

Business Briefs

Investment

Britain expands its influence in Taiwan

By the end of 1995, British investors had put \$1 billion into Taiwan, which some of them still prefer to call the Formosa Island, the Taiwan daily *Commercial Times* reported on June 13. For the past three years, Britain's exports to Taiwan have increased by the year-on-year rate of 70%, according to British official statistics.

On June 16, the queen's birthday will be celebrated in a three-day extravaganza, followed by a three-month campaign to promote British education, fashion, food, arts, and technology. A. Collins, the director of the British Office of Trade and Culture in Taiwan, said, "Generally speaking, this is a display of British national image."

Collins said that relations between Great Britain and Taiwan have advanced at a dazzling speed. For instance, British universities hosted only 38 Taiwanese students in 1988, but now there are over 10,000 Taiwanese working on their degrees in places such as Oxford, Cambridge, and London University.

Collins denied that exchanges between Britain and Taiwan are growing because Hongkong is to be handed over to China next year. Britain is attracted to Taiwan because Taiwan is a significant place, not because Taiwan can replace Hongkong, he told a reporter. Britain backs Taipei's plan to develop Taiwan into a hub of Asia-Pacific communications, he added.

Health

Infrastructure collapse fuels waterborne disease

Both developing and developed countries are facing a crisis in waterborne diseases, according to a May report, "A Global Decline in the Microbiological Safety of Water: A Call for Action," by the American Academy of Microbiology. It warns, "Deficiencies in water treatment and delivery, especially those due to an aging and deteriorating infrastructure, pose serious threats to health."

One of the most sober conclusions of the report, is that "the list of potentially pathogenic microorganisms transmitted by water is increasing significantly each year."

The report says that in developing countries, the treatment of water and wastes is nonexistent or grossly inadequate. And developed nations are facing severe waterborne disease problems, as demonstrated by major outbreaks of cryptosporidiosis in Great Britain, Canada, and the United States. According to the report, an estimated 80% of infectious diseases worldwide may be related to contaminated water supplies. Diarrheal diseases traceable to contaminated water kill an estimated 2 million children and cause about 900 million episodes of illness annually.

Unfortunately, the report calls for "low-cost, low-technology treatment systems" to deal with the problem. The writing of the report was supervised by Rita Colwell, former head of the American Association for the Advancement of Science, who advocates the elimination of water chlorination and its replacement by "low-tech" methods, such as straining contaminated water with sari cloths.

Indonesia

Timber industry defended against World Bank

Indonesia has begun to defend the protection it affords its timber industry, which the World Bank has attacked as a "cartel," the May 21 *Asia Times* reported. The bank claims that "the lack of transparency discourages the sustainable management" of Indonesian forests. Indonesia employs 4 million people in the industry, and 15 million people, counting the families of the employees, depend on these jobs. The reserves of forest products are estimated to be worth more than Indonesia's enormous oil reserves.

Industrialist Mohammad Bob Hassan told the founding conference of the Center for International Forestry Research: "Twenty years ago, when we were still exporting logs, nobody called us a cartel. The label came after we began to produce value-added timber products." The World Bank

denounced the protective nature of the "prohibitively high export taxes on logs," which assures the supply of cheap domestic logs to the plywood processors. Hassan added that 20 years ago, when timber mills were controlled by Singapore, Taiwan, Hongkong, and Japan, there were no allegations about cartels.

Indonesia is increasing the amount of timber in plantations by 200,000 hectares every year.

Germany

Austerity leading to hospital bed shortage

Seriously ill patients in Germany are running into increasing difficulty finding a hospital bed because of cuts in health budgets, the *Sächsische Zeitung* reported June 11. Rudolf Henke, a spokesman for hospital personnel, warned at a conference in Dresden of the German association of practicing medical doctors that the cuts have made the situation so explosive that large-scale strikes by health-care personnel can no longer be ruled out.

The budget cuts planned by the federal government, which are to be enforced by imposing fixed ceilings for hospital budgets, may lead to the elimination of 100,000 jobs in the medium term, hospital representatives said.

According to a report by Dr. Thomas Roth of the Dresden University Clinic, budget cuts prior to the latest round had already reduced the number of beds in Saxony to only 70 per 1,000 people.

Infrastructure

Laos vows to continue with hydroelectric dams

Defying the international environmental gestapo and the World Bank, Laos has vowed to continue building a network of hydroelectric dams that will provide power for Laos, Thailand, Cambodia, and Vietnam.

Leuane Sambounkhan, vice chairman of the Committee for Planning and Coopera-

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tion, told Reuters on June 9, "The NGOs [non-governmental organizations] say the projects will affect the environment, but, for us, in the long term it will give us wealth and power to reforest, to be able to protect the environment better, and raise the standard [of living] of the people. . . . If we don't develop hydropower to sell and earn revenue, we will continue to be stuck in poverty. Very few people live in those areas and there will be no real social impact from the projects."

