

Business Briefs

Myanmar

Battle over development versus boycott heats up

The U.S. firm Unocal and French Total, the developers of the massive Yadana natural gas project, have signed another contract with Myanmar (Burma), to explore for gas in the Gulf of Martaban. The Myanmar Oil and Gas Enterprise will control 15% of the project, while Total will operate the venture with 52.5%, according to the *Asia Times*.

The firms are the focus of attack by George Soros's minions in the human rights mafia. Larry Dohrs, a spokesman for Soros's Free Burma Coalition, announced that the boycott movement will now focus on the oil companies.

PepsiCo recently cut all ties to Myanmar, thus joining a rogue's gallery of oligarchical companies in the boycott, including Carlsberg, Heineken, Apple, Hewlett-Packard, J. Crew, London Fog, Motorola, Walt Disney, and Wente Vineyards, as well as 11 U.S. cities and the Commonwealth of Massachusetts. An Israeli petrochemical firm, Dor Energy Trade, which is partially owned by Disney, has recently signed a multimillion-dollar investment contract in Myanmar, which may provoke a conflict with Disney.

Eurasia

Cooperation proposed for India, China, Russia

The Confederation of Indian Industry (CII) has suggested that collaborative efforts between India, Russia, and China can evolve into "a powerful economic axis." According to *The Hindu* on Feb. 6, the Indian Foreign Office's semi-official mouthpiece, the CII reports that such an axis would "make the group the largest center for food production, the largest manufacturing area, the largest integrated market, a powerful trade bloc, and a large center for R&D activities."

A CII study has identified possible areas of collaboration among these countries, and the direction in which the partnership should

move. "The cooperation, it is felt, should not be looked upon as a mere attempt to create another economic bloc," the paper said. "Analyzing the significance of the combine, the study observes that China, Russia, and India together account for 42% of the world population, 22% of the world's geographical area, with an estimated arable land of 373 million hectares producing a wide variety of food and non-food crops.

"In agriculture the study notes all three countries are major producers of foodgrains. Cooperation among them can result in a vast exportable surplus besides meeting their entire requirement.

"In the industrial sector the study notes that China and India, with their transition toward a new manufacturing revolution, can utilize the substantial surplus capacity in some Russian industries caused by the current phase of deceleration in Russia. This will also help Russia in achieving higher capacity utilization in industries such as steel, fertilizer, and petrochemicals.

"The study says that infrastructure is a cause of concern for the three countries, and hence the scope for establishing road linkages for border trade, air transport linkage for promotion of trade and tourism, and establishing joint shipping arrangements."

Asia

ECO readies transport, communications projects

The Economic Cooperation Organization (ECO), meeting in Teheran, Iran for the sixth session of the transportation and telecommunications committee, reached agreement on a "10-year program of the organization which aims at expansion of regional transportation and communications networks . . . including improvement of the Mashhad-Sarakhs-Tajan railway, expansion of Asian railway networks, construction and renovation of roads, lowering prices on telephone charges, and reconsideration of transportation regulations and manpower training," the Iranian daily *Ettela'at* reported on Feb. 11.

ECO includes founding members Turkey, Pakistan, and Iran, plus Afghanistan,

Azerbaijan, and the five Central Asian republics that have joined since 1991. The agreement is of great importance for the Eurasian Land-Bridge.

The members agreed to convene an international transportation and communications conference in Teheran in June, and to form an ECO transportation and communications managing board at the ECO secretariat's office in Teheran. The priority is to be given to improving international roads, especially in the Central Asian republics. They also agreed to convene another conference, to "survey issues relevant to laying pipelines for oil and gas transfer among the ECO member states."

Technology

Maglev said necessary to create skilled jobs

Construction of a rail system based on magnetic levitation technology provides the only basis for the creation of new skilled jobs, Dietmar Zigan, mayor of the city of Perleberg in the state of Brandenburg, stated in a discussion with *EIR* on Feb. 13.

There is virtually no industry left around Perleberg and the surrounding region, which has an official jobless rate of 24%, including 19.3% for youth aged 20-25. The construction of the "southern" line, designed as part of the Transrapid line from Hamburg to Berlin, would give Perleberg a maintenance center for the trains, which could result in as many as 200 high-skilled jobs.

In addition, the region hopes that during the five-year construction of the maglev track, additional jobs could be created in the cement industry, so that a plant dating from the pre-1989 East German era, could begin producing the concrete pylons on which the maglev track would rest. The maglev train would also attract other investments, in the construction sector, feeder industries, and in skilled shops, Zigan said. A long-overdue 38-kilometer link-up to the highways around Berlin, would finally be built, along with other transport, communications, and industrial infrastructure.

The service sector would also benefit,

THE BLACK SEA Economic Cooperation organization met in Istanbul, Turkey, on Feb. 7 to discuss the creation of a free trade zone among its 11 members. Turkish Foreign Minister Tansu Ciller announced that the planned Black Sea Trade and Development Bank, to be based in Thessaloniki, will have \$300 million in contributions from member-states.

