

# APEC FMs agree to raise private investment

HONOLULU, Mar 20: Finance ministers from 18 of the world's largest and fastest-growing economies agreed Saturday their countries need to keep inflation low, increase private investment and expand export opportunities, reports AP.

Nations represented at the first Asia-Pacific Economic Cooperation forum account for about half of the world's economic output, foreign exchange reserves and population. US Treasury Secretary Lloyd Bentsen said. Trade among APEC nations exceeds one trillion dollars.

"In today's interdependent world, this kind of economic performance cannot be sustained in a vacuum," Bentsen said. "We all share an interest in economic strength for the region as a whole."

The ministers issued a joint statement that outlines five principles to guide their respective economic policies into the next century.

The principles include keeping inflation low to ensure stability and growth; increasing cross-border flows of goods, services and investments; getting the private sector to be the main engine for future growth; increasing infrastructure investment and further developing capital markets.

"We talked policies today, but it's the businesses that have to make the deals," Bentsen said.

The ministers favour a quick conclusion to the Uruguay Round of trade talks, and Bentsen said implementation of the agreement would mean an additional 20 billion dollars in capital to be disbursed through the Asian Development Bank.

Finance ministers agreed to meet again next year in

Indonesia, despite concerns of some members, including Malaysia, who don't want APEC to become an institutionalised organization.

The meeting didn't discuss China's most favoured nation trading status, or MFN, which the US has threatened to revoke unless China improves its human rights record.

"We're waiting for the Chinese to make the kind of changes that will allow the continuation of the MFN. We hope things are going to work out," Bentsen said.

During an informal roundtable discussion, ministers from each country presented their economic growth

strategies and described the problems and successes they have encountered.

Indonesia's finance minister, Mar'e Muhammad, said his region's pressing development needs — some 1 trillion dollars is needed just for infrastructure — require it to look past traditional sources of capital such as the World Bank and the Asian Development Bank.

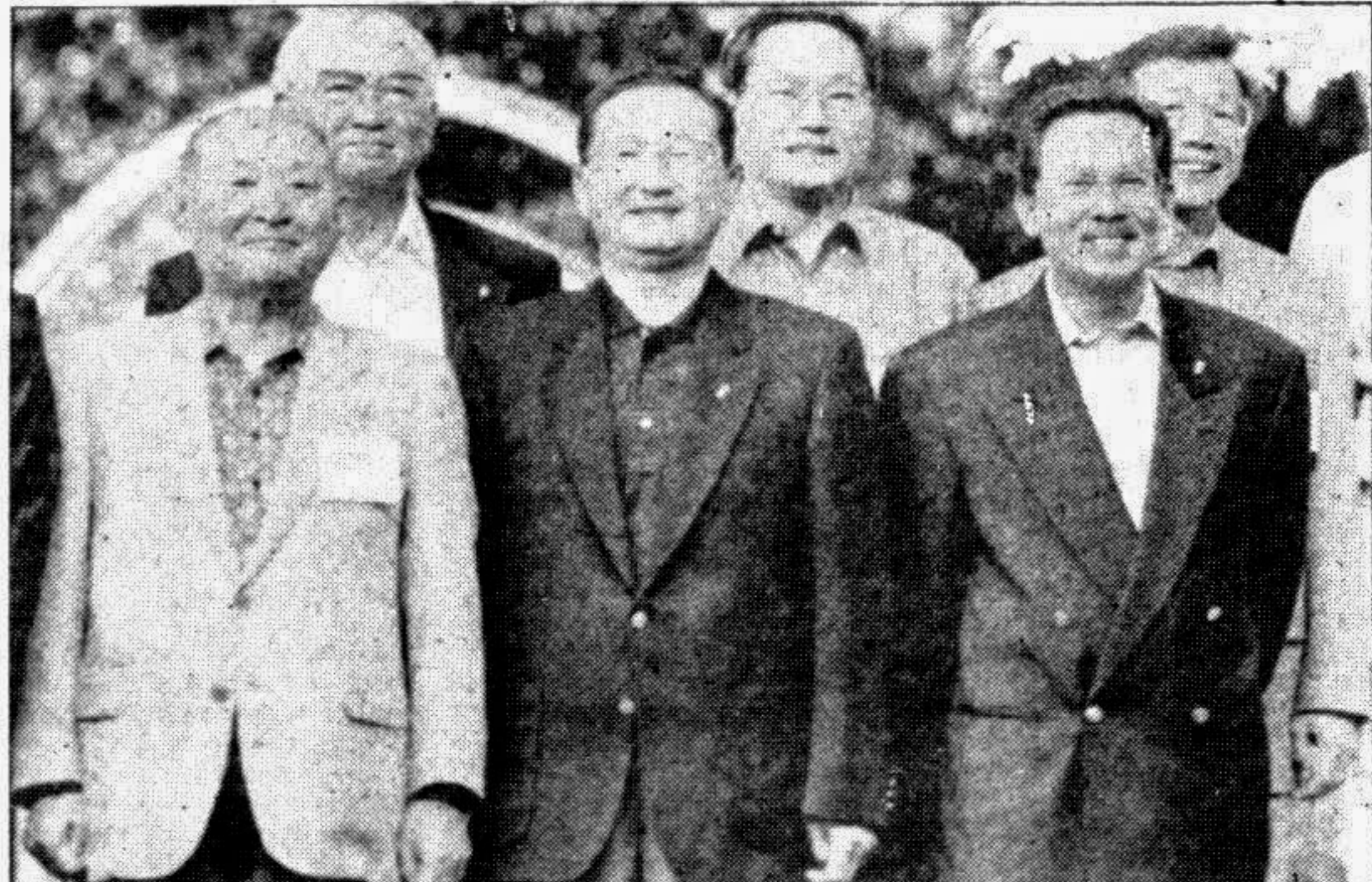
"It is becoming apparent that our needs will outstrip the resources of these institutions. We must turn to private capital providers," Mar'e said.