Laos has invited international investors to build dams and ship most of the 20,000 megawatts of electricity to neighboring countries, particularly Thailand. Foreign investors plan to invest \$4.2 billion to build these dams.

Environmentalists claim that the dams will destroy the "fragile" ecology of the country. The World Bank has sided with the greens and pulled out funding and approval for the projects. Their major target is the \$1.1 billion, 681 MW Nam Theun 2 project, in central Laos.

South Africa

Gov't economic policy plan is 'Thatcherite'

The South African government released "Growth Employment and Redistribution—a Macroeconomic Strategy," its economic policy blueprint, on June 14, wire services reported. Although an earlier report had been blocked by leading members of the African National Congress (ANC) as having been too "Thatcherite," it is difficult to envision how a document could be more "Thatcherite" than the one released.

One of the government's supposed partners, the Congress of South African Trade Unions (Cosatu), said it had "serious reservations over conservative fiscal policies that the document intends to implement." ANC Finance Minister Trevor Manuel said that the new economic strategy was drafted with advice from a range of economic experts, but without the approval of Cosatu.

The British-spawned South Africa Foundation has been leaning on the government to adopt such a program, and President Nelson Mandela has been meeting regularly with the Brenthurst group, the top six busi-

nessmen in South Africa, according to South African sources.

The document calls for: acceleration of fiscal reform, including a tighter fiscal stance; reduction of the budget deficit from 5.1% of GDP this year, to 4% next year, and 3% by 2000; a resumption of the phased elimination of exchange controls; a renewed commitment to the privatization of some state assets, including telecommunications giant Telkom; a plan to cut back civil service jobs and, ultimately, reduce the state's overall wage bill; emphasis on the development of labor-intensive industries; acceleration of tariff reductions; and tax reforms "aimed at international competitiveness."

Demographics

British birth rates to reduce population

The British population will begin to fall in absolute numbers by the year 2020 for the first time since the Black Death of 1348, according to a report by *Population Trends*, a publication of the Office of National Statistics, the *London Times* reported on June 14. "Many European countries are now managing by choice what the Chinese have to impose on their citizens: the one-child family," the *Times* commented.

"British women are following an European trend, led by Italy and Spain, which . . . have the world's smallest families," the paper said. Childlessness will double in Britain in the next 15 years, up from 13% now. One in five women now in their late 20s and early 30s will never have children; twice the rate of the postwar "baby boom" generation.

To replace current population, a fertility rate of 2.1 is necessary. The rate in Britain is 1.8, (although only 1.2 for married women); Germany, 1.3; Russia, 1.4; France, 1.7; and Ireland, 2.

Drastic cuts in child-support measures are one of the primary causes of this disaster, the *Daily Telegraph* stated in a June 15 editorial entitled "The Population Implosion." Also, it said, "Western people in general, and perhaps the British in particular, are suffering from a severe lack of cultural confidence. Historically, a falling population has been a symptom of a society in decline."

THE FORMOSA Plastics Group, whose plans for a \$6 billion petrochemical plant in China in 1992 was scrapped under Taiwan government pressure to prevent large, heavy industrial investments in the mainland, has signed a deal to build a \$3.8 billion thermal power plant in Fujian, the *Asia Times* reported May 30.

RUSSIAN Deputy Foreign Trade Minister Vladimir Karastin announced on June 12 that Russia will supply Iraq with food and medicine under the terms of a recent UN resolution allowing Iraq to sell a limited amount of oil in exchange for humanitarian goods, Agence France Presse reported June 13.

BRITAIN is taking antique rail coaches from museums for its public passenger lines this summer. There is a severe rail car shortage, because the privatized rail rolling stock manufacturers can't meet railway needs. Some coaches are more than 30 years old.

THE CONGO'S President Pascal Lisouba started the Sounda hydroelectric dam on June 8, despite opposition from environmentalists. The dam, in the Kouilou River, is being built by South African engineers with financing from that country. It will generate 1,000 megawatts at full capacity.

MALAYSIA'S Finance Minister Anwar Ibrahim opened the second Futures Exchange, taking his country deeper into the pit of speculative finance, the May 29 *Asia Times* reported. The exchange will create products such as swaps, forward rate agreements, and options, he said.

EGYPT'S talks with the International Monetary Fund have failed, the Cairo daily *Al-Wafd* reported May 30. The IMF said that the government's privatization effort is insufficient. The IMF's reaction is an about-face from the kudos that Egypt had been garnering earlier this year, when it was lending itself to the British onslaught against Sudan.