



Indochina

Digest

Vol. VIII

13 October 1995

No. 41

TRADE/INVESTMENT

Vietnam updates

- ◆ **Citibank loan** - Citibank announced on 7 October that it has agreed to loan US\$10 million to Vietnam's national coal corporation, Vinacoal. The loan, which is Citibank's first long-term loan to a fully Vietnamese-owned company, will be used to help finance Vinacoal's imports and exports.
- ◆ **ALR signs deal** - Advanced Logic Research International Pte Ltd, a California-based high-tech firm, announced 9 October that it has signed a distribution agreement with a Vietnamese company. ALR says the pact with DPT Co Ltd is part of an effort to establish a significant presence in Vietnam.
- ◆ **GE's JV** - General Electric announced 12 October a joint venture to manufacture advanced medical equipment in Vietnam. The agreement, signed with state-owned Medical Equipment General Company, calls for a factory in HCMC and a branch office in Hanoi. Production is expected to begin in early 1996.
- ◆ **Oh Boygues** - Boygues Offshore and Samsung have won a contract to build a gas compression platform at the *Bach Ho* (White Tiger) field. The contract, reportedly totaling US\$122.8 million, is guaranteed by the French export credit agency, COFACE, and the Korean Eximbank. The platform is part of a US\$400 million project that will include a processing plant, pipelines and an export terminal.
- ◆ **EU investment** - The European Union's investment in Vietnam has shown a significant increase since the beginning of 1995, according to official statistics. As of September, EU member countries have invested almost US\$2.5 billion, with France leading the way. In addition, bilateral trade is expected to increase by 20% to 30% this year, according to the *Vietnam Investment Review*. Later this year, the EU will send a team to Vietnam to determine ways to increase economic cooperation.
- ◆ **Thai ExIm bank grants loan** - The Export and Import Bank of Thailand announced that it and Germany's Dresdner Bank AG have granted a US\$3.85 million loan to Siam Brothers Vietnam Corp Ltd, a rope producer and exporter. Siam Brothers will use the loan to buy machinery for a new factory.
- ◆ **The high road to Indochina** - The Civil Aviation Authority of Vietnam announced 10 October that Vietnam and Burma will sign an air services agreement on 13 October. The agreement will cover flights involving Vietnam Airlines and Rangoon's Myanmar Airlines.

◆ **Evergreen container project** - On 11 October, a spokesman for Taiwan's Evergreen Marine Group said that executives will visit Vietnam next week to discuss details of a US\$7.6 million joint venture agreement. The venture involves establishing a container distribution center and conducting inland transport. Evergreen will hold a 25% share of the venture, with Uniglory Marine a 25% share, and Vietnam will hold the remaining 50% share.

◆ **Iranian rice deal** - On 8 October, newspapers in HCMC reported that Vietnam has agreed to sell 300,000 tons of rice to Iran each year. The agreement was made during the visit of Iranian President Ali Akbar Hashemi Rafsanjani [see *Digest*, 6 Oct]. Vietnam also agreed to sell Iran coffee, tea, and rubber. The two countries also agreed to an oil cooperation pact.

Cambodia tourism updates

◆ **Angkor hotels** - On 9 October, First Prime Minister Prince Norodom Ranariddh said that the Cambodian government is negotiating hotel development proposals worth more than US\$100 million for Siem Reap, near Angkor Wat. "We are now negotiating with at least four major hotel investors," Ranariddh said, naming hotel groups Four Seasons, Le Meridien, and Club Med as potential investors. Last month, Tourism Minister Veng Serevuth said that the Novotel group proposed a US\$50 million project for a 150-room hotel in Siem Reap.

◆ **Stats** - On 12 October, the tourism ministry said that 100,000 tourists and 25,000 business travelers arrived at Pochentong Airport during the first eight months of 1995. August arrivals totaled 19,624, a 33% increase over August 1994. The ministry also reported that during the eight month period, 43,990 people, including 38,916 foreigners, flew to Siem Reap, near Angkor Wat.

VIETNAM

Travels with Ahh

President Le Duc Anh visited Brazil on 9-12 October, and was joined by Foreign Minister Nguyen Manh Cam. During the visit, Anh met with Brazilian President Fernando Henrique Cardoso, and went to Brazil's industrial center Sao Paulo, visiting airplane manufacturer Embraer and meeting with business and political leaders. Cam and Brazil's Foreign Minister Luis Felipe Lampreia signed a pact calling for consultations on matters of common interest. On 12 October, the delegation flew to Cuba at the start of a five-day visit. They were greeted by Cuban President Fidel Castro at Havana Jose Marti Airport.



