

Business Briefs

Free Trade

Philippines Minister Does About-Face

Philippines Secretary of Agriculture Edgardo Angara, who was one of the most aggressive proponents of free trade during his term in the Senate, has called for an urgent "shift in policy focus" away from free trade, the May 2 Manila *Daily Inquirer* reported. "Free trade has been wreaking havoc on the agricultural sector due to unfair trade practices. . . . Our agricultural trade deficit is now \$700 million a year." The ministry oversees the economic sector that employs the overwhelming majority of Filipinos.

The United States, Australia, and other major economic powers, he said, have been "manipulating free trade" in three ways: granting domestic support to their agricultural producers; giving export subsidies to local agricultural producers, and massive dumping, such as chicken leg quarters from the United States; and imposing tariff barriers to prevent entry of world-class products from developing countries. Australia, he said, refuses to open its markets to Filipino mangoes, bananas, and pineapple, despite "repeated and sustained efforts . . . to comply with phyto-sanitary and quarantine standards issued by Canberra."

"The country should right now fight for the national interest and the survival of local farmers and the agricultural sector," Angara said.

Telecommunications

Third Generation Mobile Phone Technology Nears

European telecommunications firms are about to dramatically increase their debt exposure to participate in the next big "new economy" bonanza: the third-generation mobile phone technology Universal Mobile Telecommunication Service (UMTS), which will allow users to surf the Internet or watch videos on their tiny cell-phone displays at data rates 200 times faster than to-

day. While the infrastructure for the UMTS technology will not be available before 2002, European governments are already selling licenses to private telecom firms.

In April, the British government sold its UMTS licenses at auction, raising about \$50 billion from five companies, including Vodafone and Deutsche Telekom. In August, the German government will finish its auction of six UMTS licenses, with expected revenue of DM 120 billion. According to an estimate by Salomon Smith Barney, the overall sale of UMTS licenses in Europe will amount to about \$270 billion.

The telecom firms are supposed to pay half now, and the rest over the next few years. They also will have to invest almost \$20 billion into building up the UMTS infrastructure. They are betting that soon after the year 2002, at least every third person in Europe will buy such a UMTS cell phone—which will be much bigger and much more expensive than today's cell phones.

As the Swiss daily *Neue Zürcher Zeitung* noted on May 2, the UMTS revenues will have a severe impact on international bond markets. Governments, because of the revenues, will issue lesser amounts of bonds. At the same time, there will be an explosive growth of bond issues from the private sector, in particular the big telecom companies, to finance the UMTS venture.

Debt

Obasanjo Seeks Relief To Boost Education

Nigerian President Olusegun Obasanjo, speaking at the World Education Forum in Dakar, Senegal on April 27, "clamored and harped on the need for the international community to constructively address the problem of the debt burden," according to the Nigerian daily, the *Guardian*. Obasanjo insisted that Africa will remain stagnant as long as ignorance, poverty, and disease persist, and that the continent needs intensive human capital formation to overcome these predicaments.

Obasanjo described the challenges of the new millennium for Africa, as daunting.

"The international community should focus attention on giving assistance in the areas of information technology, facilitating intra-Africa exchanges, and getting Africans out from the debt trap," he said. "The principle of international solidarity demands no less than such assistance, if only to make meaningful to Africa, the concept of globalism."

Obasanjo stressed that the scourges of AIDS, tuberculosis, and malaria have assumed alarming proportions, and are capable of scuttling all growth possibilities for the continent. African education, he said, should produce well-bred culture- and science-oriented people.

Obasanjo's campaign for debt relief received the support on May 1 of Jordanian King Abdullah II, "who passionately pleaded for debt forgiveness as a major palliative to poverty in Sub-Saharan Africa," in his speech opening the 103rd session of the Inter-Parliamentary Union conference in Amman, the *Guardian* reported.

Abdullah emphasized that the troubles of the world revolve around jaundiced political values, the widening gap between the haves and the have-nots, and huge debts owed to the developed world by developing nations. Parliamentarians, as people asked to fulfill the dreams of the populace worldwide, he said, must "call on the international community to offer forgiveness for debt. . . . There should be a collective action to make the world a better place in this millennium."

Transportation

New Rail Lines Discussed for Central, South Asia

The April 28-May 2 conference on trade and communication of the Economic Cooperation Organization (ECO, which includes Pakistan, Turkey, Iran, and the Central Asian republics), in Islamabad, Pakistan, discussed expanding trade and transport infrastructure, including road and rail networks. Participants urged completion of the Bafq-Mashhad, Kerman-Zahedan, Chamman-Herat-Kushka, and Bosphorus tunnel crossing projects and other rail links. Turkey and Iran were asked to consider construction of

the Astara-Rasht-Qazvin rail line, and the junction of Nakhichevan-Sadarak rail link with the Turkish rail network via the Lake Van bypass rail line.

