

Myanmar secures debt relief worth almost \$6b

AFP, Yangon

MYANMAR on Monday hailed a deal with international lenders to cancel nearly \$6 billion of its debt, another milestone in the rapid transformation of the former junta-ruled nation.

The former pariah state also cleared its arrears to the World Bank and the Asian Development Bank (ADB) with the help of bridge loans from Japan, removing another key hurdle for the resumption of international aid.

The Paris Club of creditor nations said it had agreed at a meeting on Friday to write off half of Myanmar's debts to the group, with the remainder to be rescheduled over 15 years.

The club, an informal grouping of industrialised nations, praised Myanmar's "strong commitment" to economic reforms in a statement posted on its website on Monday confirming the deal.

According to Myanmar, Japan has committed to cancel arrears worth more than \$3 billion while Norway is writing off \$534 million. It said other bilateral donors were expected to follow suit.

Myanmar Finance Minister Win Shein said the agreement heralded the beginning of "an era of new relationships in which Myanmar is committed to fully cooperate with all the members of the Paris Club".

He said Myanmar would use the resources made available by the debt relief for development and poverty reduction programmes.

Japan had already announced plans to cancel some of Myanmar's debt, saying last April it would forgive 300 billion yen (\$3.3 billion) of the 500 billion yen it was owed.

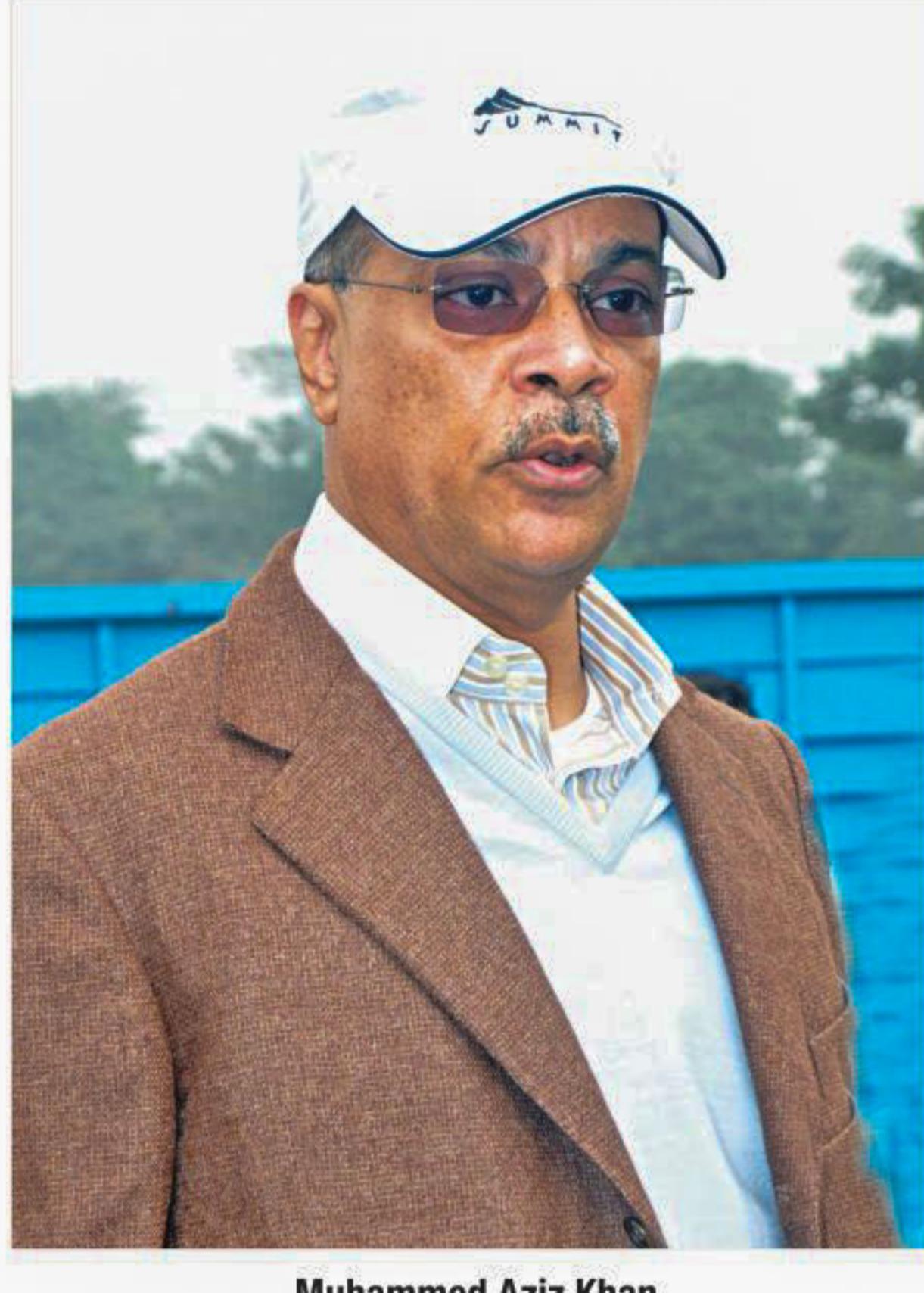
The moves follow a string of dramatic political reforms in Myanmar, which is seeking development assistance and foreign investment to bolster its ailing economy as it emerges from decades of military rule.