He added that more open trade would increase investment opportunities in

Indonesia and other developing nations. "The greatest help the developing countries could receive from the industrialised nations is further and faster deregulation of trade."

The 17 APEC nations with finance ministers at the meeting are the United States, Canada, Japan, South Korea, China, Taiwan, Hong Kong, the Philippines, Brunei, Indonesia, Singapore, Malaysia, Thailand, Australia, New Zealand, Papua New Guinea and Mexico.

Chile also was represented. It isn't formally a member of APEC but has applied for membership.



HONOLULU: Finance Ministers (L to R) Hirohisa Fujii, Japan, Richard Hu Tsu Tau, Singapore, Hong Jae-Hyong, South Korea, Lin Kou-Chen, Taiwan, Dato Seri Anwar Ibrahim, Malaysia, and Tarrin Nimmanaheminda of Thailand take part in a group photo Saturday of the 18 finance ministers attending a meeting of the Asian-Pacific Economic Cooperation (APEC). — AFP photo

## Arab Land Bank to reopen two branches in West Bank, Gaza

AMMAN, Mar 20: The Arab Land Bank said Saturday it has received Israeli permits to reopen two of its branches in the occupied West Bank and Gaza Strip and planned to start operations next month, reports AP.

The Arab Land Bank is headquartered in Cairo, Egypt and operates several branches in Jordan. It is the second among the kingdom's banks to receive approval from the Bank of Israel ahead of the establishment of Palestinian self-rule in the occupied territories.

The Bank of Jordan secured an Israeli licence last week to reopen a branch in Ramallah in the West Bank.

Eight Jordanian banks with 31 branches were operating in the West Bank and the Gaza Strip when Israel captured the territories in the 1967 Middle East war.

One of the banks, Cairo-Amman Bank, was allowed to reopen in 1986 under a special arrangement that gave Israel total control over the bank's operations.

But an economic agreement signed with Israel allowed Jordan to take the upper hand in running its commercial banks in territories soon to gain autonomy,

## Clinton-Greenspan meet examines US economy

WASHINGTON, Mar 20: President Bill Clinton set the markets on edge Friday by meeting with Federal Reserve Chairman Alan Greenspan four days ahead of the central bank's next policy-setting meeting, reports AP.

