

Ken Balendra Heads Commonwealth Fund

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A new Commonwealth investment fund for South Asia was launched at the Commonwealth Heads of Government Meeting (CHOGM) in Edinburgh in the presence of the British Prime Minister, Tony Blair and Heads of Government from the Southern Asia region and investor countries.

The Fund, the South Asia Regional Fund, is the third in a planned series of regional investment funds established under the umbrella of the Commonwealth Private Investment Initiative (CPII), a pan Commonwealth initiative which has raised around US\$200 million for investment in the emerging economies of the Commonwealth.

CDC will manage the fund, drawing on an existing network of seven offices in the region. The chairman will be Ken Balendra, chairman of John Keells.

The Fund covers the Commonwealth countries, Bangladesh, India, the Maldives, Pakistan and Sri Lanka, as well as non-Commonwealth members Bhutan and Nepal.

The maximum capitalization of the Fund will be US\$200 million. The Fund will make long term equity and quasi equity investments in companies across a broad range of economic and industrial sectors. This will bring additional capital to private sector businesses and contribute to economic growth. The Fund will seek to generate a return to investors of some 20% per annum in US dollar terms over 10 years.

Chief Emeka Anyaoku, Commonwealth Secretary-General, said "This Fund constitutes yet another example of the Commonwealth's unique capacity to promote co-operation and foster economic development among its member countries.'

The British Prime Minister, Tony Blair, said, 'Boosting investment is central to our hopes for increasing prosperity throughout the Commonwealth. This Fund is an excellent example of a new partnership within the Commonwealth which will directly help achieve that objective.'