

# Business Briefs

## Agriculture

### China emphasizing land for grain, cotton crops

Securing adequate farmland for bumper crops of grain and cotton this year is China's top national priority, the *People's Daily* stated in February. Three important provinces, Guangdong and Zhejiang on the east coast, and Sichuan in the interior, China's most populated province, are stepping up efforts to increase available farmland.

Chinese Prime Minister Li Peng emphasized rice and vegetable production during his visit to Fujian province on China's southeast coast on Feb. 2-10. Li called on regional leaders to focus on projects which will guarantee the amount of grain and vegetable acreage, and the improvement of the grain reserve system.

China is losing about 400,000 hectares of already-scarce farmland a year to other uses: about 20% of it for infrastructure development, but far more due to "structural adjustments" in the rural economy—most likely meaning that farmers are abandoning land because farming has become too unprofitable. But provinces such as Zhejiang are developing more farmland. With the completion of a major irrigation project, it has already brought another 40,000 hectares of land under cultivation, with the value of the crop yield three times that of the investment made.

## Russia

### Industrial output continues to fall

Russian Minister of Economics Yevgeny Yasin said in February that despite all countermeasures, the output of the industrial and farming sectors will drop another 13-15% in 1995. This represents "a small improvement" in comparison with 1994, but the situation in the energy-generating sector, where a lot of needed capital investments have not been made in the last few years, has gotten worse and is the reason for additional concern, Yasin declared.

Meanwhile, the Feb. 3 *Rabochaya Tribuna* showed that the World Bank's so-called program for the coal industry is designed to

destroy the industry, and will give the World Bank an opening to destroy other heavy industry in Russia.

The paper pointed out that the World Bank's "restructuring program" will put the coal mines out of business. The supposed "social protection" being offered to miners who agree to leave, is \$500 million. "But if we divide \$500 million by the 500,000 men supposed to be fired from the mines . . . it comes out to just \$1,000 per person." And where will they find jobs? the paper asked.

The miners would like to modernize the industry, especially because some are working in extremely unsafe mines. "Let's face up to things squarely: The miners are just a trial balloon for the World Bank. If the miners do not resist, there will be a chain reaction, and massive cutbacks and enterprise closures will begin in other sectors. Similar recommendations could be given to workers in the metallurgical sector, machine building, and the chemical industry," the paper warned. "So, should miners be condemned for meekly complaining from their underground coal faces?"

## Technology

### New group will promote Transrapid maglev system

An international agency will soon be formed in order to promote the export of the German Transrapid magnetic levitation rail system. This agency will be founded by Thyssen Industrie, Siemens Verkehrstechnik, and Daimler-Benz/AEG. According to the German Transport Ministry, discussions are under way for the following routes: New York to Albany to Boston; Baltimore to Washington; a route which would include Pittsburgh; São Paulo to Rio de Janeiro; a line between the Moscow airports; and from Kuala Lumpur, Malaysia to Singapore.

There are also discussions under way on a maglev rail project between Moscow and St. Petersburg, Herwig Haase, Berlin's city-state minister of public transportation, confirmed in reference to discussions with a delegation of senior Russian railway and transportation technology experts in Berlin at the end of January. Haase proposed that the planned high-speed rail line from Berlin to Moscow, via

Warsaw and Minsk, be built for maglev trains that could run at speeds of 400-500 kilometers per hour, so that the envisioned maglev line from Hamburg to Berlin could be extended through to Moscow. This would reduce travel time from Hamburg to Moscow, which today takes 33 hours by rail, to only 5 hours by early in the next century.

In a minor setback, European Union funding for the Hamburg to Berlin maglev line, the first planned, was rejected in a vote in the EU transportation department, headed by Britain's EU commission member Neil Kinnock. Kinnock is not known for being a friend of the Transrapid, a German Ministry of Public Transportation spokesman said on Feb. 16.

But talks have begun between the maglev rail planning group for the Hamburg to Berlin project and the four states (Hamburg, Schleswig-Holstein, Mecklenburg-Pomerania, and Berlin) through which the Transrapid will pass.

## Infrastructure

### China says it built the most rail in 1994

China built almost 3,350 kilometers of new railroad track, including both new and double-tracking old railroads, at a cost of \$4 billion, last year, more than any other nation, the *China Daily* reported on Feb. 4. Most important is the new Beijing to Kowloon line, the longest new rail line in the world. This 2,400-km line will be completed at the end of 1995, two years ahead of schedule.

Chinese officials held a forum in Beijing on Feb. 10 to discuss economic development along this new line, which will replace the much older north-south routes. It will play a key role in "safeguarding Hongkong's social stability and economic prosperity" when Hongkong returns to China, said National People's Congress standing committee vice chairman Wang Guangying.