The White House said that the Clinton-Greenspan meeting was purely routine, adding that the two men sat down to examine the economy every six to eight weeks.

"This is a fairly routine meeting to hear his views on the economy and not to deliver or receive any message," Clinton's Economic Adviser Gene Sperling said. Clinton travels to Florida on Sunday.

News of the meeting sent bond prices soaring, depressing the stock market.

Experts expect the central bank will nudge up short-term interest rates, or at least decide to do so, at its policy-setting open market committee meeting on Tuesday.

Sperling stressed that the scheduling of the talk so close to the quarterly meeting was "purely coincidental."

"The President has a pretty tight schedule and this was the only time he had available," Sperling added, downplaying concerns that the meeting signalled the White House would pressure the fed

to leave rates unchanged.

The Clinton administration was critical of Greenspan when he nudged up short-term interest rates for the first time in five years on February 4, saying the measure was necessary to preempt inflationary tendencies in the recovering economy.

The administration argued there were no signs yet of inflation and that tightening credit risked choking off the recovery.

The fact that the Dallas federal reserve bank in Texas was not notified until late Thursday that Greenspan would be unable to attend a conference there Friday created the "false impression" that the White House meeting was hastily arranged, Sperling said.

Also to attend the one-hour meeting were Vice President Al Gore, National Economic Council Chairman Robert Rubin, Council of Economic Advisers chairwoman Laura Tyson and Budget Director Leon Panetta.

Bond prices rose sharply on Wall Street after the meeting was announced.

The average return on the bellwether 30-year treasury issue jumped to 6.91 per cent from its Thursday close of 6.82 per cent before settling back to 6.89 per cent.

## IFC approves \$62.24m for Thai hospital

WASHINGTON, DC, Mar 20: The International Finance Corporation (IFC) has approved financing of \$62.24 million US dollar for the Bumrungrad Medical Center Ltd, Bangkok, Thailand, says a press release.

The financing will assist in the construction and operation of a 530-bed general service hospital with an out-patient facility capable of handling 3,000 patients per day. The hospital will provide specialised services, such as cardiology, neurosurgery, oncology, gastroenterology, radiation therapy, and magnetic resonance imaging.

The IFC financing package consists of equity and quasi-equity investments of up to 2.24 million US dollar, a loan of 25 million dollar for IFC's own account, and an additional 35 million dollar through an IFC loan syndicated with the following banks: Banque Nationale de Paris, Credit Lyonnais, The Development Bank of Singapore Ltd ("DBS Bank"), Asian Finance and Investment Corporation Ltd, The Hongkong and Shanghai Banking Corporation Limited, N V Kredietbank and United Overseas Bank Limited. The total project cost is estimated at 111 million dollars.

## Steel Industry hard-hit by budget proposals: SCI

BOMBAY, Mar 20: The steel industry, still reeling under demand recession, had been the hardest hit by the union budget proposals, according to the Steel Chamber of India (SCI) which warned that several units would be shut if relief was not given to them, reports PTL.

"The steel community feels that a great injustice has been done to them and instead of providing relief, the finance minister has done quite the reverse," the chamber said.

It said like many other industries which had been going through a lean patch, the steel industry was expecting it would get some relief in the form of reduction in excise duties, customs duties and abolition of the steel development fund.

But instead, the industry had been burdened with increase in central excise duty on iron and steel, materials produced by every sector of the steel industry, the SCI said.

"Every one of them is extremely unhappy, the chamber statement said, adding that majority of the rolling mills in Punjab, Gujarat, Rajasthan, Tamil Nadu and Maharashtra and in other places had already downed shutters till they got relief.

Saying that the previous system of specific duty on steel materials was better, the chamber urged the finance minister to maintain the status quo ante.

Furthermore, the rate should also be brought down to the previous level, it said.

Moreover, according to the chamber, there was no sense in bringing thousands of rolling mills and other steel processing units under the central excise net and hence they should be kept out of the excise duty net.

It said the two and a half per cent relief in excise duty was too inadequate and when the scrap prices all over the world were rising, the effect of relief was only minimal which would not help mini steel plants to revive.