In another landmark, Myanmar restructured more than \$900 million of debts to the World Bank and the ADB, enabling the two development lenders to resume assistance to the country after a decades-long absence.

The World Bank pledged new funds for Myanmar of \$440 million while the ADB offered \$512 million. The new credit lines will enable Myanmar to repay the bridge loans provided by the Japan Bank for International Cooperation.

Use coal resources or face energy dearth soon

Summit boss Aziz Khan says rental power projects help economy pick up



Muhammed Aziz Khan

SHARIER KHAN

SUMMIT is one of the largest power generation companies producing 560mw, which is one tenth of the national grid, and developing another 800mw. Besides, the group is operating 30 percent of the country's port facilities through Summit Alliance Ports Ltd and laying fibre optic lines for local and global bandwidth through Summit Communications Ltd to cover half of the country's bandwidth.

In this context, The Daily Star recently interviewed Summit chief Muhammed Aziz Khan, a

58-year-old MBA from Dhaka University. Khan sees an increasing power crisis as the country is running short of primary energy, and emphasises developing the coal resources. He defended the rental power schemes and talked about large project financing constraints. Following is the excerpt from the interview:

The Daily Star (TDS): How is the energy shortage in Bangladesh affecting its growth?

Muhammed Aziz Khan (MAK): Every emerging country, with high growth like Bangladesh's 6.3 percent, suffers from energy shortages. Their growth,



Summit's power plant in Narayanganj.

given the globalised internet connected communication and global trade via large ports, can easily reach 10 percent like China, only if they could provide local infrastructure including electricity. Energy is the biggest challenge, from primary energy to electricity.

Bangladesh continues to be reliant on natural gas. But the gas supply is limited, and unless Bangladesh can afford and diversify to expensive imported primary fuel or can harness her coal deposits, we unfortunately will have increasing electricity shortages. Everyone wants electricity; yet only 50 percent of the

population has access to electricity.

I believe with a proper coal policy to harness our coal deposits, and with more investment in developing natural gas and electricity generation, we can and we shall achieve equilibrium of demand and supply in electricity.

TDS: Many complain that the rental power projects are devastating the country's economy. What do you say?

MAK: I understand from where they are coming. The sudden increase in the cost of electricity generation is hurtful. But imagine the alternative. We

do not have enough gas to run even the existing gas-fired power plants. Coal-fired plants, imported or mined, take about 7 to 10 years to be implemented. Only liquid fuel-based power plants can be implemented in a short time. If Bangladesh had not implemented liquid fuel-based plants and thus not imported such expensive energy oil, we would now be generating about 3,000mw instead of 6,000mw. That would bring down the GDP growth rate to less than 3 percent and would result in a huge social unrest.

READ MORE ON B3

In Davos, world seeks US engagement

REUTERS, Davos

AS President Barack Obama starts his second term, the world's business and political elite pines for greater American engagement to tackle a thicket of security challenges.

