

# Business Briefs

## *Eurasia*

### **Russia, ASEAN upgrade ties for development**

The first meeting of the Association of Southeast Asian Nations (ASEAN)-Russia Joint Cooperation Committee, which ended in Moscow on June 6, set up a four-tiered "mechanism for cooperation" to accelerate economic development. Russian Deputy Foreign Minister Karasin, who has played a key role in expanding Russia's links to the Eurasian Land-Bridge project, called the meeting a "landmark event."

ASEAN Representative Nguyen Manh Hung of Vietnam said the ASEAN-Russia Joint Cooperation Committee will oversee various activities in economic development and improving cooperation, including the Working Group on Science and Technology. The meeting also considered creation of a working group on trade and economic cooperation.

Second, an ASEAN-Russia Business Council will be formed by the chambers of commerce of the nations involved. Hung emphasized "the great importance of the private sector both in ASEAN and in the Russian Federation," which "will be the driving force for cooperation." (Unfortunately, the ASEAN Business Council has been the center for the most rabid support of "globaloney" and "privatization.")

Third, the ASEAN committee, comprised of the ASEAN ambassadors to Russia, which was established in October 1996, will collaborate with the relevant Russian ministries.

Fourth, an ASEAN-Russian Cooperation Fund will be created, which Karasin said would have \$500,000 by the end of this year, to be spent to establish trade, economic, scientific, technological, and other cooperation.

Karasin identified "promising areas" in the energy sector, and "joint projects in railway and other types of transport." He said, "All the cooperation in the Asia-Pacific region, trade, economic, and financial cooperation, will be oriented first and foremost at fulfilling the social and economic tasks of the Russian Far East and the Trans-Baikal area. This is quite logical, because two-thirds of Russia are in Asia."

## *Nuclear Energy*

### **China begins research into nuclear fusion**

The Xinan Nuclear Industrial Institute of Physics in Sichuan province, China, has constructed a laboratory for research into nuclear industrial circulator experimental techniques. This is China's first laboratory for research into controlled nuclear fusion, Xinhua reported, according to the June 13 Foreign Broadcast Information Service.

According to a briefing by the Xinan Nuclear Industrial Physics Institute, the laboratory, which recently passed the acceptance test of the China National Nuclear Corp., has developed eight major systems, including a neutral fascicular probe system, a microwave system, and an ion cyclotron resonance heating system. The eight major systems, together with the institute's existing China Circulator New Number One Fusion Unit, and its sets of supporting equipment, have formed a relatively complete, advanced circulator experimental facility, thus greatly enhancing the level of the experiments.

The facility has set a series of records for China's nuclear fusion tests, and has reached state-of-the-art levels when compared with international facilities of the same type and size.

## *Trade*

### **Russian machine tools to be sold in China**

Russia's Rosstankoinstrument and China's Great Wall corporation signed a framework agreement in Moscow on May 29, to create a joint venture in July, to sell Russian machine tools on the Chinese market. Interfax "Business Report" stated on May 31. Rosstankoinstrument incorporates nearly 300 machine-tool plants, and plans to sell \$400 million worth of machine tools, various equipment, and tools, per year, in China, by the year 2000, according to company President Nikolai Panichev. Over four years, Rosstankoinstrument has increased its supplies to China

from \$10 million to \$50 million per year, he said.

Rosstankoinstrument began working with Great Wall after an agreement was signed during China's President Jiang Zemin's visit to Russia. The agreement foresees a 20-fold rise in trade over the coming years. The firm's managers hope to have a solid contract with Great Wall signed when Russian Prime Minister Viktor Chernomyrdin visits China in June.

Great Wall is China's largest industrial corporation, combining dozens of factories which manufacture tanks, armored personnel carriers, tractors, trucks, and other defense and civilian products. It plans to use the joint firm to replace its outdated machine tools, and to sell Russian machine tools on the Chinese market. The contract with Great Wall will significantly improve the fortunes of numerous Rosstankoinstrument plants, which currently are operating at only 30-40% of capacity.

Rosstankoinstrument officials are not expecting a recovery in Russian demand in the near future, and are therefore focusing on foreign markets, especially those in Asia that are already familiar with Soviet machinery and equipment. In May, it also received a Turkish order for 250 milling machines.

## *Health*

### **Malaria breakthrough could prevent deaths**

An advance in the treatment for malaria sufferers which could prevent the deaths of 2.5 million people each year, has been developed by scientists in Melbourne, Australia, the *Herald Sun* reported on June 6.

Dr. Alan Cowman and Dr. Brendan Crabb of the Walter and Eliza Hall Institute of Medical Research have introduced genes that alter the nature of *plasmodium falciparum*, a fatal type of malaria parasite. Cowman said that the parasite causes death by "sticking" in the brain, where it clogs capillaries, causing headache and coma, usually leading to death.

