



Indochina

Digest

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TRADE/INVESTMENT

Singapore stats

On 29 January, Singapore's Trade Development Board (TDB) released its 1995 statistics, indicating an increase of trade and investment with Vietnam and Cambodia. TDB said Singapore's trade with Vietnam grew 16.7%, reaching S\$3.1 billion [US\$2.2 billion], making Singapore Vietnam's second-largest trading partner after Japan. Singapore's cumulative investment in Vietnam totaled US\$1.7 billion in 116 projects, making Singapore the fourth largest investor in Vietnam. Singapore is Cambodia's largest trading partner. Trade with Cambodia increased 21% to S\$768.8 million [US\$ 541 million] in 1995, with exports increasing 21% to S\$709 million [US\$500 million]. Singapore is Cambodia's second-largest investor, with cumulative investment totaling US\$300 million.

Vietnam updates

◆ **Cigna insures its foothold in Vietnam** - On 29 January, Cigna International announced that it will open a representative office in Hanoi this spring. The office will be staffed by Vietnamese locals who "have significant cross-cultural experience in insurance and financial services." The new facility expects to deliver a variety of insurance products to Vietnamese consumers and regional offices of multinational corporations.

◆ **Shell dropped it... Mobil picked it up** - On 30 January, Reuters News Agency reported that Mobil will sign an agreement with a South Korean consortium led by Korea Petroleum Development Corp (PEDCO) to explore for gas off the coast of Vietnam. Mobil's contract will give it a 45 percent stake in the venture. Shell, which would have held a 30 percent stake, pulled out of the deal in August 1995.

◆ **It's not Disneyland** - Singapore and Vietnam will build an industrial park with ready-made factories targeted at manufacturers and foreign companies. According to Lai Chun Loon, a Singaporean partner and president of Sembawang Industrial Corp, the tenants will benefit from lower operating costs, a plentiful labor force, an uninterrupted power supply and tax breaks. Located just north of HCMC, the joint venture mixes public and private investment totalling more than US\$209 million. The project will be developed over the next eight years - it is expected to create 50,000 jobs and generate more than US\$1 billion annually.

◆ **Vietnam's foreign insurance policy** - NTUC, Singapore's leading motor insurance company, in an effort to expand its business overseas, has opened a representative office in Hanoi.

◆ **How sweet it is!** - Victorias Milling Co, in cooperation with Vietnamese and British investors, is constructing a US\$60 million sugar factory in Vietnam. The sugar company, Ninh Binh Sugar Ltd (NBS), will have the capacity to refine 4000 (expandable to 6000) tons of sugarcane a day.

◆ **Gas venture** - Nissho Iwai Corp and Tomoe Shokai Co Ltd, a Japanese industrial-use gas sales company, announced on 2 February that they will set up a joint venture in April to produce, import and market industrial and medical use high-pressured gas. The venture will be called Vietnam Japan Gas Co Ltd and will be capitalized at US\$7 million. The total project cost will be US\$11 million, and the company will begin sales at the end of this year.

Cambodia update

◆ **Welcome to the Hotel Cambodia** - Asbina Hotel & Property Sdn Bhd, a wholly-owned unit of Advance Synergy Bhd, has entered a 70 year land and building lease agreement with Cambodia. As part of its strategy to develop and manage an international hotel chain, Asbina plans to invest US\$3 million in Phnom Penh, producing a four-star hotel with 150 rooms.

Vietnam

American given five-year sentence

On 27 January, a Vietnamese court in Haiphong sentenced Everett Sennholz, an American veteran of the war in Vietnam, to five years in prison for bringing weapons and ammunition into the country [see *Digest*, 25 Aug]. Sennholz was also fined 140 million *dong* (US\$12,700) for bringing in 23 banned videotapes and 24 banned books. The 45-year old tax consultant from Puyallup, Washington, was arrested on 12 August after custom officials found two rifles among a shipment of household goods arriving at Haiphong. The prosecutor told that court that Sennholz had concealed the weapons beneath a false bottom in his trunk, and had stuffed hundreds of bullets into jacket and trouser pockets and boots. Sennholz said that he visited Vietnam five times since 1992 and was planning to marry a Vietnamese woman, settle in Haiphong, and teach English. He told that court that he was divorced in 1994, and simply packed what was left to him after the marriage broke up.