Several entirely new rail connections were also opened last year, including the Guangzhou (Canton) to Shenzhen "quasi-high-speed" line, entirely designed and built in China. Several new railroads opened in central China, and double-tracking of the Lanzhou to Urumqi line (part of the second Eurasian Land Bridge) was also completed.

## Europe

### Infrastructure program needed to up employment

Only an accelerated infrastructure program will bring down the high jobless rates in Europe, European Union Commission President Jacques Santer said in his first "State of Europe" address to the European Parliament in Strasbourg on Feb. 16. He said that there should be no illusion that the high unemployment in all EU member nations could be reduced by traditional job-creation programs which have only temporary effects.

What is required, instead, is investments in solid, long-term development that would yield the desired long-term effects on the labor markets, Santer said. He called for an "increased effort" to help the Trans-European Nets (TEN) infrastructure program get off the ground. There have been hints from the EU Commission that an accelerated authorization of new projects on the priority list of the "Dolors Plan" is being considered, and that funding of such projects by the European Investment Bank will be increased.

In a first step, the EU authorized a special loan in February of 200 million ECUs (\$250 million) to Italy, for the construction of a high-speed rail line from northern Italy to the planned Brenner Tunnel through the Alps.

## Africa

### AIDS infection rates approaching 40-60%

The highest AIDS-infection rates in the world are in the border areas around Tanzania, Uganda, Burundi, and Rwanda—the region around the East African lakes—where the rate is 30% and higher. Expectations are that an infection rate of 40-60% will be reached soon, the German daily *Frankfurter Rundschau* reported on Feb. 17.

There are estimates that in 1992 in Tanzania alone, there were 11,000 AIDS orphans; 750,000 to 1 million are estimated by the year 2000. In one section of the city of Matero in Lusaka, 10% of all children are AIDS orphans, according to sources. Roughly 50-70% of all

hospital beds in Lusaka University Teaching Hospital were occupied by AIDS patients in 1992.

For all of Africa, 10 million AIDS orphans are expected by 2000. Old people often take care of their grandchildren and do the work which their children did before dying of AIDS. This means that the productive labor force is being lost.

One newspaper in Zambia has written about the "loss of the future leaders of the nation." A manager of Barclays Bank pointed out that since 1987, some 115 of his employees in Zambia have died from AIDS. There are rumors from Tanzania and Malawi, that their gross national product has declined mainly because two-thirds of those dying from AIDS are younger than 25.

If Germany had an AIDS rate of 30%, wouldn't this mean that a "national health emergency" would be declared? the paper asked. The money spent would be thousands times more than what African countries can spend now, it pointed out.

## Space

### India signs deals with U.S. firms

The Indian space effort received a boost with the signing of two agreements with the United States that are expected to generate \$1.1 billion for India over the next 10 years. The agreements will also enhance the nation's capability for providing state-of-the-art satellites for communication and remote-sensing for commercial use globally.

Indian Space Research Organization (ISRO) Chairman K. Kasturirangan on Feb. 2 signed an agreement in San Francisco with the U.S.-based Eosat company providing for worldwide commercial distribution of data generated over the next few years by the largest constellation of earth observation satellites, to be set up by India.

On Jan. 30, the ISRO chief signed an agreement with Intelsat on leasing 11 transponders of 36-mhz equivalent capacity on Indian multi-purpose satellite Insat-2E, to be launched in the last quarter of 1997.

● **THE BANK OF JAPAN** may start intervening in the derivatives market to stabilize the yen in foreign exchange markets, the daily *Japan Times* reported on Feb. 11. It would be the first central bank of an industrialized country to interfere with the derivatives market.

● **NEW FOODS** are needed to feed a growing population, the World Bank consultative group on international agricultural research said in Switzerland in February. It will work on catalyzing research to produce new, more adaptable crops and higher yields using genetic engineering and molecular biology, rather than building infrastructure.

● **A PROTEIN** isolated from human saliva seems to prevent HIV infection of human immune cells in the test-tube, according to scientist Tessie McNeely of the National Institute of Dental Research in Bethesda. The Secretary Leucocyte Protease Inhibitor prevents the AIDS virus from entering human immune cells.

● **GLOBAL WEATHER** is not becoming more extreme, as claimed by global warming advocates, a report by Accu-Weather, a commercial weather firm, concludes. Dr. Joseph Sobel, the co-author, said, "Data show that hurricane frequency is not increasing, and temperature and precipitation extremes are no more common now than they were 50 to 100 years ago."

● **UKRAINE AND RUSSIA** are facing epidemic outbreaks of diphtheria, with 35,000 cases estimated by the end of 1994, a 100-fold increase over the past five years.

● **GERMAN** states are eager to expand their derivatives activities, the daily *Handelsblatt* reported in mid-February. Schleswig-Holstein Finance Minister Claus Möller is planning to increase that state's share of new credits that are "hedged" with derivatives to 50%.