Business Briefs

Nuclear Energy

HTR technology sees revival in South Africa

The Republic of South Africa, through its firm Eskom, plans to build the gas-cooled high-temperature reactor (HTR), including 10 small reactors annually (for 100 megawatts capacity per year) for domestic use, and 20 more for export, the German daily *Frankfurter Rundschau* reported on Dec. 7. German Minister of Environmental Affairs Jürgen Trittin, who wants to phase out nuclear energy in Germany, plans to visit South Africa.

Eskom is producing on a license from the German Siemens firm and the Swiss-German ABB firm, which are banned from producing their original THTR-300 reactor in Germany by anti-nuclear politicians who do not want the technology. In 2001, Eskom plans to present its first prototype near Capetown, and once the reactor goes into full production, 200,000 new high-skilled jobs will be created in South Africa, Eskom spokesman Tom Ferreira told the *Frankfurter Rundschau*. The new HTR nuclear sector will then employ as many people as the coal-mining sector does today in South Africa.

China is also interested in the technology, and is close to signing a letter of intent for the purchase of 60 THTR-100s, said Katherine Butt of the Johannesburg industrial research group Business Map.

Finance

City of London is big winner on euro

The City of London has immensely profited from the introduction of the euro, the London *Daily Telegraph* reported on Dec. 11. It said that continental Europeans are now less than ever in control of capital flows, and that the City is more than ever the world center of money markets. "Far from benefitting from the launch of the euro, London's rivals have suffered a bloody nose. Where they could once rely on cozy relationships with their governments to secure business in francs, marks, and liras, they now find themselves having to compete on merit," the daily said. For example, before the euro, Paris claimed a 4% share of worldwide foreign exchange trading; now it has none.

"London was—and remains—the biggest foreign exchange center in the world, accounting for one-third of all deals," the daily reported. A few figures on how London was able to quickly gain hegemony of euro-denominated deals: LIFFE (a London exchange) has written EU 40 trillion worth of future contracts since January. "London's share of the derivatives market for euros is a near-monopoly 94%," it said. At the beginning, Germany's new futures exchange got a lead on Bund future contracts, but it was short-lived. "The Bund futures still go through Frankfurt, but most of the traders live and work in London. London has tightened its grip on the eurobond market. . . . Two-thirds of the money has come through London. . . . The London stock market has also benefitted from the arrival of the euro."

The daily lauded Britain's paper economy: "Financial services now account for 8% of Britain's gross domestic product. Add in shipping, real estate, accountancy, and legal services and the activities cover a quarter of national output."

Biological Holocaust

Emergency action needed vs. tuberculosis threat

Multidrug-resistant tuberculosis (MDR-TB) is returning the world to the "pre-antibiotic era," a feature story in the Dec. 12 *Washington Times* reported. Often incurable, these new strains of TB have shown up in 100 countries, including the United States. Several years ago, it was estimated that 2.5% of the world's then 50 million TB cases were of drug-resistant strains. But a study of such hot spots of infection as Argentina, China, the Dominican Republic, India, and Russia have found a rate of 7-22% of infection with MDR-TB.

An MDR-TB epidemic in the United States is a virtual certainty "unless someone does something about it," said Dr. Lee Reichman, head of New Jersey's National Tuberculosis Center. (Treating a single drug-resistant patient currently costs $250,000 or more.) Harvard Medical School specialists insist that quick action to avoid a TB pandemic is needed, and that the first line of defense has to involve treating TB infection where it is already epidemic, to limit its spread.

Despite awareness of the threat, governments, including that of the United States, are not reacting appropriately. According to Dr. Barry Bloom, dean of the Harvard School of Public Health, U.S. state and Federal governments are cutting back TB control programs. "They're firing TB-control officers. We set up a fantastically effective system from 1993 to the present, and now we're in the process of dismembering it," he said. What it comes down to is, "How much is our country prepared to pay to protect the future? Protection means supporting treatment in poor countries to stop MDR-TB. Because when it comes here, it will be too late."

Europe

Southeast England is 'richest' region in EU

European Union figures show southeast England to have "the highest per-capita GDP in Europe," 2% higher than in the Paris-Ile de France area, its closest competitor, the London *Sunday Times* reported on Dec. 6. Prof. Douglas McWilliams, of the Center for Economics and Business Research, is quoted, "Central London has the greatest concentration of GDP in Europe and increasingly that appears to be the case for London and the southeast."

The wealth is mostly fictitious or derived from parasitical activities, including soaring property prices, which have risen 17% in London over the past year; the booming stock market; high salaries; and bonuses in the City of London. The area's wealth has also risen because of the rise of the pound against the euro.

The soaring "wealth" of this region is causing "mounting disquiet" in Britain over the north-south income gap, which is greater than any other nation in the EU except Germany, a special case because of eastern

Germany.