Spy reunion

On 11 October, seven former officers from the Office of Strategic Services (OSS), the precursor to the CIA, arrived in Hanoi on a visit to mark the 50th anniversary of their work with Ho Chi Minh in the war against Japan. The seven had a role in the founding of the Vietnam-USA Society on 17 October 1945. The group met with Vietnamese historians and former soldiers in a discussion organized by the Vietnam-USA Society. They will also visit Tan Trao in Tuyen Quang province, where Ho Chi Minh had his guerilla base. The New York-based US-Indochina Reconciliation Project is the main sponsor of the visit.

Financial updates

♦ **South Korea** - On 9 October, *Yonhap News Agency* reported that South Korea has signed a contract loaning US\$38.2 billion *won* (US\$49.8 million) to help finance road expansion projects in Vietnam. The 20-year loan has a five year grace period and 2.5% rate of interest. The funds are being allocated from South Korea's Economic Development Cooperation Fund (EDCF), which was established in 1987.

♦ **Debt restructuring** - On 11 October, the *Vietnam Investment Review* reported that the terms of the restructuring of Vietnam's US\$800 million debt to foreign commercial banks is scheduled to be completed before a meeting of the governor of the State Bank of Vietnam with the International Monetary Fund in November. It is believed the restructuring will improve Vietnam's credibility in the international financial community, make it easier to borrow in the future.

♦ **Tax renovation** - On 12 October, the *Vietnam News* reported the introduction of a nation-wide, value-added tax on goods produced in Vietnam, further integrating Vietnam with regional and global economies. According to Ly Tai Luan, director of the National Assembly Budgetary and Economic Commission, some imported goods will be granted a tax break. Vietnam expects to lose an estimate 1,330 billion *dong* (US\$122 million) when the import tax is lowered on certain commodities. The number of goods eligible for tax under special consumption taxes will be raised, adding an anticipated 15,000 billion *dong* (US\$1.362 billion) to the country's revenue. The renovation is believed to be in response to losses incurred from the many loopholes in the existing system.

Other updates

♦ **ASEAN adjustments** - On 10 October, the *Vietnam News* reported on government efforts to adjust departments to meet the bureaucratic demands of ASEAN membership. Prime Minister Vo van Kiet appointed Deputy Prime Minister Tran Duc Luong to lead the National ASEAN Committee. Kiet called for the replacement of the ASEAN Secretariat of Vietnam with new members. Other changes include the establishment of ASEAN sections in all ministries and government agencies, and the recruitment of English speaking staff.

♦ **Floods** - According to the *Vietnam News Agency*, Vice Prime Minister Phan van Khai has agreed to a US\$9 million emergency soft loan to An Giang province to aid in flood relief efforts. More than 120 people have died throughout

central and southern Vietnam in the annual monsoon rains that began in September. An Giang, on the southern border with Cambodia, was hit the worst, reporting 46 casualties. The Mekong Delta and the Quang Binh-Quang Ngai regions reported 89 and 36 casualties respectively. Flooding has severed north-south roads and railways, and is believed to be the worst in 16 years.

♦ **Crewmen released** - On 10 October, the Thai government announced it will release 14 Vietnamese fishermen being held for intruding in Thai waters. The issue of fishing rights in the Gulf of Thailand continues to be a contentious one between the two ASEAN countries. The release is said to mark the good will and cordial relations between Thailand and Vietnam following Vietnam's release of 50 Thai fishermen in April. Another six Thai fishermen detained in May were released on 9 October.

CAMBODIA

It's Rainsy's party

In a 12 October statement, former finance minister and National Assembly member Sam Rainsy said, "I would like to solemnly announce that a new party will be established in accordance with the constitution of the Kingdom of Cambodia in the very near future." Rainsy said the party will be named Khmer Nation, and will unite those who "are disgusted with lying, cheating, broken promises made during the last elections and are against all dictatorship, cruelty, human rights violations, corruption." Rainsy invited disgruntled members of other parties to join him, including supporters of Son Sann in the divided Buddhist Liberal Democratic Party.

