

Business Briefs

Africa

Ten million threatened with starvation

Ten million people are threatened with starvation in the countries of the Horn of Africa during the coming months if there is no immediate help from the international community, according to the Sudanese official of the International Red Cross, Osman, who was in Washington in mid-August to seek aid.

He said that the food supply situation today is even more critical than in the famine period between 1984 and 1986.

International aid organizations began to sound the alarm in the spring, but were widely ignored by the international community. By May, the Red Cross and Red Crescent had only received 10% of needed donations.

Eastern Europe

Albanian economy called worse than 'Third World'

The economic situation in Albania is worse than that in some Third World countries, according to a new report by a Unicef delegation that recently visited that country. Thirty percent of Albanian children are malnourished, and the infant mortality rate is four times higher than in western Europe.

Samir Baster, head of Unicef's Geneva office, told BBC Aug. 24 that the Unicef team was "very shocked" by what it saw. "Even compared to Romania, it was far worse."

According to Baster, the higher infant mortality results in large part from "maternal malnutrition," with anemia being prevalent among mothers because of the lack of iron in the diet. Many mothers die during childbirth because their hearts can't bear the stress.

There is also a national pattern of destruction of schools. No less than 700 schools have been destroyed because people take the bricks from the school building in order to build homes for themselves. "The physical infrastructure is breaking down."

Unicef is mounting a \$1 million international emergency aid effort for Albania, with one aim being to bring needles and syringes into the country to upgrade medical care. But Baster stressed that much more must be done.

AIDS

WHO releases global projections

The World Health Organization's latest newsletter predicts 20 million new cases of AIDS by the year 2000. According to the report, "In late 1988, WHO used the 'Delphi' survey method to forecast global HIV infections by the year 2000. Based on the information then available, the Delphi experts predicted a possible total of 15-20 million adult HIV infections worldwide by the year 2000. More recent information indicates that there have been about 3 million new HIV infections over the past three years, most of them in sub-Saharan Africa and in South and Southeast Asia. This suggests that the Delphi projection of 15-20 million adult HIV infections may well be reached by the mid to late 1990s.

"On the basis of these trends, 10 to 20 million new infections may be expected in adults during the 1990s, mostly in the developing world. Thus, for the year 2000, WHO projects a cumulative total of close to 30 million adult HIV infections, of which more than 90% will be in developing countries. During the same decade, WHO projects that 10 million or more children will have been born with HIV, the majority of them in sub-Saharan Africa. For the year 2000, WHO's current projection is that there will be a cumulative total of about 40 million HIV infections in men, women, and children. The total previously projected by WHO was 25-30 million.

"The cumulative total of adult AIDS cases projected for the year 2000 is close to 10 million, of which almost 90% will be in the developing countries. In addition to the 10 million children infected with HIV by the end of the decade, it is expected that more than 10 million children will be orphaned during the 1990s as their mothers or both parents die of AIDS."

Michael Merson, director of the AIDS Program at WHO, told Brazil's *Folha de São Paulo* Aug. 16, "Brazil could face what is now happening in Africa in 10 years. There are 15 million orphans in central Africa and in the east of Africa born to mothers with AIDS. If nothing is done, the contagion index in Brazil and Asia will be similar to that in Africa by the end of this decade." Merson met on Aug. 15 with Brazilian Health Minister Alcení Guerra to discuss the situation.

Environmentalism

Malaysia tells West to 'green the deserts'

Malaysia's Environment Minister Law Hieng Ding announced Aug. 23 that Malaysia was preparing a document entitled "Greening the World," urging developed countries to use their wealth and technology to keep their countries green, and to green the deserts. Law said that he hoped the document would be ready for distribution at the next Commonwealth Heads of Government meeting in Harare, Zimbabwe in October.

"This was planned long ago and the idea had come from Prime Minister Datuk Seri Dr. Mahathir Mohamad," he said. "In the past, we had adopted a defensive attitude, explaining our environmental policies when criticized. But though we are a developing country, we know how to manage our own resources. . . . In the document, we will be telling the developed countries that, though they have the money and technology to re-green their countries such as by planting more trees and turning their deserts into golf courses, they are not doing so."

Law said that Dr. Mahathir had announced he may boycott the June 1992 Earth Summit in Brazil, because "there was a movement to make Malaysia the first target of an environmental war. We have been playing a very positive role" in environmental matters. "We want to work sincerely with other countries. But if they want to hold a forum to victimize us, there is no point in attending."