## Major pledges \$18m aid to Sarajevo

SARAJEVO, Mar 20: British Prime Minister John Major ended a whirlwind tour of Bosnia on Friday by visiting Sarajevo and promising 12 million pounds (18 million dollars) in aid to help rebuild the battered city, reports Reuters.

"In order to pump-prime this work and make sure it will continue we will provide five million immediately and another seven million pounds for further aid supplies to the area," he told reporters while visiting a water pumping station in the centre of Sarajevo.

The prime minister praised a peace agreement signed by Bosnian government and Croat leaders in Washington on Friday, but called for Serbs—the third faction in a bitter 23-month ethnic war — to join the peace process.

"At the end of the day it's going to need a political agreement to make sure that the disputes that have wrecked the lives of so many people in Bosnia in recent years don't recur."

"We just have to continually put pressure on the Serbs to realise it's going to be necessary to reach a political settlement," he said.

## Ranchers demand return of seized land in Mexico

SAN CRISTOBAL DE LAS CASAS, Mexico, Mar 20: Hundreds of angry ranchers marched through this colonial town on Saturday to press the government into helping them retrieve land and livestock lost during the rebel uprising, reports AP.

Impoverished Indian peasants have seized some 120,000 acres of private land since their rebellion against the government in the southern state of Chiapas on January 1.

"If they (the Indians) want us to support the dialogue, then we demand the return of the livestock and all of the other belongings" that were taken from ranchers since New Year's Day, Jorge Constantino told some 500 fellow ranchers gathered in the main plaza.

# Cambodia taking sober look at economic realities

James B Goodno writes from Phnom Penh

Cambodia's transition to capitalism is generating considerable excitement, with the economy recording growth of five to eight per cent in each of the last two years.

But the figures are misleading.

The economy was distorted by large numbers of United Nations officials pumping in cash as they organised Cambodia's first multi-party elections.

Now that the UN presence has shrunk, Cambodia is taking a sober look at economic realities. After briefly pondering comparisons with other Southeast Asian economies in the world's fastest growing region, a government official comments: "The first thing we have to do is catch up with Laos."

Like Laos, Cambodia is a "least developed country," with per capita gross domestic product amounting to a mere 170 dollars. Two decades of war, economic embargo, and dysfunctional socialism crippled Cambodia's economy and eroded the quality of life of its people.

The government — a coalition led by Prince Norodom Ranariddh's royalist FUNCINPEC party and Hun Sen's former marxist Cambodian People's Party — wants to craft a working capitalism.

Little infrastructure and limited capital are major obstacles to growth. Crime and strife constrict economic activity in rural areas, home to about 7.5 million of the country's nine million population.

In this post-communist era, the gap between rich and poor is growing and privatisation of state assets is leading to job losses.

Sochua Mu Leiper is a community organiser on the outskirts of Phnom Penh, where working-class communities and aged factories line the Tonle Sap river. Leiper points out that several of the factories have closed recently. One employed 600 workers before it was bought by Thai property speculators. The workers lost their jobs.

The example is not exceptional. A Western diplomat says the state attempted to privatise 36 factories between 1991 and mid-1993, and that "most were closed down." There are plans to shed thousands of

other government jobs. In place of public enterprises, Cambodia wants to attract "quality" private investment.

Near the shuttered factory is a symbol of the new Cambodia: a state-of-the-art Coca-Cola bottling plant employing 161 people.

Coke re-entered Cambodia in April 1992 with plans to invest 10 million dollars. It represents the type of investment the government wants: a locally produced item.

"Responding to domestic demand is not enough," contends Mathoeung Sok, an economist at the Cambodia Development Resource Institute (CDRI). Imports can satisfy demand, he says, but "we must develop production structures."