Phnom Penh law

♦ **Heritage protection** - On 9 October, Cambodia formally inaugurated the 14-member Apsara committee to protect and develop Angkor Wat at Siem Reap. The committee fulfills the fourth of five conditions necessary for Angkor Wat to remain on the World Heritage List. "The remaining condition is the institutional framework, which means the law for the protection of historic monuments in the country," said Khamliene Nhoyvanyvong of the UN Education, Scientific and Cultural Organization (UNESCO). On 12 October, First Prime Minister Prince Norodom Ranariddh said the cabinet has approved the draft law on the protection of Cambodia's cultural heritage, and urged the National Assembly to give the law top priority when it reconvenes later this month. The law provides for sentences of six months to five years for persons convicted of "carelessness" in protecting Cambodia's cultural heritage, and sentences of two to eight years for plotting to steal art.

♦ **Gambling** - The cabinet also approved a draft law to regulate gambling, which First Prime Minister Ranariddh hopes will receive priority at the upcoming National Assembly session. The gaming law provides for prison sentences of up to five years and fines up to 50 million *riel* (US\$20,000) for persons convicted of operating illegal gambling establishments. Gambling casinos require the approval of the Royal Cambodian Government. Currently, the government has only authorized Malaysia's Ariston group to operate a casino in Cambodia.



♦ **Civil servants** - On 12 October, the *Khmer Press Agency* reported that the Council of Ministers passed a decree on leave policies for civil servants. The decree allows civil servants to take unpaid leave for six months to two years, but can reapply for a total of up to four years, and that workers must reapply for their jobs two months before their leave expires. The decree also provides for suspension of salaries and criminal and disciplinary penalties for civil servants absent from work for more than 15 days.

♦ **Sihanouk aide -- laws unconstitutional** - In an interview published in the *Phnom Penh Post* on 6 October, Nhiek Tioulong, an associate of King Norodom Sihanouk, said that the National Assembly has been acting in violation of the constitution as it has failed to adopt legislation creating a Constitution Council to monitor its activities. "Because the council does not exist, the internal rules have not been approved, to the deliberations, debates, even the laws are, if not illegal, unconstitutional," Tioulong said. Sihanouk has named Tioulong and two others to be his representatives on the council once it is created. The nine-member council will have the power to review laws and court decisions and revoke those that do not comply with the constitution.

♦ **Sihanouk opposes death penalty** - On 9 October, King Norodom Sihanouk said in a statement: "I sincerely hope that the Royal Government of Cambodia and the National Assembly uphold the abolition of the death penalty as well as our liberal and politically pluralist democracy." Sihanouk was responding to reports that his son, First Prime Minister Prince Norodom Ranariddh, wanted capital punishment reintroduced for drug traffickers and persons convicted of murder during robberies and abductions. On 12 October, Ranariddh said that he will respect the wishes of his father and not move to amend the constitution to allow the death penalty.

Police stories

♦ **General dismissals** - On 9 October, Cambodia dismissed or demoted 85% of its police as part of its overall effort to reform its security forces. The streamlining effort reduced the number of generals from 499 to 75, and the number of colonels from over 1000 to 62.

♦ **Tod squad** - On 9 October, Tony Culnane of World Vision International said that Australia will assist Cambodia to form a special police force charged with protecting children from sexual abuse. "We are currently meeting with senior Cambodian Interior and Foreign Affairs officials to approve this proposal but the indications are we will have the green light soon," Culnane said. "The children's force would be trained to handle the questioning of children, investigating child sexual abuse, trafficking and recovering lost children." Culnane said that between two and six members of the Australian Federal Police will train the Cambodian squad.

♦ **More on Aussie police** - On 10 October, Australian Foreign Minister Gareth Evans said that Australian police have flown to Cambodia to investigate allegations that an Australian diplomat had sex with children [see *Digest*, 9 Jun]. In June, an Australian legislator accused 20 senior officials of pedophilia in Cambodia and other countries. "There's only one case being investigated at the moment. All the others have been resolved to the satisfaction of the police," Evans said. A recent Australian law provides that

Australians can be convicted for pedophilia in Australia for crimes committed abroad, and police were given powers to investigate cases in other countries.

More bank bucks

On 12 October, the Cambodian government announced a US\$80 million World Bank loan to finance power projects and economic reform. According to Finance Minister Keat Chhon, US\$40 million has been allocated to "cover capacity building, institutional and structural reform programs." The remaining US\$40 million will be used to finance the capital's electrical distribution network, and strengthen the Electricite du Cambodge, as well as the Ministry of Industry, Mines and Energy.