Ibero-America

Investment called safer than in East

Investment in Ibero-America is much safer, more stable, and more profitable than in Eastern Europe or Russia, Susan Kaufman Purcell, vice president of the Council of the Americas, told Mexico's *El Financiero* Aug. 21. "Salinastroika"—after Mexico President Salinas de Gortari—is much different than perestroika, because U.S. companies will find Mexico much more stable than the Soviet Union. "There are many elements that are more favorable for investing in Latin America, and especially in Mexico, Chile, and above all Venezuela."

In the same vein, the *Wall Street Journal* quotes Nomura Securities researcher Jorge Mariscal saying that events in the Soviet Union will show investors how much more secure their investments will be in the South instead of the East. "The voters' ratification of Salinas's program has substantially decreased the risk perception in Mexico. The *Journal* says that salinastroika is more successful than perestroika because of Mexican pragmatism and a culture of free enterprise.

Europe

Germans eye investment in Soviet infrastructure

Investing in infrastructure and energy in the Soviet Union is not only useful and necessary for the U.S.S.R., but is in the enlightened self-interest of the West itself, stated Lutolf von Wartenberg, managing director of the German Industrialists Association (BDI) in an Aug. 24 interview.

He said that the Soviets, and/or the various constituent republics, certainly needed to move rapidly toward a market economy, but that was impossible unless "the framework were secured" for such an economy. At this point, it is impossible to think of installing a market economy in the U.S.S.R. because of

the "many problems in infrastructure, transport, and communications," and it is to these deficiencies that the West must address itself.

According to von Wartenberg, another obvious area of assistance must be in food supply. The problem is not the ability of the Soviets to produce food but their ability to distribute it, and here Germany should help with various projects for transport and distribution.

Friedrich Vogel, the chief spokesman for German Chancellor Helmut Kohl, had similar things to say in Bonn the same day. A rapid and in-depth reform of the Soviet economy is most urgent. Infrastructure projects for the increase of oil and gas production, pipeline repair and improvements in the transportation sector and storage capacities, and in the agricultural sector, should be given the highest emphasis, Kohl believes.

U.S. Budget

Debt called culprit in federal deficit

"The chief culprit in the budget disaster is interest on the debt," H. Erich Heinemann, chief economist of the New York City investment bank Ladenburg Thalmann & Co., wrote in the Aug. 21 *Journal of Commerce*. "In the second quarter, net interest paid was at a rate of \$196.5 billion, or 3.5% of GNP, up from \$55.9 billion or 1.9% of GNP, when Mr. Reagan was elected. Indeed, the 'primary' standard-employment federal budget—excluding interest—is now balanced. Current forecasts show this measure at a record surplus by the mid-1990s."

Heinemann notes that the federal deficit will still be at least \$150 billion by 1996. "On this basis, the cumulative deficit of the Bush administration (assuming the President is re-elected) will be \$1.8 trillion. That would far surpass Ronald Reagan's dubious distinction of running up a \$1.3 trillion deficit."

Heinemann's article was based on the mid-year review of the economy and budget put out by the Congressional Budget Office.

Briefly

● **AFRICAN** leaders will gather in Tokyo in 1993 to discuss economic development, the Japanese Foreign Ministry has announced. A spokesman said that the announcement was timed with a report that Japan would lift sanctions against South Africa. A preparatory meeting will be held in 1992.

● **INDUSTRIAL** output in Czechoslovakia was down by 15.7% in the first seven months of 1991 as compared to the same period last year, according to government data. But from June to July this year, overall industrial output dropped 22%, and textiles dropped 34.7%.

● **A MEASLES** epidemic is raging in Argentina, where few people have been vaccinated. The government has ordered 250,000 doses of vaccine, and has borrowed 150,000 doses from Brazil on an emergency basis. So far, there have been over 2,000 cases reported in Buenos Aires province, and 1,500 in Santiago del Estero, with 19 deaths.

● **JAPAN'S** National Police Agency warned in a white paper in August that, unless checked, Japanese drug abuse could reach U.S. and European proportions. The paper said that anti-money laundering laws and anti-drug laws were needed to crack down on the drug invasion.

● **BRITAIN'S** National Health Service has eliminated 9,000 hospital beds during the last year because hospitals have no money to pay for heat, electricity, and cleaning. Each week, 400 operations cannot be performed because there are not enough doctors, nurses, and money. More than 500,000 patients are waiting for operations—many dying beforehand.

● **CHINA** will host a conference in September on the use of space technology to "combat natural disasters." It will discuss monitoring, reducing damage from, or preventing, disasters such as floods, drought, snow emergencies, forest fires, and earthquakes.