Prime Minister Tony Blair plans a two-day tour of northern England, the traditional Labour stronghold, to try to convince everyone that the north-south income gap is just "simplistic talk," and that his government is doing much for poor Britons, the *Guardian* reported. But a forthcoming report on poverty in Britain, the first such report under the Blair government, is expected to show that the gap between rich and poor is as wide as ever, and the number of families and people on low incomes is still close to the record levels of earlier in the 1990s. At the same time, programs such as the multibillion-dollar anti-unemployment "new deal," are foundering.

Nigeria

Blueprint aims to boost industry

An industrial blueprint aimed at buoying Nigeria's productive sector has been produced by the federal government, Industry Minister Dr. Iyorcha Ayu said on Dec. 6, the Lagos daily *Guardian* reported. He said that the blueprint "will refocus the policies of government toward removing the problems/constraints affecting the performance of the manufacturing sub-sector and the productive sectors."

Among the strategic economic policies to be implemented in the new year to boost industrialization, are a ban on importation of bagged cement. Other items to be banned may include sugar, pulp and paper, plastics, petrochemicals, fish, cereals, chemicals, fertilizers, pharmaceuticals, rubber, iron, steel, and dairy products.

To ensure availability of cement in the country, the minister said that the government has directed the Nigerian National Petroleum Corp. to make Low Pour Fuel Oil available to cement companies at normal rates. He also hinted at the reduction in the duties payable by cement companies on their machinery and spare parts, and the government's intention to ensure the development of small and medium-sized enterprises.

Other measures include completion of repairs on the ammonia plant, National Fertilizer Co. of Nigeria, in Onne, Rivers State; completion of expansion and rehabilitation programs at Nigerian Sugar Co. Ltd., Bacita and Savannah Sugar Co. Ltd., in Numan; revamping the Federal Superphosphate Fertilizer Co., in Kaduna; and establishment of a cement technology institute.

Africa

AIDS is crippling national workforces

AIDS is devastating not only the population of Africa, but also its economies, according to a feature story in the Dec. 12 *Washington Post*. "As surely as drought, as swiftly as locusts, AIDS is devouring this continent's cash crops, by idling the once able-bodied farmers who work the land," it said.

Zimbabwe's Health Minister Timothy Stamps is quoted, "When the breadwinner gets sick, the whole family shuts down in a sense. We're burying people faster than we can replace them, and there just aren't enough hands left to do the work."

More than 5,000 Africans are dying each day from AIDS, and that figure is expected to climb to 13,000 within five years. An estimated 10% of South Africa's workforce is infected; Barclays Bank of Zambia reports it has lost more than a quarter of its senior managers to AIDS; a government survey of Kenyan businesses reports that costs associated with the disease have cut profits by 4% a year in the past six years; 40% of Uganda's military is HIV-infected; one-third of all schoolteachers in Malawi are infected; some companies in Zimbabwe are training three people for each available job, with the certainty that two will have died before the year is out.

World Bank Vice President for Africa Callisto Madavo is quoted, "HIV is now the single greatest threat to future economic development in Africa." UN AIDS Director Peter Piot said, "What happens to the global market economy if there's no one left to do the work?"

Nowhere in the article, however, is there any attempt to connect the rampaging AIDS epidemic in Africa with the austerity conditionalities imposed by the masters of the "global market economy."

Briefly

PAKISTANI Foreign Minister Abdul Sattar said on Dec. 7 that his country wants to explore further cooperation with Iran. Chief executive Gen. Pervez Musharraf will soon visit Iran, in which "we hope to speak about implementation of projects that have already been agreed upon," including laying of rail lines between the two countries, the Pakistan-Iran oil refinery, and laying of a gas pipeline, Sattar said.

EISUKE SAKAKIBARA said that the International Monetary Fund failed in handling the so-called Asian financial crisis. The Japanese former Deputy Finance Minister, who was speaking to the Asian Development Bank Institute, is favored by Japan as a replacement for Michel Camdessus as IMF managing director.

INDIA, IRAN, and China are likely to double their current orders for Russian nuclear power plants, if Russian firms show that they can meet deadlines and quality standards, Atomstroieksport General Director Viktor Koslov told a conference of chiefs of Russia's defense, oil, and gas industries in Tomsk, Itar-Tass reported on Dec. 6. Kozlov said about 100 Russian factories are handling $5 billion worth of orders for construction of two nuclear power units in China, one in India, and one in Iran.

CORPORATE layoffs were 50,907 in the United States in November, according to a report by the firm Challenger, Gray and Christmas, released on Dec. 7. This brings the 11-month total for 1999 to 630,450.

THE INDIAN Parliament, after action by the upper house (Rajya Sabha) on Dec. 7, voted to allow foreign firms and domestic private businessmen into the $8 billion insurance sector. Foreigners will be allowed to own up to 26% of insurance firms, ending the monopoly of state-owned Life Insurance Corp. of India and General Insurance Corp. Among those expected to take advantage of the privatization are Royal & Sun Alliance, Prudential, ING Group, and Commercial Union.