Rice surplus

First Prime Minister Prince Norodom Ranariddh announced on 12 October that Cambodia anticipates a surplus of rice in 1995. While severe flooding and drought seriously damaged last year's rice harvest, leading to predictions of a 100,000-ton shortfall, weather was not expected to affect this year's harvest. Ranariddh reported that a survey by the Food and Agriculture Organization (FAO) predicted a bumper crop. The Cambodian Government and European Union are prepared to purchase any surplus.

Guerrilla demining

Former Khmer Rouge fighters are assisting engineers in a new landmine clearance project initiated by the Cambodian Mine Action Center (CMAC) in the former rebel stronghold of Phnom Voar (Vine Mountain). According to one of the five former guerrillas assisting in the sweep, Chhouk Rin, between 8000 and 10,000 mines were laid by the Khmer Rouge in the area since 1981. "The clearing will not take long because we know where the mines are," Rin said. Rin and many like him were granted amnesty by the government after defecting from the Khmer Rouge forces. Rin, who participated in the abduction of three Europeans in July 1995, was made a lieutenant colonel in the Royal Cambodian Army after his defection. The 40 hectares being cleared will be used to resettle 230 families of defectors.

LAOS

National Assembly news

On 9 October, the National Assembly discussed the implementation and enforcement of laws, with the head of the National Assembly's law commission, the president of the People's Supreme Court, and the minister of justice issuing reports on legal developments. The reports noted improvements in law enforcement and legal training, including 70 graduates from the law school in the 1994-95 academic year. They also noted that over the past year, the supreme court considered 615 cases, 413 civil and 202 criminal, with decisions made on 446 of these cases. Some of the laws to be acted upon by the National Assembly in 1995-96 include the laws on land and water, electricity, land transportation, mining, and the commercial law. The current session of the National Assembly opened on 28 September.

**REGION****Spratly workshop**

On 10-12 October, Indonesia hosted the sixth in a series of workshops on the Spratly Island dispute in East Kalimantan, with government officials and scientific experts from 11 countries taking part in the session. The participants agreed to initiate a US\$3.6 million study on biodiversity in the disputed region by next year, in an effort to increase confidence among the claimants. The closing statement to the workshop said: "The participants agreed to continue to work on increasing cooperative efforts and confidence-building in the South China Sea region, and to convene in the seventh workshop in Indonesia in 1996."

REFUGEES**More Hong Kong riots**

Fourteen police and prison officers were injured while trying to control a riot of 200 Vietnamese boat people that broke out in High Island Detention Center on 12 October. The violence preceded a transport of 163 Vietnamese to Victoria Prison for preparation for return to Vietnam on 17 and 24 October. Vietnamese set fire to an office and barricaded a main gate with empty cargo containers. Police cut through the fence and rammed the barricade with armored cars in order to carry out the transfer. The Hong Kong government did not report whether any Vietnamese were hurt, but Refugee Coordinator Brian Bresnihan told reporters that the transfer was smoother than in previous riot conditions. The latest

outbreak of violence prompted concern in Hong Kong's legislature about Governor Chris Patten's ability to meet his commitment to repatriate all 21,000 Vietnamese that remain in camps in Hong Kong before 1997.

FYI**Tulane Vietnam tour**

The Educational Travel Office of Tulane University is conducting a 13-day tour of Vietnam, *The Experience of the Vietnam War*, from 26 December to 10 January. The tour is being co-directed by Professor Randy Fertel, who was director of the Tulane conference on My Lai in 1994, and Wayne Karlin, a marine veteran and war novelist. The tour offers an academic credit option for college students. Registration is required before 1 November. For more information, call 504-865-5555.

Language grants

The Blakemore Foundation is planning to make 12 to 18 Blakemore fellowship grants available for 1996-97 for the advanced study of Chinese, Japanese, Korean, and Southeast Asian languages. The grants cover tuition and related educational expenses, cost of living and transportation, and are designed primarily for U.S. citizens or permanent residents who are successfully pursuing professional, business or academic careers involving Asia and want to further their language study at an advanced level to help realize their goals. Deadline for applications is 12 January 1996. For more information, contact the Blakemore Foundation, 1201 Third Ave, 40th Floor, Seattle, WA 98101-3099; Tel: 206-583-8778; Fax: 206-583-8500.

The *Indochina Digest* is published weekly by the Indochina Project, a non-profit program of the Vietnam Veterans of America Foundation. Articles are based on wire service stories, published news accounts and staff reporting from a broad network of primary sources. Reprint of Digest material is encouraged, but attribution is requested. Reader contributions, corrections and comments are invited. If you would like more information on any of these articles or to subscribe to the *Digest*, contact the Indochina Project.

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