IRAN has been turned into one large construction workshop, President Ali Akbar Hashemi Rafsanjani said on Feb. 10, in celebrating the anniversary of the February 1979 revolution. Gas, oil, mining, agricultural, power, communications, educational, and industrial projects, he said, are under way throughout the country.

THE WORLD BANK is insisting on yet another "impact study" on the Nan Theun River Dam project in Laos, which is the target of environmentalists worldwide, Agence France Presse reported Jan. 29. David Iverach, the Australian-led development consortium director, said, "If the World Bank does not proceed with the project, nor would we."

MONGOLIA'S foreign trade collapsed by 19.6%, to \$37 million, from the same period in 1996, the Chinese news agency Xinhua reported on Feb. 13. Exports to Russia, Mongolia's traditional partner, fell by 86.8%. Mongolia's government is trying to emulate U.S. House Speaker Newt Gingrich's "Contract on America."

AUSTRALIA is interested in building a Transrapid maglev rail line from Sydney to Canberra, Thyssen head Eckhard Rohkamm told the German daily *Süddeutsche Zeitung* on Feb. 11. Rohkamm expects an Australian government bid by mid-1997.

CHINA is gearing up food production, *Agra-Europe* reported Feb. 3. Chicken production jumped 24%, to roughly 10 million tons in 1995, much higher than was expected. In the same period, exports rose by one-third, to 251,000 tons, most of which was exported to Japan.

and "tourist" incentives would be provided for visitors that would come to see "that train"—which is what Zigan visited in Lathen, Emsland, where the 34-km test track for the Transrapid is located.

Zigan emphasized, that even just a few hundred new jobs, linked to the maglev technology project, would make a big difference in a region that has lost 6,000 jobs since 1990, when the two main plants there, the Cellulose Works and the Sewing Machine Works at Neuruppin, were closed by the Berlin Treuhand agency, in the process of privatization.

Asia

Japanese industry eyes big projects in India

A record 132 Japanese industrial companies attended an engineering trade fair in New Delhi in the second week in February, at which almost \$3 billion in investment deals have been signed. Mitsubishi Corp. alone is discussing a handful of projects including a \$2 billion telecommunications joint venture with the Tata group, India's largest private-sector group, and RPG Telecom. They would build basic telephone lines in major cities, Parvesh Gulati, manager of Mitsubishi's office in New Delhi, told reporters on Feb. 10.

Mitsubishi said it is also in talks with India's Essar Steel Ltd. and Tata Iron and Steel Co. Ltd. to set up a joint venture company to make construction, steel, and port equipment. Mitsubishi is also discussing building India's first methyl methacrylate plant with Indian Petrochemicals Corp. Ltd. and the Aditya Birla group. Mitsubishi Chemical Corp., a subsidiary of Mitsubishi Corp., is negotiating a \$350-million contract for a turn-key petrochemical plant in the town of Haldia, in the eastern state of West Bengal.

Marubeni Corp. said it had earmarked \$100 million for investment in India over the next three years in textiles, automobiles, metals, and petrochemicals.

Liquefied petroleum gas distributor Iwatani International Corp. said it was in

talks with state-controlled Indian Oil Corp. to build an LPG import terminal in India.

Japan is India's biggest aid donor, and gave \$1.1 billion in aid in the fiscal year ending March 31.

Kazuhiko Yoshizawa, deputy president of the Bank of Tokyo-Mitsubishi Ltd., told a seminar at the trade fair that China attracted \$40 billion in direct foreign investment in 1996, compared with India's \$2.5 billion. He favorably compared India's market potential to that of China, and called for India to remove "red tape" so that foreign investment can increase.

Finance

Regulate derivatives, say Italy's fiscal police

The Guardia di Finanza (GDF), the financial police under the Italian Finance Ministry, called for regulating derivatives instruments, in a new study published in the GDF magazine *Rivista*. The daily *Corriere della Sera*, in its coverage on Feb. 10, entitled "Killers of the Balance Sheet," said the GDF is calling for "re-ordering the current control system."

Study authors Massimo Ricciardi, Marco Luca Pecoraro, and Filippo Ceccarelli, all GDF officers, reveal "how the fraudulent use of derivative products (mainly swaps) and other financial expedients allow the 'tuning' of a company's balance sheets," *Corriere* commented. The most common practice is to invent derivatives losses and backdate them. This is easily done through calculating a domestic currency swap on the basis of past currency performances.

The study includes a chart showing how a hypothetical company can fabricate derivatives losses. The owner of the company is called "Mr. Sauron," whose pronunciation in Italian is very similar to "Soros." The offshore subsidiary in the Bahamas used by Sauron, is called "Mordor Ltd."

The GDF is the main police body deployed by prosecutors in Rome and Naples in the investigation of George Soros and the 1992 attack on the Italian currency, the lira.