

BUSINESS

TILLEY: POOR JUDGE OF CHARACTER BESTOWS AWARDS PAGE 2D

'WHERE'S THE DOW NOW?' CONTEST RETURNS PAGE 2D

TOP 10 BUSINESS STORIES

Hospitals, Job Losses Dominate News

TOP 10 2002 REGIONAL BUSINESS STORIES

1. St. Edward Completes \$70 Million Expansion
2. Tyson Weathers Lawsuits, Boycotts, Corporate Adjustments
3. Airport Gains And Loses Services
4. Fort Smith Manufacturing Job Losses Increase
5. Wal-Mart Survives First Year As Top Company
6. Beverly Leaves Florida, Suffers Stock Loss
7. Bridge Collapses Slows Road, River Traffic
8. Trucking Industry Sees Rebound, Friction with Oklahoma
9. Sparks Opts Out Of Rural Hospital And Clinics
10. Union Workers At Trane Strike

REGION SEES PLETHORA OF CHANGES IN 2002

Editor's Note: Regional business news in 2002 was dominated by events in the poultry, retail, medical and transportation sectors. Following is a summary of the Top 10 business stories according to the business news staff of the Times Record.

TIMES RECORD STAFF

St. Edward Completes \$70 Million Expansion

About 61,000 patients have been seen in it since the area's biggest construction project, the \$70.6 million, 325,000-square-foot St. Edward Mercy Network Centers of Excellence, opened July 1.

A crowd of several hundred, including local, state and national politicians, Sisters of Mercy

physicians' office space. With the leasing of the doctor's office space in early September, the addition is fully operational. Hospital employees designed the layout for better patient service and comfort, Vice President of Patient Care Michele Stokes said.

St. Edward became one of six hospitals in the country to have the Hermes technology, voice-activated video, computer and software systems, said Monte Wilson, vice president of

SEE TOP 10 PAGE 6D

Top 10 BUSINESS STORIES



KAIA LARSEN • TIMES RECORD

Children play near the waterfall Friday morning at St. Edward Mercy Medical Center's new Centers of Excellence. St. Edward opened the \$70 million center this year. The opening is the Times Record top area business story for 2002.

FAMOUS FAMILY



COREY S. KRASKO • TIMES RECORD

David, left, and Mike Korkames display some of the products produced by their family business, Famous Chili Inc.

Chili Adds Spice To Fort Smith

BUSINESS BUILT BRICK BY BRICK

By Mary L. Crider
TIMES RECORD • MCRIDER@SWTIMES.COM

A Mexican worker in his Temple, Texas, confectionery shop taught his boss, turn-of-the-century Lebanese immigrant Papa Joe Korkames, how to make chili. Papa Joe

Korkames spiced up the recipe to suit his own taste buds.

When a fire destroyed his shop and adjoining theater in 1930, Papa Joe Korkames moved his family to Tulsa to open a cafe, offering the chili on its menu. A year later, the family moved to Russellville to

establish a cafe and sell chili there. That cafe, too, burned, and he

relocated again in 1935 — this time opening Famous Cafe in Fort Smith on the island across from Fort Smith High School.

"The business was pretty well spawned. People started buying (the chili) out of the restaurant, and they opened a facility behind

the cafe to package it," said Michael Korkames, Fort Smith-based Famous Chili's marketing president.

Michael Korkames is brother to Famous Chili CEO David Korkames and grandson to Papa Joe Korkames.

Sixty-seven years later, the business has evolved, but the Korkameses still make and sell the original recipe chili out of Fort Smith.

SEE CHILI PAGE 2D

Bull Expected To Enter Arena

EXPERTS HOPE TO TAKE 2003 BY THE HORNS

By Amy Baldwin
THE ASSOCIATED PRESS

NEW YORK — Investors depressed by three years of losses on Wall Street might take heart in what some analysts are expecting in 2003: A return of the bull.

With positive reports on earnings and the economy occurring more often, and fewer new instances of corporate scandal, the market's optimists believe stocks will start charging again. But other more cautious analysts warn against unrealistic expectations — a bull in 2003 will likely be tamer than the one that sent stocks roaring in 1999.

Charles H. Blood Jr. is among the most upbeat about Wall Street's prospects.

