

Business Briefs

Energy

Sarkozy: France Pledges Investment in Africa

France will invest about 10 billion euro in sub-Saharan Africa over the next five years, creating about 300,000 jobs, French President Nicolas Sarkozy told South Africa's Parliament on Feb. 27. The French Development Agency's initiative will indirectly or directly finance nearly 2,000 companies.

Sarkozy, who made a two-day state visit to South Africa with a contingent of 40 French business leaders, stated, "The growth potential of your continent, its natural resources and its promising market make it part of the world we cannot ignore."

France will also give a 14 billion euro coal-fired power station to South Africa as a gesture of friendship. Where and when the plant will be constructed is yet to be decided. South African President Thabo Mbeki had made a request of Sarkozy for French help in resolving the energy crisis his country is facing.

South Africa's state-owned utility and the French company Alstom signed an agreement for the supply of turbines for a new coal-fired power station in Mpumalanga.

Railways

Russian RR Signs Deal For Technology Upgrades

Russian Railways signed a deal with Mechel OAO, one of the leading Russian mining and metals companies, to supply rails and equipment for its planned railroad expansion. Mechel, which made the announcement Feb. 26, will build a modern rail and structural steel mill at the Chelyabinsk Metallurgical Plant (CMP OAO), which will be able to manufacture railroad rails up to 100 meters in length, using state-of-the-art technologies for steel melting, rolling, tempering, straightening, finishing, and rail quality control.

Railway construction in Russia is hindered by a lack in quality rails. Mechel OAO intends to implement a unique technology,

unparalleled in Russia, to produce high-quality rails, conforming to the most stringent requirements. The company plans to invest more than \$500 million in the new production development.

Rail manufacturing volume for Russian Railways will increase to 400,000 tons annually, and will include products specifically designed for high-speed operation, enhanced durability, contact wear-resistance, and operation in a low temperature environment.

Electricity

Berlusconi: Italy Will Return to Nuclear Power

Former Italian Prime Minister Silvio Berlusconi said on Feb. 27 that Italy will return to using nuclear power for electricity generation within five years, if his People of Freedom party wins the national elections on April 13-14. Berlusconi also said that Italy would stop installing wind turbines, which have been used in place of nuclear energy for the past 20 years.

Italy is a nuclear-free zone. Its armed forces never had a nuclear bomb to ban, and energy companies have not been allowed to generate power with atomic technology since a 1987 referendum banned its use. The referendum took place in the wake of hysteria about the Chernobyl accident. Ironically, after the ban, Italy had to buy nuclear-generated electricity from France to meet its energy demands.

The Italian daily *La Repubblica* reported that Berlusconi mentioned a possible "European Nuclear" alliance, with France as one of its main partners.

Climate

Harsh Winter Threatens Afghans and Tajiks

The harshest Winter east of the Hindu Kush mountain range has threatened the lives of hundreds of thousands in Afghanistan and Tajikistan. Extreme poverty, poor infrastructure, an unstable security situation,

and a shortage of food have added to the danger.

In Afghanistan, this Winter's weather has killed 300,000 livestock—sources of meat and milk for children—since last December, and the United Nations Food and Agriculture Organization (FAO) has issued warnings of impending dangers. High costs of fuel, vegetable oil, and cereals are compounding the vulnerability of poor households, reducing their access to food.

Meanwhile, free-flowing drug money in the hands of Afghani drug warlords has resulted in the smuggling of huge amounts of wheat and flour from Pakistan, which has threatened the food situation in Pakistan itself.

In Tajikistan, where the daytime temperature in February hovered at single-digit levels, the UN issued an emergency appeal, for an immediate international infusion of \$25.1 million in assistance. At least 260,000 people need immediate food aid, the UN said in its grim report. "Moreover," the UN report stated, "the government reports that up to 2 million people may require food assistance through the end of the winter, if limited food and fuel supplies in rural areas are not replenished."

Infrastructure

Malaysian Company To Lead Projects in Laos

The Laos government gave the green light to a Malaysian company, Pacific Streams, to develop a commercial and industrial park in Savannakhet province, to attract foreign investment along the East-West Economic Corridor. The infrastructure development will include roads, electricity, water supply, telecommunications, water treatment and liquid waste management of factory discharge. Companies from Taiwan and China are expected to participate.

Initially, the zone will contain light industrial factories, and is expected to provide at least 30,000 jobs for the desperately poor nation. There are now few, if any, non-agricultural jobs in this part of Laos and neighboring Thailand, along the Laotian panhandle.