The court charged that the undeclared books and videotapes seized in the Sennholz shipment blackened the country's name and distorted the history of the US war in Vietnam. The court ruled that 24 of his books, which were about the war, and the videotapes, including two pornographic films, should be destroyed. Sennholz was also charged with not declaring coins and two silver bars, but it was his attempt to conceal weapons the brought him the prison sentence.



International relations

◆ **China border talks** - In Hanoi on 27 January, Vietnam and China concluded five days of negotiations on the land border and disputed areas of the Gulf of Tonkin. The talks "took place in an atmosphere of friendship, frankness and mutual understanding, and saw some positive moves," said the *Vietnam News Agency*. The next round of discussions on the border is scheduled for April in Beijing.

◆ **Russian renegotiation** - On 1 February, *Itar-Tass* reported that representatives from Vietnam and Russia were discussing the adjustment of a number of agreements which were concluded between Vietnam and the former Soviet Union, "in order to bring those agreements into line with the new realities in relations" between the two countries. Japan's *Kyodo* news agency reported that 56 out of 72 agreements were under discussion, including the agreement on the use of Cam Ranh Bay.

◆ **Party in Mozambique** - On 1 February, Mozambican Prime Minister Pascoal Mocumbi met with a visiting delegation of the Vietnamese Communist Party in Maputo. The two sides expressed the desire for further friendship, and discussed views on ways to broaden cooperation.

◆ **Cambodia border talks** - On 1 February, Cambodian Interior Minister Sar Kheng and Vietnam's Ambassador to Cambodia Tran Huy Chuong met in Phnom Penh and pledged to solve their border dispute peacefully. The border dispute recently flared between Cambodia's Svay Rieng province and Tay Ninh province [see *Digests*, 26 & 19 Jan]. On 2 February, Vietnam announced that it has invited Cambodia's co-Interior Ministers Kheng and You Hockry to visit Hanoi for further talks on the border.

◆ **Kiet to attend summit** - On 1 February, a Foreign Ministry Press spokesman said that Prime Minister Vo van Kiet will attend the first Asia-Europe Summit meeting on 1-2 March in Bangkok, accompanied by Foreign Minister Nguyen Manh Cam and other senior officials. China, Japan, and South Korea will join the seven countries of ASEAN to meet with the 15 countries of the European Union at the summit.

See no Evil. Hear no Evil. Speak no Evil.

The war on "social evils" continues as Vietnam's socialist government stepped up its nationwide propaganda blitz. On 31 January, *Reuters News Agency* reported that hundreds of videos portraying sex and violence were destroyed at a ceremony in Hanoi on Wednesday. Anti-pornography posters adorned the streets of Hanoi while sexy posters and playing cards were incinerated. Culture and Information Minister Tran Hoan was quoted by the daily *Vietnam News* on Tuesday as saying the systematic destruction of such items was just part of a long-term plan to restore order to society.

Sources say that while delighted with the pace of economic growth, Vietnamese authorities continue to be concerned about the deep social changes engendered by their more "open-door" policies. "Social morality is threatened with fierce competitiveness between individual and individual, organisation and organisation. This disparity harms development and creates chaos in society," said Phan Dai Doan, a professor from the Hanoi National University. "With a party congress coming up in June to chart the next five years, they are moving now to assert control."

Signs of the times

As part of Vietnam's new culture drive, it began cracking down on billboard advertisements containing foreign brand names. Plastic sheets were taped over shop-front signs which included the logos for Tiger Beer, Coca-Cola, Kodak, and Fuji. Large signs for Daewoo and Samsung were taken down. On an advertisement for Esso, the company's name was taken out with spray paint, leaving only the tiger logo and its Vietnamese words. The actions represent enforcement of a previous decree holding that the Vietnamese wording in advertisements must be larger than the foreign language wording. However, the purge coincides with Vietnam's clampdown on social evils. "This is not an anti-foreign culture campaign, you could see an Australian film on television last night and you can see a foreign ballet group in Hanoi today," Culture and Information Minister Tran Hoan told *Reuters News Agency*. "We see our culture as a national, traditional, and modern culture, but that does not mean we oppose foreign culture. However, we are determined to fight against any immoral things which may have a negative influence on our country." Foreign businessmen were disappointed at the latest move, with one calling it "a mini-Cultural Revolution," and another stating that "this is just one more irritant in the struggle to do business here."

