

The main issue is to guarantee year-round navigation on the Northern Sea Route, especially in the eastern section of the Arctic Ocean, so as to transport freight according to schedule. The nuclear ice-breaking fleet will be given this task. With a freight turnover of 3-4 million tons, the route will be highly profitable. Russia could receive about \$100,000 from one foreign ship passing through the route.

China

Development of western areas to be speeded up

The development of China's western provinces is to be accelerated along the lines used to develop China's east coast during the 1980s, the *South China Morning Post* reported on Nov. 23. Zeng Peiyan, Minister of the State Development Planning Commission, said on Nov. 21 that interior development would soon take off. "Development in the western regions will move a significant step forward next year," he said, as it had in the five "special economic zones"—Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan—where generous tax breaks had been granted to foreign businesses.

Zeng said that huge investments would be needed to build infrastructure in the west, including cross-province motorways linking cities, airports, railways, and water conservation facilities.

Chinese economist Hu Angang said that the "authorities are considering opening up the projects for foreign investment. Other sectors including tourism and insurance may also be gradually established in cities in the western region."

On Oct. 21-30, Chinese Prime Minister Zhu Rongji made an inspection tour of the western provinces of Gansu and Qinghai and the Ningxia Hui Autonomous Region. Developing the infrastructure of these areas is

BANCA D'ITALIA head Antonio Fazio attacked the "inhumanity" of unemployment, in a meeting with the Pope in November. "We need an extraordinary effort to overcome that inhuman condition of unemployment, especially among the youth. The economy cannot live without ethics . . . without ideals. A just society offers each of its members the opportunity to join the world of labor, allows everybody to contribute to the good of the community that he is part of, to strive to higher moral values," he said.

EISUKE SAKAKIBARA, Japanese former Vice Finance Minister, received the support of the Association of Southeast Asian Nations and South Korea to become head of the International Monetary Fund, at an ASEAN meeting in Manila on Nov. 28.

THE U.S. GENERAL Accounting Office concluded that the case of the Long Term Capital Management hedge fund shows that "regulators need to focus greater attention on systemic risk," in a report released in October.

YEVGENI PRIMAKOV, Russian former Prime Minister and a leader of the Fatherland-All Russia bloc, said on Nov. 22 that the privatization of certain enterprises should be reviewed. "If a privatized enterprise is worth it, if its resources are being stolen by new owners, the workers being driven out . . . and it is discovered that privatization was not carried out correctly, if it was illegal, then we will review it retrospectively," he said.

GEORGE SOROS, whose speculation has destroyed nations and who pushes drug legalization, called on the West to condition its assistance to Ukraine on "democratic improvements," including complying with the International Monetary Fund's recommendations, in an op-ed in the Nov. 24 *International Herald Tribune*. Such demands could further the impulsion toward war between East and West.

a priority, but protecting the environment is also important because soil erosion in the west is causing severe flooding, he said. Development of these regions requires increased investment into basic facilities such as highways, railways, airports, natural gas pipelines, power grids and telecommunications networks. A transportation network should be set up linking the western areas with the central, eastern, southwest, and northwest areas, utilizing local water resources and building water-control projects, Zhu said.

The acceleration of the development of western provinces comes as economists Hu Angang and Wang Shaoguang recently published a book reporting that the interprovincial economic gap in China is widening. They warned that the growing income gap can have grave political consequences. In order to help the west develop faster, they urged Beijing to cancel the preferential treatment given to coastal regions, enhance its redistribution power, expand access to public services, and help less-developed regions improve their infrastructure, including telecommunications and public transportation.

Natural Gas

Italy, Russia sign deal for pipeline to Turkey

Italy's ENI and Russia's Gazprom signed a \$1.7 billion deal in November to jointly construct a 236-mile pipeline under the Black Sea, to deliver Russian natural gas to Turkey. Gas deliveries are due to begin in 2001, upon completion of the first artery, and capacity will reach 16 billion cubic meters of gas per year when the project is completed in 2002.

The deal was announced shortly after a memorandum of intent was signed at the Organization for Security and Cooperation in Europe meeting in Istanbul, for the construction of a gas pipeline under the Caspian Sea, that would deliver Turkmenistan gas to Turkey. The deal was signed at the same time also that the Azerbaijan international consortium signed a pipeline deal to bring Caspian Sea oil from Baku to the Turkish Mediterranean port of Ceyhan.

The joint Gazprom-ENI project, named

"Operation Blue Stream," has the backing of some factions in Turkey, including former Prime Minister Mesut Yilmaz, who has urged that Turkey not abandon its traditional natural gas ties to Russia, in favor of the U.S.-backed Turkmenistan deal. Oil and gas experts are nearly unanimous that the market is not sufficient to warrant the construction of both the Black Sea and Caspian Sea pipelines, the Nov. 24 *Wall Street Journal* asserted.

Nigeria

Crash development plan to calm Niger Delta area

With troops deployed into the Niger Delta area to stop anarchy and killings, Nigerian President Olusegun Obasanjo on Nov. 23 said that the federal government "will embark on the instant development of the Niger Delta," the Nigerian daily *The Guardian* reported. The government "could no longer wait for the National Assembly to pass the bill on the Niger Delta Development Commission," but had to move immediately, Special Assistant to the President on Media Dr. Doyin Okupe said. "The situation, the deprivation, the suffering, the poverty, the pains . . . are such that government cannot wait for this bureaucratic thing to be in place before government does something."

Okupe acknowledged that the area had been turned into a profit-making venture by criminal elements, but said that the only solution is development.

The interim measures include a new mandate given to Julius Berger Plc. to resume a 5 billion naira (roughly \$50 million) road construction project in Bayelsa state. The federal government has taken over the Bayelsa Gas Turbine Project, to move it forward. The Ministry of Power and Steel has been directed "to connect the state to the national grid," a Presidential committee has been formed to settle the debts owed to contractors of the defunct Oil Minerals Producing Areas Development Commission, and the government has approved the establishment of a technical training institute in Bonny, Rivers State. Okupe said that other initiatives will be announced.