

Business

Cambodian Finance Minister vows to abandon 'jungle economy'

PHNOM PENH, Aug 1: Cambodia's new Finance Minister Sam Rainsy vowed yesterday to do away with the country's "jungle economy," end the corrupt awarding of foreign business contracts and revamp contracts that do not benefit Cambodia, reports AFP.

"Some of the contracts signed by the 93 foreign companies investing in Cambodia, only harm to Cambodia," Rainsy said at a UN-sponsored foreign investment seminar here attended by businessmen, economists and investment experts.

Instead, foreign investment should have the long-term benefits of Cambodia in mind, as well as long-term profits for the investors.

"I want to clarify, a market economy is not a jungle economy, the difference is the existence of a legal framework," he said, adding that he was in the process of making new investment regulations.

He did not specify which contracts needed to be cancelled, nor say in which sectors they are working.

But indiscriminate logging in

which hardwoods are sold at artificially low prices across the border to Thailand, Laos and Vietnam has been in the past a major source of environmental damage to Cambodia, resulting in the silting of rivers and the country's central great lake, the Tonle Sap.

"We will not revise systematically all contracts," Rainsy said. "Some will need some change since the operating conditions in Cambodia may have changed since the signing of those contracts."

"There is a need to make those contracts more balanced... for the host country," he said. "All contracts and all projects in Cambodia must be done on a mutually beneficial basis."

Rainsy, a member of the Royalist Funcinpec Party, became Finance Minister after the Royalists won the UN-run elections in May and formed a coalition with the formerly communist government.

Investment so far in Cambodia has focused on the restaurant, hotel, import/export, banking and oil industries,

said Rajeev Pillay, Deputy Director of the United Nations Development Programme (UNDP) in Cambodia.

"The Cambodian leadership needs to determine what its priorities are and match them with the needs of the investors," he said, adding that the country should court investors with a long-term development approach rather than those looking for quick returns.

Foreign investment in Cambodia is the lowest in the region, according to Asian Development Bank (ADB) statistics presented at the seminar.

As a proportion of gross domestic product, gross domestic investment in Cambodia was only 9.8 per cent last year, compared with 36.7 in Thailand, 12.0 in Vietnam and 35.2 in Malaysia. Even Laos had 14.5 per cent, according to the ADB.

In order to attract foreign investors, Cambodia needs to "avoid all arbitrary measures of decisions we have seen in the past," Rainsy said, referring to the previous practice of bribing high officials of the former Phnom Penh government in order to obtain contracts.

"With this new legal framework, foreign investors will be more confident to come and invest in Cambodia," he said.

Rainsy has implemented a number of new taxes on foreign investors and businessmen, but he said investors would rather pay "legal and regular" taxes to the state than line corrupt officials' pockets.

"So from now on, the new government of Cambodia will make sure of transparency, and that all that is asked of foreign investors will go to the state," he said.

Clean practices will have the country money in the long run, Rainsy predicted.

"Corruption is incompatible with free and fair competition," he said. "I think the best companies should win."

The three-day seminar continues until Wednesday, and is due to be addressed by foreign businessmen from the Banque Indosuez and shell oil co who will discuss what obstacles they faced in doing business in Cambodia.

Hyundai suspends decision to close Ulsan shipyard

SEOUL, Aug 1: South Korea's giant Hyundai business group suspended Saturday an earlier decision to shut down its shipyard, the world's largest, after workers eased their demands, report AP.

The decision defused tensions around the Hyundai Heavy Industries Co shipyard in the southern city of Ulsan. Thousands of riot police posted outside the shipyard were ordered to stay back.

The company has insisted on a 4.7 per cent hike, a limit set by the government to curb inflation.

About 12,000 riot police have been stationed in Ulsan since last Friday, when workers voted to end a 36-day-old dispute at Hyundai Motor Co, the nation's largest auto plant, also in the same city.

Dhaka Stock Prices

At the close of trading on August 1, 1993

Mixed trend continues

Trading on the floor of Dhaka Stock Exchange (DSE) continued mixed trend on Sunday. Both the turnovers increased. Volume reached 16227 issues from 7764 showing a surge of 109.003 per cent. Value increased to Taka 710028.00 from Taka 623779.75, a rise of 13.826 per cent.

The DSE All Share Price Index also gained slightly. It reached 418.8312 from 418.8074.

A total of 33 stocks were traded on the day. Of these, 10 gained, 12 lost while 17 others traded at previous rates.