EU agreement approved

On 1 February, the European Parliament approved the European Union's first cooperation agreement with Vietnam. The agreement was signed last July by Foreign Minister Nguyen Manh Cam. Some members of the parliament insisted that the EU should press Hanoi to improve its record on human rights. Former Belgian finance minister Willy de Clerq said that the compulsory human rights clause in the accord "cannot be just empty words, it has got to be implemented." Dutch Europe of Nations MEP Johannes Blokland urged the European Commission to keep the human rights issue on the agenda of every meeting with Vietnam. The parliament's approval was not unanimous. "Once again, the sacred principles of this parliament are being sacrificed to the altar of free world trade," said Belgian independent Rank Vanhecke.

Updates

◆ **ASEAN food security** - Vietnam has pledged to contribute 14,000 tons of rice to ASEAN's food security program, which is designed to help the group's member states face food shortages. During a recent committee meeting in Thailand, pledges by other ASEAN members included Thailand (15,000 tons), Indonesia (13,000 tons), Malaysia (12,000 tons), the Philippines (7,000 tons), and Brunei (3,000 tons). Singapore is exempt as it is not a rice producer.

◆ **UN drug control aid** - On 1 February, Giorgio Giacomelli, executive director of the UN Drug Control Program (UNDCP), signed two project documents in Hanoi to help Vietnam battle drug abuse. The projects focus on the coordination of national drug control, and socio-economic development to replace opium-poppy cultivation. Last November, in cooperation with UNDCP, Vietnam approved a US\$30.4 million five-year master plan to combat drugs.



CAMBODIA

Hey, leave Sam Rainsy alone

On 29 January, more than 100 police surrounded and searched the headquarters of the Khmer Nation Party, claiming they were investigating a robbery. In addition to KNP officials, two UN human rights officials and several foreign reporters were detained for three hours while police searched the offices. "Everything is OK now," said KNP Deputy Secretary-General Yim Sokha. "After the police checked all the rooms and only found one licensed gun and a radio they left." KNP leader Sam Rainsy was visiting Australia and New Zealand at the time of the raid. Party officials allege the robbery attempt that sparked the search was set up by the government and that the search was an attempt to harrass the party.

Nation's inflation celebration

On 26 January, National Bank of Cambodia Governor Thor Peng Leath announced that Cambodia's annual inflation sank to 3.5 percent during 1995, adding that 1995 was "an exceptional year". The official inflation rate for 1994 was 26.1 percent and the consumer price index rose 31 percent in 1993. Other central bank officials have stated that the real year-on-year inflation rate was only .1 percent due to high negative inflation in December, but the 3.5 percent figure was chosen based on the performance in the last quarter of 1995. For 1996, Thor Peng Leath predicted an inflation rate between six and seven percent and a growth rate of seven to nine percent.

Leath also commented on Cambodia's bid to host a conference for central bankers from 37 Francophone countries. He said the meeting will be held in late 1996 and will include bankers from Belgium, Canada, France and Switzerland. He added: "It's a very, very positive sign for us that international bankers want to have a meeting here in Cambodia."

Big brother comes calling

The International Monetary Fund announced on 2 February that it will send a mission to Cambodia this month to review the country's economic performance. Joshua Charap, the IMF's representative in Cambodia, said the five member mission's visit will be a scheduled mid-term performance review under a three-year loan program launched in May 1994. If the mission is satisfied with economic performance, Cambodia will receive a new disbursement from a US\$120 million loan. Predicting continued low inflation and rapid growth, Charap stated that the Cambodian economy seems to be on track.

Saturday night specials

In an interview with the *Australian Broadcasting Corp*, a senior Khmer Rouge official has claimed that corrupt Cambodian government troops are selling arms and ammunition to guerrilla forces. The official, who declined to be identified, said government commanders near the Thai border are selling guns, bullets and artillery shells to rebels. Co-Defense Minister Tea Chamrath claimed the report is merely propaganda: "The Khmer Rouge often spread this kind of information in order to bluff. I think this is just a bluff."

Updates

◆ **The band plays on** - On 30 January, a government spokesman announced that government troops have captured a Khmer Rouge base in northern Preah Vihear province. The base at An Sess Pass was captured on 29 January with minimal casualties. In addition, the government has launched a major attack on the rebel-held town of Pailin. Cambodian officials have stressed that current moves against the Khmer Rouge are defensive in nature, aimed at pushing rebel gunners back from government-held areas.

◆ **High road to China** - On 27 January, King Norodom Sihanouk flew to Beijing for routine medical checks with his Chinese doctors. The king has said he has recovered from cancer but, he still suffers from a number illnesses, including diabetes. There is no set date for his return to Cambodia, but he is expected to be home well before the mid-April traditional New Year.