Cowman and Crabb inserted DNA into the parasite to prevent it from expressing a

**BOSNIA-HERCEGOVINA** is being threatened with a credit cutoff by the World Bank, if it does not repay debts owed by former Yugoslavia. Bosnia, whose economy was destroyed by the British-instigated Serbian war of aggression, has so far been unable to begin a serious reconstruction effort.

**RUSSIA** and Chechnya agreed on June 13 to transport "early oil" from Azerbaijan's offshore fields to the Black Sea port of Novorossiysk, via a pipeline transiting Russia. Earlier, First Deputy Prime Minister Boris Nemtsov said Moscow will raise the \$2 million that Chechnya needs to repair the 153-kilometer stretch of pipeline damaged during the war.

**IRAN** is expanding its shipbuilding facilities, most recently opening a \$600 million dockyard in which ships up to 70,000 tons can be repaired, and ships up to 35,000 tons can be constructed. In addition, construction was begun on two drydocks, for ships up to 300,000 tons. Iran is also modernizing its 77-ship merchant and tanker fleet.

**THE LONDON** Inter-Continental Railways Convention, planned for July (see *EIR*, June 13, p. 16), has been cancelled, sources at the consulting firm organizing the conference reported on June 13. Observers had suspected the conference was part of ongoing British efforts to sabotage the Eurasian Land-Bridge project.

**JAPAN** was asked to expand investment in Russia, especially energy-related projects in Russia's Far East, during Deputy Prime Minister Boris Nemtsov's visit to Tokyo on June 9. Russia also wants Japan to invest in its lumber, automobile, and home electronics sectors.

**AUSTRALIA** has cut the budget for Safety of Life at Sea, leaving only one person in Perth, Western Australia, to monitor 30 million square kilometers (one-thirteenth of the world's oceans) for distress calls, the June 2 *Sydney Morning Herald* reported.

protein that causes it to be sticky. "It's a big breakthrough, technology-wise. It doesn't prevent malaria, but it turns lethal malaria into a non-lethal form," Dr. Cowman said.

Because most malaria deaths occur in developing countries, where the potential for profit is low, drug companies have shown little interest in producing the treatment.

## Finance

### China cracks down on stock speculators

China's central bank on June 12 censured the leading "blue chip" firm on the Shenzhen stock market, the private Shenzhen Development Bank, and fired the heads of three of the biggest new private stock brokerages, and of related industrial companies, all for speculation and illegal trading. This came just a week after the People's Bank of China and other regulators ordered state banks to stop trading on the stock markets and to get rid of their stock holdings within 10 days. The actions follow a May 21 ban on state-owned enterprises speculating in the markets.

Chinese regulators have repeatedly warned that China's stock markets are being speculated up too high by big private players, luring in small investors, who will have to pay the piper, à la Albania, if the markets crash. In early June, for example, People's Bank of China Gov. Dai Xianglong warned of the dangers of the "bubble market."

China isn't buying any of the Bank for International Settlements-Federal Reserve claptrap about "setting markets free to regulate themselves." "To maintain the openness and fairness of the securities market and to ensure healthy development of the securities market, we must further strengthen market supervision," said *People's Daily* on June 12. "Our securities market is still not mature, and checking excessive speculation is a long-term and difficult mission."

"Financial and securities regulators stressed that, in the future, they will further intensify implementation of the law," the daily said. "Not only will violators of laws and regulations be given administrative pun-

ishment, but we will also pursue criminal responsibility in accordance with the law."

## Asia

### China, Thailand expand economic relations

Chinese and Thai authorities held two meetings in early June to further a pattern of bilateral cooperation since Thailand's Prime Minister Chavalit Yongchaiyudh's April state visit to Beijing. On June 7, Chinese press reported the signing of an agreement on legal assistance in civil and commercial matters, and cooperation in arbitration to assist trade and investment, the first such bilateral legal accord ever signed by Thailand. Thai Foreign Minister Prachuap Chaiyasan told the press that Thailand realizes China will be its biggest trading partner in the near future, and this accord will facilitate this.

On June 9, Bangkok's *The Nation* reported on the meeting of the Eighth Joint Committee on economic cooperation between the two countries, the first such meeting in five years. Officials from both nations emphasized that the bilateral cooperation between the two countries will benefit the entire region, particularly the immediately neighboring countries along the Mekong River.

Specific proposals discussed include 1) creation of an aviation link between non-capital cities, connecting China's south and southwest, Myanmar's north, Thailand's north and northeast, Laos, Cambodia, and Vietnam, "to help boost tourism and facilitate the transportation of goods and people," according to *The Nation*; 2) China is interested in Thailand's potential as a supplier of fertilizer from its potash-rich northeast, supplanting imports from Canada; 3) a three-way project with Cambodia in the paper-pulp industry, for which a Thai firm is undertaking a major eucalyptus tree-planting project in Cambodia; 4) China is interested in Thai investment in hydropower substations, especially in Yunnan; and, 5) China is seeking Thai investment in 18 provinces in its middle and southwestern regions.

Also discussed was increased barter trade between the two countries, particularly in agricultural products.