



UCBMUN XXI



Paper Tigers: The Asian Financial Crisis of 1997

Update Paper

Character Descriptions**Indonesia: Marie Muhammad, Minister of Finance**

Muhammed was born from a wealthy family in East Java of Indonesia and quickly rose through the ranks of government. He was the Director General of Taxes before becoming the Finance Minister and maintains strong ties with the medical and housing industries. Unfortunately, a major food shortage and drastic devaluation of the rupiah has made Indonesia's President Suharto very unpopular with the people, which may also threaten Muhammed during the recession. Now, with Indonesia being one of the hardest-hit nations in the regional recession, Muhammad must find a way to quickly mend his dying economy, and his people's dissatisfaction with Suharto's government along with it.

Philippines: Roberto de Ocampo, Secretary of Finance

Ocampo earned his MBA from the University of Michigan and PHD from the London School of Economics. He was famous across

the international banking community for exponentially growing the Development Bank of the Philippines during his time as its CEO in 1989. With his country now thrust into their worst ever recession and tens of thousands losing their jobs, Ocampo must take his banking success and transfer that popularity into maintaining his state's economy, and perhaps even beyond into the suffering region.

Singapore: Richard "Hu" Tsu Tau, Minister of Finance

Hu was long a man of science: he achieved his BA in Chemistry from UC Berkeley and his PHD in Chemical Engineering from the University of Birmingham. He bored of life in the scientific community though, and through personal connections, become the Finance Minister of Singapore in 1985. Now in 1997, while still facing a drop in stock prices and production, Hu is grateful to be in a much more stable state than his neighboring countries. Whether he will use his technocratic background to maintain the technological power of his nation or spread out his state's influence

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during this regional recession remains to be seen.

Thailand: Tarrin Nimmanahaeminda, Minister of Finance

With a BA from Harvard University and an MBA from Stanford University, Nimmanahaeminda was a leader in the private banking industry for Thailand and was renowned for his success even in the United States. When he was appointed as the Finance Minister, Thailand emerged as the fastest growing economy in all of Southeast Asia, with an over 9% annual GDP growth. However, now Thailand has triggered the East Asian Financial Crisis through falsifying massive speculative attacks on its baht, and many countries in the region remain angry about Nimmanahaeminda's part in it. He must find a way to recover his shambling economy while achieving the support of neighboring states.

South Korea: Lim Chang-yuel, Finance Minister

With only a BS from Seoul National University and a Diploma in Economics from Williams College,

Chang-yuel first achieved lucrative success in South Korea through the country's booming automobile industries. He started working in leadership positions for the Finance Ministry, when the economic contagion struck. Chang-yuel has now immediately replaced the shamed former Finance Minister, but the situation remains dire: can he work with the IMF to fix the bankrupting industries of his country, or will South Korea lose its prominence as the "Asian Tiger" of East Asia?

Malaysia, Anwar Ibrahim, Finance Minister

A thought-provoking man with a Master's degree from the University of Malaya, Ibrahim would later emerge after the recession as one of the most famous opposition leaders in all of Southeast Asia. However, as a young adult, Ibrahim constantly fought for poor people's and workers' rights, but still ascended into the the ruling political party of Malaysia, UMNO. Upon becoming the Finance Minister in 1991, he oversaw years of economic boom for his country through advocating

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greater governmental accountability and expanding major industries. But with the start of the 1997 Recession hitting his country hard, including the rapidly devaluing of the ringgit, the fall in foreign investments, and the displacement of thousands of workers, how can Ibrahim turn his country back on the right track?

Japan: Hiroshi Mitsuzuka, Minister of Finance

With a law degree from Waseda University in Tokyo, Mitsuzuka emerged as a young leader in the long-ruling political party of Japan, the LDP. Famous as an ambitious conservative in the country, he helped strengthen the LDP through allying with smaller political parties, and was rewarded for his party loyalty by being nominated as the Finance Minister in 1996. Japan had been suffering from its own economic sluggishness since a domestic recession in 1990, and the 1997 recession seemed only to escalate that. Despite this, the country remains seemingly unaffected due to its massive amount of currency reserves. Can Mitsuzuka mend his country's

sluggishness and take reign of East Asia, or lose its hold to a rapidly growing China?

China: Liu Zhongli (刘仲藜), Finance Minister

A humble man with great ambitions, Liu spent almost 35 years in the Heilongjiang Province working for various agencies responsible for economic reconstruction, before being recognized for his work by the Communist Party and being transferred to the Ministry of Finance in 1988. Upon becoming the Finance Minister in 1994, Liu was overseeing a exponentially growing Chinese economy with increasing foreign investments and an emerging urban middle class. Now with the 1997 recession beginning, Liu worries how this may affect his growing nation, especially with its young privatized corporate banks and the planned dissolvment of Hong Kong from Great Britain into its own nation. Can Liu contain these problems to emerge as a savior in the region and outshine the sluggish Japanese, or fall more deeply into the regional recession?

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Hong Kong: Donald Tsang, Financial Secretary

Tsang joined civil service in 1967 before becoming Financial Secretary in 1995. He was the first ethnic Chinese to hold the position under the British Administration. Hong Kong is sure to be hit hard by the financial crisis, and Tsang is confident and willing to take drastic action to turn the economy around. Meanwhile, he also is forced to deal with Hong Kong's relationships with China and the United Kingdom. He is seeking to earn Hong Kong its freedom and independence.