LAOS

This one's a gimme

Thailand and Laos will sign a financial agreement to boost cooperation in the field of finance. Somchai Richupan, Director-General of the Fiscal Policy Office, told reporters that a draft agreement has been worked out and will be ready for signing in April. Under the agreement, Thailand will extend assistance to Laos in the form of information and training.

Ox dies

A rare Vu Quang Ox, discovered last month in Laos [see *Digest*, 26 Jan], has died after 16 days in captivity. An official with the Wildlife Conservation Society in Laos, Mr. William Robichaud, said the death was a great loss, adding: "For better or for worse, this was one of the most significant animals to come into captivity this century." No other Vu Quang Oxen are currently held in captivity.

Low road to China

China and Laos have officially opened the Mohan border for motor-vehicle traffic. The move was approved in a 1995 agreement between China's Yunnan province and Nam Tha province in Laos.

REGION

Who'll be king of the 'kong?

Delegates from Cambodia, Laos, Thailand, and Vietnam ended the second council meeting of the Mekong River Commission on 31 January after approving a US\$2.37 million 1996 budget but postponing a final decision on the location of the Commission's headquarters. Participants decided to leave the headquarters decision to Laotian and Cambodian officials after Thailand and Vietnam withdrew their bids. Cambodian Co-Prime Minister Hun Sen will travel to Laos soon to negotiate a decision.

**REFUGEES****Repatriation updates**

◆ **Rioters to return** - On 1 February, Malaysia's *Bernama* news agency reported that all 84 boat people arrested for instigating a riot at the Sungai Besi transit camp on 18 January [see *Digests*, 26 & 19 Jan] have volunteered to return to Vietnam. Camp Commandant DSP Lim Boon Boo said that the rioters had had enough of fighting repatriation and had given up hope of being resettled in third countries. "After the rabble-rousers were segregated, I counseled them until they realized that there is no point in persisting with their actions," Lim said. "I was told by the United Nations High Commissioner for Refugees representative here that more and more inmates were coming forward to register for voluntary repatriation after the riot," he added.

◆ **Hong Kong** - On 1 February, a group of 109 boat people in Hong Kong returned to Vietnam under the Orderly Repatriation Program (ORP). Most of the group, comprised of 62 men, 25 women, and 22 children, came from south and central Vietnam, and had arrived in Hong Kong in 1991. Hong Kong's refugee coordinator Brian Bresnihan said most of the returnees volunteered to leave after they were counseled by corrections staff. "This is encouraging and I certainly hope that all the Vietnamese migrants in our camps who have been determined as non-refugees will accept they have no future in Hong Kong and must return to Vietnam," Bresnihan said. The group brought the total sent back on ORP flights to 1958 since November 1991.

FYI**A Note To Our Readers:**

This is the last issue of The Indochina Digest. After eight years of very fulfilling and useful work the Digest is ceasing publication. There are a number of reasons for doing so.

We began The Indochina Digest in 1987 in order to keep the public and a select community of experts on the region informed on US-Vietnam relations, on the economic growth in the region, and on events in Indochina that we believed would be useful to the general public. In 1987, normalization of US-Vietnam relations seemed distant, the massive economic growth of Vietnam and the other nations of Indochina seemed an unattainable fantasy, and America was still suffering the aftershocks of the Vietnam War.

Much has happened in the interim: US-Vietnam relations have been normalized, Vietnam is on the path to impressive economic growth, and America has more ably come to terms with its past. We believe that we have played a small but crucial role in that process. But now it is time for us to move on. Vietnam Veterans of America Foundation will continue to stay deeply involved in Indochina - as an organization that provides assistance to the victims of war in Indochina and elsewhere.

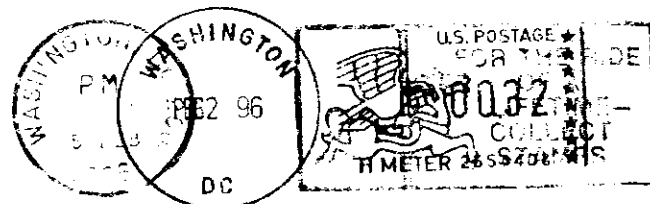
You will soon be receiving a letter from us that will detail these plans. We hope that we will continue to have your assistance and support. Finally, let us add one important note: the success that this publication has enjoyed would not have been possible without your support, your suggestion ... even your criticisms. We thank you.

The Editors.

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