

Taiwan-China conciliatory moves

Hope of a diplomatic breakthrough that could lead to a significantly improved relationship between China and Taiwan follow the meeting in April between Taiwan's Vice President-elect Vincent Siew and Chinese President Hu Jintao. The two leaders met on the sidelines of the Boao Forum for Asia in China's island province of Hainan.

Siew, who described his trip to Hainan as 'ice melting', used his election campaign to pledge closer ties to mainland China. During his 20-minute meeting with Hu, Siew reportedly committed Taiwan to permitting tourism from mainland China, and called for regular flights between the two countries. He also reportedly called on both sides to 'acknowledge reality, invest in the future, put aside controversies, and pursue a win-win situation'.

Hu's affirmative response was followed by his observation that China and Taiwan faced an 'historical opportunity' for boosting economic and trade exchanges.

Beijing's state-run media have earlier referred to Siew as 'chairman of the Cross-Strait Common Market Foundation'. China has also been lobbying members of the World Health Organisation (WHO) to block Taiwan's attempts to obtain membership. Beijing has also sent a memorandum to the Organisation for Economic Cooperation and Development (OECD), saying that it is against Taiwan becoming a member. ■



Vincent Siew introduces Taiwanese officials during a meeting with Chinese President Hu Jintao (R), on the sidelines of the Boao Forum for Asia held in Boao

Malnutrition in North Korea



A propaganda poster showing former North Korean leader Kim Il-Sung (L) and his son, current leader Kim Jong-Il (M) with farmers, at a farming commune outside Pyongyang. A 2004 survey found that 37 per cent of young children are chronically malnourished and a third of mothers are malnourished and anaemic

Chronic malnutrition has contributed to the stunted growth of North Korea's children, prompting the military authorities to lower their minimum height requirements for recruits, according to a report prepared by the Congressional Research Service (CRS) in Washington, DC.

The report notes that economic conditions have recently improved, but draws attention to this year's joint newspaper editorial by the Communist Party, which states, 'At present no other task is more important than solving the food problem and eating problem.'

The report says North Korea's living standards in the 1970s were higher than those of South Korea and China, but the economy is now on the brink of collapse.

Although chronic malnourishment of children fell from 62 per cent in 1998 to 37 per cent in 2004, the report cites a 2004 World Food Programme (WFP) survey of 2004 that says 37 per cent of children were stunted, 23 per cent underweight, and 7 per cent were wasted. Abnormally dry and cold winter weather has affected last year's growth of wheat and barley, prompting the WFP to predict that North Korea will be short by 1.4 million tons of food in 2008. ■

Mittal steel empire faces mixed luck



Lakshmi Mittal with French President Nicolas Sarkozy, after a meeting at the Elysee Palace

The Mittal global steel empire has made mixed progress, suffering some setbacks in Africa and Europe. In Nigeria the government has been reviewing and confiscating the assets of such major international investors as Shell, ExxonMobil and Chevron. The Nigerian authorities, accusing the Pramod Mittal-owned Global Steel of asset stripping, have scrapped plans by the company to buy two local concerns, Ajaokuta Steel and National Iron Ore Mining.

In Bulgaria, workers at the country's largest steel plant Kremikovtzi have been protesting delayed salary payments and uncertainty over the future of the factory. Government and workers accuse Global Steel, which owns more than 70 per cent of the plant, of failing to invest in essential mandatory work to reduce the amount of pollution that Kremikovtzi emits. Earlier this year the company was fined 120 million euros by a Bulgarian court for failure to meet investment commitments under a sell-off deal.

In September 2007 the Competition Tribunal of South Africa fined ArcelorMittal South Africa 691.8 million rands for contravening the Competition Act by charging an excessive price for its flat steel products to the detriment of consumers. The tribunal also imposed certain behavioural remedies on the steelmaker aimed at reducing the segmentation that ArcelorMittal South Africa's pricing regime has created in the market for flat steel products.

Meanwhile, it is reported that the feud that split the family of Lakshmi Mittal, Britain's richest man and the world's biggest steel baron, has been reignited in a battle over ailing steel plants owned by his younger brother Pramod in Bulgaria and Nigeria. Lakshmi Mittal fell out with his father and younger brothers when he broke away from the family business to run its international operations in 1994. Now, it is reported, he is poised to do it again, this time by buying up Pramod's steel plant in Bulgaria. Bulgarian investors had become increasingly alarmed by Pramod's stewardship of the company and issued a default notice on a 320 million euro bond which has forced him to sell the plant.

In Indonesia, state enterprises minister Sofyan Djalil wants to privatise steel giant P T Krakatau in order to improve its performance but faces opposition from the management to ArcelorMittal's purchase offer.

In Europe, ArcelorMittal has won approval to form a flat carbon steel joint venture with Swedish company BE Sverige. 'The proposed transaction would not impede effective competition', the European Commission, the EU's antitrust watchdog, said. ArcelorMittal said in March it will create the third-largest player in the market, with sales of more than 80 million euros (about \$126.4 million) per year. ■

New book on Benazir

The scope and origins of Pakistan's nuclear programme invite a fresh look following revelations in a forthcoming biography of Benazir Bhutto. The book, *Goodbye Shahzadi*, is authored by Shyam Bhatia of Asian Affairs, based on his interviews with Benazir during her years in exile.

Before he died, Zulfikar told his daughter he was convinced that Zia would try to divert international attention from his imminent execution by carrying out a nuclear test. The nuclear test did not take place for another 19 years, but back in 1979 Benazir carried messages to and from her father to the then chairman of the Pakistan Atomic Energy Commission, Munir Ahmed Khan.

The book suggests that Pakistan's nuclear preparations were far more advanced, and its scientists far more savvy, than is generally known.

UAE troops in Afghanistan

The United Arab Emirates has been revealed as actively contributing to the International Security Assistance Force (ISAF) created by the Americans in 2003 to combat al-Qaeda and Taliban insurgents. Soldiers of the UAE have been undertaking full-time operations in Afghanistan, sometimes delivering humanitarian aid and at other times fighting their way out of Taliban ambushes.

Jordan, the only other Arab country contributing to ISAF, has its soldiers restricted to guard duties outside military bases in Afghanistan.

Asked if he was worried about how people back home would react to news of his deployment in Afghanistan, UAE patrol commander Major Ghanem al-Mazroui recently told BBC, 'We try to convince the people about the US, about British. They came here to give you peace.'

The UAE has some 50,000 military personnel for its army, air force and navy. A defence agreement signed with Washington in 1996 allows the US access to some local air bases and the right to station troops and equipment in the country. UAE military personnel are sent for training to the US. The Uae together with the US, Britain and France has established a regional training centre, the Air Warfare Centre, at Al Dhafra Air Base. The UAE is also recipient of some 80 F-16E/F Desert Falcon combat aircraft bought from the US in 2004 for \$6.4 billion.