Taiwan: Paul Chiu (邱正雄), Minister of Finance

Minister Chiu earned his B.A. in Economics from the National Taiwan University and an M.A. and Ph.D. in Economics Ohio State University. Outside spending one year as the President of Hua Nan Commercial Bank in 1988, Chiu served most of his career at the Central Bank. He is a well respected figure due to his experience. In addition, due to the crisis with China in the previous year, he has adopted a careful approach to this relationship and is

wary of what the impending crisis can do to his nation.

Myanmar: Than Shwe: Prime Minister of Burma

Than Shwe has had a long military career, and after the coup in 1988, he became Vice Chairman of State Law and Order Restoration. He eventually took the positions of the head of the State Law and Order Restoration Council and Commander in Chief of the Myanmar Armed Forces. He was in support of the country's participation in ASEAN. He has cracked down on free press and is determined to remain in control no matter what is about to happen.

Brunei: Hassanal Bolkiah, Minister of Finance

Hassanal Bolkiah became Sultan in 1967. As such, he is the head of state and full executive authority, including emergency powers. He is also the Prime Minister, the Minister of Defense, and the Minister of Finance. During his rule, he has introduced a conservative ideology to Brunei, in which the monarchy is deemed the defender of faith. He

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hopes to unite his country and keep it stable during the impending crisis; he is considered a moderate by many.

Laos: Bounlith Khennavong, Vice Minister of Finance

Bounlith Khennavong has witnessed Laos changing gradually. Ever since Laos turned communist in 1975, authoritarianism, agricultural collectivism, and economic deterioration have resulted. However, there is some hope: a Thai company has been allowed to build Laos's first railway, and the country seeks to accomplish its long-time goal of joining ASEAN. Khennavong is worried about maintaining influence in his country, as the financial crisis is sure to hit.

Vietnam: Nguyen Sinh Hung; Finance Minister

Nguyen Sinh Hung served as the Finance Minister as part of the Communist Party. Just a few months ago, he reached a deal with the U.S. to repay more than \$145 million in debt incurred by the defeated South Vietnamese regime. This accord has been viewed by many as Vietnam's

strides in modernizing its economy. Nguyen Sinh Hung, who is sure to play an even more significant role in the coming months, is seeking to stabilize his country, which thankfully may not be as affected. He is also seeking to gain influence.

Mongolia: Jambyn Jargalsaikhan, Ministry of Finance

Jambyn Jargalsaikhan works in the Ministry of Finance and has seen Mongolia change drastically over the years. Primary education skyrocketed and male and female literacy rates have improved. However, Mongolia's GDP per capita remained low entering the 1990s, and Jargalsaikhan is intensely worried about what the Asian Financial Crisis can do to the country.

Cambodia: Keat Chhon, Minister of Economy and Finance

Keat Chhon was one of the students to first specialize in mathematics in high school Cambodia, allowing him to pursue an education in France. Following his studies, he returned to Cambodia and achieved multiple positions of high importance. He

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spearheaded Cambodia's integration into the regional and international economies. He is planning to implement a wide range of fiscal reforms to strengthen economic management in Cambodia. However, this goal may be complicated due to the crisis.

Federal Reserve, Alan Greenspan

Alan Greenspan was an American economist who became Chairman in 1987. The U.S. economy has been growing in the recent year, perhaps due to low inflation. Unemployment is quickly falling. Greenspan expects this to continue, though the factors may be worrying. Greenspan acknowledges that there is a crisis brewing in Asia and is sure to lend his advice and support. However, he also needs to remain concerned about what happens at home. Though Greenspan does serve as the Chairman of the Federal Reserve, he will not be able to access the funds of the U.S. economy, as the organization is usually strictly for improvements domestically.

IMF: Michel Camdessus, Managing Director of IMF

Michael Camdessus was unanimously elected by the Executive Board of the IMF to serve a third five-year term as Managing Director beginning January 16, 1997. He is sure to play a significant role in the Asian Financial Crisis; however, even with support, he will be facing issues. He alone cannot control the entirety of the IMF in this committee, as that would allow Camdessus too much power. In addition, many countries may not agree with his policies and hate the meddling behavior. However, all countries look to him and his role as Managing Director to help stabilize the Asian economies.

Asian Development Bank: Mitsuo Sato, President and Chairman

Mitsuo Sato is the ADB's sixth President. He believes that the ADB will have to accelerate its efforts to transform itself from a project financier to a broad-based development institution. He wishes to shift the organization to a closer country-focus approach. He hopes to guarantee the stability of Asia

during this tumultuous time. However, in this committee, he cannot act as if he runs the Asian Development Bank alone and thus will find some challenges in implementing the policies he wants.

World Bank: James D. Wolfensohn, President

Wolfensohn was born in Sydney, New South Wales, Australia in 1933. He studied arts and law at the University of Sydney before earning his MBA from Harvard in 1959. He became the president of the World Bank in 1995 after being nominated by Bill Clinton. He has gained a lot of support. He is targeting corruption in the area of development financing and is determined to keep the upcoming financial crisis contained. However, in this committee, he cannot act as if he runs the World Bank alone and thus will find some challenges in implementing the policies he wants.