Pakistan's Minister of Transportation Eftekhar Hussein Shah said on April 28 that once Iran's Kerman-Zahedan rail network were completed, "Pakistan would be connected to Europe through Iran and Tajikistan."

According to diplomatic sources, Pakistan Railways' network will be extended to Kandahar and Herat from the Chaman rail terminal on the Pakistan-Afghanistan border. A feasibility study for extending the rail link from Pakistan to Afghanistan and the Central Asian states is ready. Its immediate objective is to link Pakistan and Iran to Turkey and Europe through Baluchistan.

The report is expected to remain dormant until a political arrangement is worked out, because the drug- and gun-running that have proliferated under the Taliban regime in Afghanistan are viewed with great concern in Central Asia.

Central Asia

Kazak President Focusses on Regional Cooperation

Kazakstan President Nursultan Nazarbayev spoke of the need for the former Soviet republics to strengthen national independence and national economies, without impeding the prosperity of others, in his opening speech to the World Economic Forum, or Davos Forum, in Almaty, Kazakstan, on April 26-28. He said that the states want to "strengthen our own political institutions [while] simultaneously developing mechanisms of regional cooperation."

The forum showed that the British-American-Commonwealth financial oligarchy is putting a priority on Central Asia and the Caucasus.

Identifying the region as a geographic crossroads, Nazarbayev said: "We must turn the Great Silk Road that connected us in ancient time, into a road of more active contacts with all regions of the world." He mentioned as "one of the variants of the Great Silk

Road," the Traseca project, which is backed by the European Union (EU).

"We can not rely only on natural resources," but must develop labor power as the foundation of production, he said. He spoke of the need to "develop manufacturing of competitive high-technology production."

The Caspian region is becoming a major oil and gas exporter worldwide, he said, hinting at foreign intrigues. "We must make every effort to elaborate a coordinated program of Caspian development in order to resist turning the region into a knot of contradictions that neither our countries nor the world community will gain from. To the contrary, we must become the region of friendship and cooperation," he said. "We want to develop regional integration having common economic space that embraces the countries of Central Asia, the Caucasus, and the Russian Federation."

Economic Policy

Don't Privatize, South African Warns

The head of information and technology of the Congress of South African Trade Unions (Cosatu), Charley Lewis, told a technology privatization conference that the planned sale of state enterprises would result in massive job losses. "Don't privatize," he said. "Privatization leads to monopolies, domination by multinational corporations, and is expensive, as contracting out tends to result in short-term savings only."

In a May 2 news wire, Reuters news agency complained: "Cosatu, which is in a tripartite alliance with the ANC [African National Congress] government and the SACP [South African Communist Party], has been blamed for delays in the privatization program which critics argue is trailing by at least one year."

Cosatu has repeatedly rejected the concept of privatization, saying that it is largely ideologically motivated, budget driven, and based on unproven assumptions that the private sector is more efficient.

THAILAND and China have agreed to speed up plans for Thai investors to tap hydroelectric resources in Yunnan province, southwest China. This is the first such deal, allowing foreign investors to invest in and tap hydroelectric power in China. Thailand can buy the first 1.5 million kilowatts from the Jinghong hydroelectric plant, and another 1.5 million kw by 2014.

PAKISTAN'S Chashma Nuclear Power Plant (Pakistan's second), a 300 megawatt plant built under a turn-key project contract with the China National Nuclear Corp., has gone critical. "This is the first major step toward nuclear power plant start-up for producing electricity," a Pakistani spokesman said.

RICHARD GRASSO, president of the New York Stock Exchange, who has embraced the narco-terrorist leaders of the FARC, warned that the stock market is a "Disney-esque" fantasy, at a New York United Jewish Appeal banquet on May 4, the *New York Post* reported. The market "rate of return was twice that of the 20th century" in recent years, he said. "It can't continue. . . . A lot of the dot-com world will soon be dot-gone. I'm a dinosaur, but trust me, revenue and earnings do count."

GHANA President Jerry John Rawlings expressed anger at what he called rampant discrimination against Africa by the Western world, when it comes to helping the continent consolidate peace for the development of its people. "But when it comes to sapping our resources, they are experts," he said on May 5, in a meeting with Singapore High Commissioner to Ghana Foo Kok Swee.

INDIA'S Commerce and Industry Minister Murasoli Maran, following a meeting with Lu Ruihua, Governor of Guangdong Province, China and leader of a business delegation, said that it is possible in the short term to raise bilateral annual trade with China to \$5 billion, up from the current \$2 billion.