From Syria to Mali, from Iran to the South China Sea, the United States' reluctance to be drawn into conflicts far from its shores was a leitmotif of geopolitical debate at this year's World Economic Forum in Davos.

The absence of top Obama administration officials from the annual brainstorming and networking event in the Swiss mountains symbolised to some a perceived pullback from global leadership, even though it was Inauguration Week in Washington.

Leaders of Russia, Germany, Britain, Italy, South Africa, Jordan and many other nations made the journey.

US bankers, business leaders and academics were out in force, but the most senior US government officials were a Treasury undersecretary, an assistant secretary of state and the outgoing US Trade Representative.

Delegates debated whether and when China would overtake America as the number one economy and global power -- estimates ranging from the early 2020s to never -- and what troubles were brewing while Washington remains in hands-off mode.

The ground rules of many Davos panels preclude identifying the speakers. One minister, shielded by that anonymity, lamented the dangers of "a world without American leadership".

Without US involvement, one session was told, Syria would become a "Somalia on the Mediterranean", with Middle East states waging a proxy war via sectarian factions, some of which would export militant violence to the neighbours and to Europe.

Iran may accelerate its nuclear program to try to break out of isolation, Vali Nasr of Johns Hopkins University said, because Washington is squeezing it with economic sanctions but shunning either direct diplomatic engagement or military action.

In a public address, King

Abdullah of Jordan said his country, which had sent troops to fight Islamist militants in Afghanistan, now faces a "new Taliban in Syria", where an al-Qaeda affiliate has gained ground among forces fighting to oust President Bashar al-Assad. It could take years after the fall of Assad to "clean them out", the king said.

His fragile desert kingdom has taken in some 300,000 Syrian refugees, straining its thin resources and political stability. Some Syrian exiles present in Davos complained that Jordan has closed its border to Syrian opposition fighters.

Turkish Foreign Minister

manufacturers' restrictions on transfers to third parties.

US strategic experts explained that Washington's sole interest in Syria was to prevent any threat to Israel and ensure chemical weapons did not fall into "terrorist" hands.

The same reluctance to be sucked into conflict meant Washington would provide little more than verbal and intelligence support for France as it battles in Mali against al-Qaeda-linked militants who have taken root in the vast ungoverned spaces of the Sahara and Sahel.

Few if any expect Obama, who burned his fingers in an early

rise in the Middle East and North Africa.

The president's first foreign trip after his re-election in November to southeast Asia was overshadowed by a flare-up between Israel and the Palestinians in Gaza, a reminder of an issue on the back-burner that can explode at any time.

It came during a potentially dangerous phase in relations around east Asia between China and Japan, North Korea and its neighbours, and above all China and the United States.

Former Australian Prime Minister Kevin Rudd, a China expert, urged Obama to use his second term to take a major initiative to build a cooperative security relationship with China, partly to avert conflicts in the South China Sea. Rose doubted that the Obama administration would undertake anything so ambitious.

Wu Xinbo, dean of the School of International Studies at Fudan University in China, said Washington should start by ending aggressive air and sea patrolling off China's shores, which he said smacked of the "containment" of the former Soviet Union.

He voiced concern that Japan, driven by a more nationalist new government and public opinion, could pursue an "offensive" approach to a dispute over a group of small islands in the South China Sea known as Senkaku in Japan and Diaoyu in China.

Joseph Nye, a former US official and Harvard academic who visited Japan and China recently as part of a semi-official US delegation, said both countries were worried by the perceived growth of nationalism and militarism in the other although "this is not 1930s nationalism".

But Nye said both countries' new leaderships would give top priority to economic development and provided the United States sent careful messages to both, there was the prospect of a strong triangular relationship.



A group of Anti-World Economic Forum's protesters demonstrate in Davos on January 26.

Ahmet Davutoglu, whose country has absorbed some 150,000 refugees and serves as a rear base for rebel fighters, said the international community would one day have to apologize to the Syrian people, as it had done in Rwanda, for failing to intervene to prevent massacres.

At least 60,000 people have been killed in two years of civil war in Syria, according to the United Nations.