"We are now in the first part of the bull market," said the senior markets analyst at Brown Brothers Harriman & Co.

Brinker Capital also expects a robust year on Wall Street. "We think double digit returns are a real possibility," said Barker French, the company's chief investment strategist.

Wall Street would certainly welcome a positive year after a dreadful 2002. The Dow Jones industrial average suffered an annual loss of 16.8 percent, its worst yearly decline since 1977 when it sank 17.3 percent. The 2002 results gave the Dow a three-year drop of 27.5 percent.

The Nasdaq composite index fell 31.5 percent, in its second worst year behind 2000 when it dropped 39.3 percent. For the last three years, the Nasdaq lost 66.9 percent.

And the Standard & Poor's 500

"We have been saying it will be the year of the bull for the last three years. Eventually, it will be ... I do think next year will see some positive returns for the overall market."

ROBERT FROELICH
Investment strategist

index slid 23.4 percent in its worst year since 1974 when it lost 29.7 percent. The S&P sank 40.1 percent over the past three years.

Analysts said the market has several factors in its favor going into 2003, among them improving earnings, a strengthening economy and interest rates low enough to motivate companies and individuals to spend more.

Wall Street also has history on its side. Four-year slides are rare — so much so that the Dow has seen only one, which spanned 1929-32. And, there have been only two three-year declines, 1901-03 and 1939-41.

And after three years of declines, it won't take much to qualify as a bull market.

"We have been saying it will be the year of the bull for the last three years. Eventually it will be ... I do think next year will see some positive returns for the overall market," said Robert Froelich, chief investment strategist for Deutsche Asset Management.

While many analysts were bullish going into 2002 and 2001, Froelich said this year is differ-

SEE BULL PAGE 2D

U.S. Oil Giants Cautious About Investing In Russia

COMPANIES SEE PIPELINES, CHANGING LAWS AS BIG CONCERNS

By Bruce Stanley
THE ASSOCIATED PRESS

ARDALIN OIL FIELD, Russia — When Conoco Inc. developed the Ardal oil field in northern Russia, coping with the arctic weather and total absence of supply links to the outside world was the easy part.

Navigating political upheaval following the collapse of the Soviet Union proved far trickier. In recent years, Russian officials have issued sporadic demands to renegotiate key terms of the joint venture agreement that Conoco, known today as ConocoPhillips, reached in 1992 when the laws

and officials were different.

The resulting changes have impaired profits for the venture, which now barely breaks even despite pumping 30,000 barrels a day from beneath the tundra 1,060 miles northeast of Moscow.

For Houston-based ConocoPhillips and other large U.S. energy companies, Russia represents a tantalizing but unfulfilled opportunity. Its oil reserves, the world's seventh-biggest, are an attractive source of crude for American importers fearful of relying too much on the Middle East for supplies. The government has privatized Russia's oil industry, and average production

costs here are lower than in Indonesia, Mexico or Canada.

Some European heavyweights such as BP PLC and France's TotalFinaElf have already invested heavily in big projects. But export bottlenecks and inadequate legal protection have made large American oil companies skittish.

By contrast, about a dozen smaller, entrepreneurial U.S. firms known as independents are staking out successful niches.

Teton Petroleum Co., run by three employees based in Steamboat Springs, Colo., produces crude at a field in Western Siberia. Daily output there has

SEE OIL PAGE 8D



THE ASSOCIATED PRESS

The sun sets over tundra near the town of Naryan Mar, Russia, on Oct. 15. Russian and foreign companies are exploring for crude beneath the frozen lakes of this arctic territory.

INSIDE

ON THE RECORD WITH NOBEL PRIZE WINNER DANIEL KAHNEMAN
PAGE 7D

BIZ LINE

Got a business tip? Contact Regional Business Editor Michael Tilley at 784-0452 in the Fort Smith area or (888) 274-4049 long distance, e-mail: mtilley@swtimes.com; or Assistant Regional Business Editor Steve Caraway, 872-5050, e-mail: scaraway@nwaonline.net.



WEB WATCH

ALL THE LATEST ON WESTERN ARKANSAS' AND EASTERN OKLAHOMA'S BUSINESS NEWS.
www.swtimes.com