

# Business Briefs

## Steel

### Republic Engineered Dismisses 2,500 Workers

Republic Engineered Products, the left-over husk of Republic Steel, on Oct. 2 suddenly ordered 2,500 workers to leave work at five mill sites in Canton, Lorainne, and Massillon, Ohio; Gary, Indiana, and Hamburg, New York. Four days later, Republic filed for Chapter 11 bankruptcy protection.

Republic Engineered Products was once America's third-largest steel maker, with over 10 million tons steel-making capacity. In 1984, Republic Steel merged with the Jones and Laughlin Steel division of LTV Corporation, to become LTV Steel. Subsequently, this entity underwent several bankruptcies, takeovers, and spinoffs. Nevertheless, in recent months, the firm remained the nation's leading supplier of special bar quality steel, a highly engineered product that is used in critical components of automobiles, off-highway vehicles, and industrial equipment.

The crisis at Republic Engineered Products reflects the intersection of the collapse of U.S. infrastructure with that of basic manufacturing. On Aug. 14, the U.S. Northeast suffered an electrical grid black-out. This set off a fire and explosion at Republic Engineered Products' No. 3 blast furnace, at its Lorraine, Ohio facility.

The company is very dependent on the auto industry, and Ford Motor Company announced on Oct. 1 that it will close Ford plants in Ohio and Michigan starting 2004. On Oct. 5, Republic Engineered Products announced that it had defaulted on a major bank loan; the next day, it filed for bankruptcy.

This is part of the decimation of steel-making in North America:

- Slater Steel announced it will close two facilities, eliminating about 1,000 jobs, four months after the Canadian-based steel-maker filed for bankruptcy. Slater Steel said it will close its Fort Wayne, Indiana plant by Dec. 15, resulting in about 370 layoffs, and its other stainless bar mill, Atlas Specialty Steels in Ontario, which has 630 employees.

- Weirton Steel announced its bankruptcy filing Oct. 7, and said it seeks to cut

950 jobs—one-third of its workforce—and terminate its pension and health-care plan, which covers 10,000 retirees and dependents. Weirton is meanwhile negotiating the possible sale of its plant, once America's largest wholly employee-owned company.

## Currency

### European Bankers Brace for Dollar Collapse

A sharp fall of the dollar is "unavoidable," but a dollar crash has to be prevented by all means, said outgoing European Central Bank (ECB) President Wim Duisenberg in an Oct. 6 interview with the Spanish financial daily *Expansion*, the Spanish sister paper of London's *Financial Times*. Duisenberg pointed out that "The dollar is the currency of a country with a huge deficit in its balance of payments, close to 5% of its GDP. . . . You can afford this for one year, two years, maybe five years, but at some time there has to be an adjustment of its currency." He added, "We hope and pray that this adjustment, which is unavoidable, will be slow and gradual. We will do everything in our power to make it slow and gradual. Until now, the adjustment is only against the euro."

Should this downward "adjustment" of the dollar against the euro continue or even accelerate, it could have severe consequences for the euro-zone economies, Duisenberg said. He did not specify what kind of measures, such as further rate cuts or outright currency interventions, the ECB could implement to prevent the euro from rising too rapidly.

## Nigeria

### General Strike Looms in Oil Sector

The Nigeria Labor Congress threatened another general strike and mass protest on Oct. 9, over the Nigerian government's decision

to totally deregulate the downstream oil sector. Beginning on Oct. 1, gasoline prices were allowed to zoom upward as petroleum product marketers started selling Premium Motor Spirit (gasoline) for between 40 and 100 nairas per liter (between \$1.13 and \$2.65 per gallon) in different parts of the country.

The NLC and other organized unions, after a meeting, expressed shock at the government action, and said the battle would not only be total, but would also certainly redefine the concept of governance in the country.

## Asia

### ASEAN and China Make Regional Trade Deal

The Southeast Asian nations and China agreed on a special tariff program in anticipation of their plan to set up the world's largest free trade area (FTA). Trade ministers from the Association of Southeast Asian Nations (ASEAN) and China adopted a protocol paving the way for the implementation beginning Jan. 1, 2004, of a three-year program which gives early benefits to the ASEAN states through tariff reductions on a host of agricultural and manufactured goods while the actual implementation of the FTA begins on Jan. 1, 2005, officials said.

"The protocol today fleshed out an early harvest program which provides specific benefits for ASEAN countries pending the adoption of an actual tariff-reduction agreement for the FTA," ASEAN Secretary General Ong Keng Yong told Agence France Presse, from the preliminary ASEAN+3 meetings in Bali. The ASEAN states reciprocated by giving tariff concessions to China under a so-called tariff harmonized system for agricultural products such as meat, fish, fruit, vegetables, and milk, officials said.

The Southeast Asian nations, which are in the midst of establishing their own free trade area, will also sign an FTA pact with India, the world's second-most populous nation, as well as an agreement with Japan with provisions for a FTA.