To encourage industrial investment, Cambodia offers incentives and allows full repatriation of profits. According to Sok, investment should focus

## Shipping Intelligence

Chittagong Port							
Berth position and performance of vessels as on 20.3.94							
Berth No	Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival	Date of Leaving	
J/1	Silla	C Peas	Sing	Royal	12/3	25/3	
J/3	Iokasti	Cement	Tuti	Litmond	1/1	25/3	
J/4	Sukrawan Naree	D Peas	Sing	Litmond	1/3	26/3	
J/5	Saleen	Nine	Sing	MSA	1/3	26/3	
J/6	Banglar Bani	CI	Mong	BSC	12/3	20/3	
J/7	Banglar Shobha	CI	Pena	BSC	18/3	30/3	
J/8	Tian Zi Shan	Cement	Sing	MSA	18/3	25/3	
J/9	Cattleya	CI	Sing	Prog	19/3	23/3	
J/10	Dolores	Idle	—	Seacom	CT	30/3	
J/11	Yamburenko	Cont	Sing	CT	18/3	21/3	
J/12	Victoria	C Peas	Sing	MSA	13/3	24/3	
J/13	Banglar Moni	Cont	Sing	BSC	17/3	21/3	
MPB/1	Meng Lee	Cont	Sing	AML	17/3	20/3	
MPB/2	Infinity	Cont	Sing	RSL	19/3	22/3	
GSJ	Aradia-1	C Clink	Visa	CSL	13/3	26/3	
CSJ	Rattana Naree	Wheat (P)	Sing	Seacom	14/3	24/3	
TSP	Hua Quan	R Phos	Sing	Hang	RSEA	19/3	25/3
RM/4	Tanary Star	Cement	Tuti	USTC	20/2	22/3	
DOJ	Banglar Shourabh	Repair	—	BSC	R/A	22/3	
DOJ	Loyal Bird	Repair	Mong	Seacom	15/11	22/3	
DDJ/1	Banglar Asha	Repair	—	BSC	R/A	23/3	
RM/9	Btnglar Urmil	Repair	Col	BSC	5/3	31/3	
CUFJ	Ronjay Victory	Idle	Visa	USTC	7/1	20/3	

Vessels Due at Outer Anchorage									
Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port				
Fong Shin 9/3	20/3	Sing	BDSHIP	Cont	Sing				
Kritika Naree	21/3	Sing	Royal	Cont	Canola in Bulk				
Jiang Cheng	21/3	Sing	BDSHIP	GI	Scraping				
Banana Express	21/3	—	UMAL	—	—				
Amanecida (E/L)	—	—	—	—	—				
10/3	22/3	Mong	OWSL	—	Latt. Lyl				
Kota Buana 12/3	22/3	Sing	RSL	—	Sing				
Green Island	23/3	Cal	Karna	GI (Lash)	—				
Andrian Goncharov	23/3	Sing	CT	Cont	Sing				
Lanka Mahapala	23/3	Sing	CT	Cont	Sing				
16/3	24/3	Viza	Baridhi	Cont	Col				
16/3	24/3	Sing	Prog	GI	—				
Al Reza (E/L) 17/3	25/3	Mong	BSC	Cont	Latakia				
Fong Yau 16/3	27/3	Sing	BDSHIP	Cont	Sing				
Vishva Bandhan	25/3	Sing	Mad	GI	—				
Petr Starostin 19/3	25/3	Sing	CT	Cont	Sing				
Chandidas	26/3	—	SSL	GI/GL	UK Cont				
Eponyma 16/3	26/3	Sing	CTS	Cont	Sing				
Salfina-e-Islam-2	27/3	—	Prog	GI	Karachi				
Astro Jyojin (Roro)	26/2	Yand	JF	Vehicles	—				
Ultima 19/3	29/3	—	BTSA	Cont	Col MGL				
Puvina	30/3	—	PSAL	Cement	—				

Tanker Due									
Name of Vessels	Date of Arrival	Last Port Call	Local Agent	Cargo	Loading Port				
Gemini	20/3	Sing	MSPL	HSD	—				
Ocean Meg	21/3	Bang	Seacom	CPO	—				
Ilya Chavchavadze	21/3	—	CT	Oil	—				
Sokolniki	22/3	—	H & H	HSFO	—				

Vessels at Outer Anchorage									
Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival					
Karabieverett	GI	Sing	EEPL	20/3					

Vessels Awaiting Instruction									
Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival					
Banglar Jyoti	—	Sing	BSC	R/A (15/03)					
Sea Sprite	—	Sing	JF	27/02					

Karableverett	GI	Sing	EBPL	20/
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