Saudi Arabia's Prince Turki al-Faisal, a senior member of the royal family, former head of intelligence and ambassador to London and Washington, said the rebels were not receiving game-changing anti-aircraft and anti-tank weapons because of US and

attempt to revive Israeli-Palestinian negotiations when Israeli Prime Minister Benjamin Netanyahu refused to stop Jewish settlement building, to launch a fresh peace initiative now.

Any risk of the United States being drawn into military intervention in the Islamic world after extricating itself from Iraq and winding down its presence in Afghanistan is anathema to the Obama administration, said Gideon Rose, editor of the policy journal Foreign Affairs.

Some delegates cited Obama's strategic "pivot" towards Asia, shifting Washington's focus towards the fast-growing economies of the Asia-Pacific region, as one reason why tensions were on

Bitter struggle over internet regulation to dominate global summit

REUTERS, San Francisco

AN unprecedented debate over how the global Internet is governed is set to dominate a meeting of officials in Dubai next week, with many countries pushing to give a United Nations body broad regulatory powers even as the United States and others contend such a move could mean the end of the open Internet.

The 12-day conference of the International Telecommunications Union, a 147-year-old organization that's now an arm of the United Nations, largely pits revenue-seeking developing countries and authoritarian regimes that want more control over Internet content against US policymakers and private Net companies that prefer the status quo.

Many of the proposals have drawn fury from free-speech and human-rights advocates and have prompted resolutions from the US Congress and the European Parliament, calling for the current decentralised system of governance to remain in place.

While specifics of some of the most contentious proposals remain secret, leaked drafts show that Russia is seeking rules giving individual countries broad permission to shape the content and structure of the Internet within their borders, while a group of Arab countries is advocating universal identification of Internet users. Some developing countries and telecom providers, meanwhile, want to make content providers pay for Internet transmission.

Fundamentally, most of the 193 countries in the ITU seem eager to enshrine the idea that the UN agency, rather than today's hodgepodge of private companies and nonprofit groups, should govern the Internet. They say that a new regime is needed to deal with the surge in cybercrime and more recent military attacks.

The ITU meeting, which aims to update a longstanding treaty on how telecom companies interact across borders, will also tackle other topics such as extending wireless coverage into rural areas.

If a majority of the ITU countries approve UN dominion over the Internet along with onerous rules, a backlash could lead to battles in Western countries over whether to ratify the treaty, with tech companies rallying ordinary Internet users against it and some telecom carriers supporting it.

In fact, dozens of countries including China, Russia and some Arab states, already restrict Internet access within their own borders. Those governments would have greater leverage over Internet content and service providers if the changes were backed up by international agreement.

Amid the escalating rhetoric, search king Google last week asked users to "pledge your support for the free and open Internet" on social media, raising the spectre of a grassroots outpouring of the sort that blocked American copyright legislation and a global anti-piracy treaty earlier this year.

Google's Vint Cerf, the ordinarily diplomatic co-author of the basic protocol for Internet data, denounced the proposed new rules as hopeless efforts by some governments and state-controlled telecom authorities to assert their power.

"These persistent attempts are just evidence that this breed of dinosaurs, with their pea-sized brains, hasn't figured out that they are dead yet, because the signal hasn't travelled up their long necks," Cerf told Reuters.

The ITU's top official, Secretary-General Hamadoun Touré, sought to downplay the concerns in a separate interview, stressing to Reuters that even though updates to the treaty could be approved by a simple majority, in practice nothing will be adopted without near-unanimity.

"Voting means winners and losers. We can't afford that in the ITU," said Touré, a former satellite engineer from Mali who was educated in Russia.

Touré predicted that only "light-touch" regulation on cyber-security will emerge by "consensus", using a deliberately vague term that implies something between a majority and unanimity.

He rejected criticism that the ITU's historic role in coordinating phone carriers leaves it unfit to corral the unruly Internet, comparing the Web to a transportation system.

"Because you own the roads, you don't own the cars and especially not the goods they are transporting. But when you buy a car you don't buy the road," Touré said. "You need to know the number of cars and their size and weight so you can build the bridges and set the right number of lanes. You need light-touch regulation to set down a few traffic lights."