DAY'S TRADING AT A GLANCE

DSE Share Price Index	418.8312
Market Capitalisation(Tk)	15800897361.60
Turnover in Volume	16227
Turnover in Value (Tk)	710028.00

Company's name	Previous price	Closing price	Change (absolute)	Change % over price	Number of share sold
Gains(10)					
BD Oxygen	70.00	72.00	2.00	2.857	150
Usmania Glass	265.00	269.00	4.00	1.509	10
Natopal Bank	99.16	100.00	0.84	0.847	60
Quasim Drycells	9.60	9.68	0.08	0.833	2500
Ashraf Textile	29.70	29.87	0.17	0.572	1200
3rd ICB M Fund	159.60	160.00	0.40	0.250	10
6th ICB M Fund	57.43	57.50	0.07	0.121	20
Bengal Food	117.93	118.00	0.07	0.059	100
BGIC	205.68	205.75	0.07	0.034	260
Debenture :					
Beximco	1930.00	1932.00	2.00	0.103	44

Losses(12)					
Quasim Silk	2.70	2.60	0.10	3.703	1400
BD Autocars	59.00	57.00	2.00	3.389	35
Thai Aluminium	83.00	81.11	2.00	2.409	90
Bata Shoe	39.50	39.00	0.50	1.265	200
Singer BD	870.00	856.00	14.00	1.609	25
Eagle Star	14.50	14.32	0.180	1.241	2300
Pharmaco	50.50	50.00	0.50	0.990	10
Ctg Cement	201.50	200.00	1.50	0.744	100
Rupan Oil	4.33	4.30	0.030	0.692	900
Kohinoor Chemical	65.00	64.75	0.25	0.384	20
Beximco Infusion	247.55	247.50	0.050	0.020	60
Apex Footwear	176.02	176.00	0.020	0.011	740

VESSEL DUE AT OUTER ANCHORAGE					
Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Date of Leaving	Leaving
Robert-E-Lee	01/8	Call	Karna	GI (Lash)	
Nand Srisu	01/8	Sing	MSA Pulses+wheat		
Lily	02/8	Mong	Seacom	Urea	
Danching Sister	02/8	Kand	Oval	Sugar	
Sca Nymph	02/8	Sing	Ustc	Cement	
Boris Lavrenyov	15/8	Pera	USTC	GI	
Pecan	04/8	Mong	Oval	GL	D E Salam
Fong Yun	04/8	Sing	BDShip	Cont	Sing
NGS Express	04/8	Sing	BDShip	Cont	Sing
Ingenuity	04/8	Col	BTSA	Cont	Col
Imke Wehr	04/8	Sing	ULA	Cont	USA FE
Vilma Moosum	04/8	EBPL	GI	Japa FE	
Golden Star	05/8	Bang	BML Sugar (P) & GI	TI	
Meng Kiat	06/8	AML	Cont	Sing	
MT Tong AH (Barge: SMIT)					
FLORES	05/8	NikoDynamic	M. Seeds	Anchor P Equipment	
Rafah	05/8	Sing	RSL	Cont	Hard
Ahlers Breeze	05/8	SFAK	SSST	TSP	
Bangler Door	06/8	SFAK	RSL	Cont	Sing
Optima	06/8	SFAK	RSL	Cont	C Ports
Jiang Cheng	06/8	S FA	BDShip	GI	
Bangler Morit	07/8	Sing	BDShip	Cont	Sing
Kota Bunn	09/8	Sing	RSL	Cont	Sing
Chrysanth	15/8	USTC	Copra		

TRADED AT previous rates(17)					
Shares: Aftab Automobiles(10), National Tubes(110), Tulip Dairy(10), Zeal Bangla Sugar(3700), Dularia Cotton (380), Rahim Textile (65), Sajham Textile (20), Tallu Spinning (10), Bangla Process(20), Beximco Pharma (159), Pharma Aids(25), Rahman Chemicals(20), Ibsina(10), Apex Tannery(10), Beximco (1100), Padma Textile (340).					
Debenture: Beximco Pharma(4).					

DSE SHARES AND DEBENTURES

Company	FV/ML	Closing Rate
Northern Jute	10/50	NT
Shameer Jute	100/5	100.00
Specialised Jute	10/50	NT
Shine Pakur Jute	100/5	110.00
Sonali Aarohi	100/5	105.00

BANKS (12)

Al Baraka Bank	1000/1	825.00
A.B. Bank	100/5	200.00
City Bank	100/5	330.00
Eastern Bank	100/20	110.00