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Summit-Asean

ASEAN CALLS FOR URGENT GLOBAL EFFORTS TO RESTORE CURRENCY MARKETS

KUALA LUMPUR, Dec 15 (Bernama) -- Asean leaders today called for urgent global efforts to arrest the currency slide and restore stability in the currency markets.

They urged major economies like the European Union, Japan, the United States and international financial institutions to participate in international efforts "to overcome the situation as soon as possible".

In a special statement read out by summit chairman Datuk Seri Dr Mahathir Mohamad after the second Asean informal summit here, the leaders also urged the International Monetary Fund (IMF) to expedite an ongoing study of the operations of hedge funds and "to propose solutions to immediately stabilise the currencies".

The leaders pointed out that depreciation of the currencies had continued unabated despite correctional measures taken by the regional economies and advice of the IMF.

"This has resulted in the serious regression in the economic well-being of the countries, their businesses and their peoples," they said.

The leaders also stressed that Asean countries must remain united and show resolve in responding to the challenge posed by the currency situation.

The leaders at the same time strongly endorsed the Asean finance ministers agreement on the early implementation of the Manila Framework to enhance regional surveillance and support measures to strengthen the IMF's capacity to respond to financial crises.

The call by the Asean leaders was given a boost by China's President Jiang Zemin who signalled China's readiness to play a role to help stabilise the financial situation.

"Today there is a greater need to strengthen financial cooperation in East Asia. China has taken a positive approach towards it and is ready to take part in relevant discussions," he said in a statement at the first informal meeting of East Asian leaders here.

The meeting, dubbed the Asean Plus 3 Summit, brings together leaders of the nine-member Asean grouping and China, Japan and South Korea. It was held after the Asean leaders had met.

China remains largely unaffected by the financial turbulence that had caused Thailand, Indonesia and South Korea to seek bailouts totalling US\$100 billion from the IMF.

There is rising concern over the worsening scenario and that the bailouts may not be enough to stabilise the situation.

The Asean leaders backed their finance ministers' decision to form a Select Committee with a permanent secretariat, assisted by the Asian Development Bank, to cooperate closely with international financial agencies to develop a regional surveillance mechanism.

Marking a very busy day, the leaders today also unveiled a blueprint for the future called Asean Vision 2020 to pledge to make Southeast Asia a stable and prosperous economic region for its peoples.

They envisaged the Asean region to realise its ultimate goal of becoming a Zone of Peace, Freedom and Neutrality as enshrined in the Kuala Lumpur Declaration of 1971.

"Asean shall, by the year 2020, establish a peaceful and stable Southeast Asia where each nation is at peace with itself and where the causes for conflict have been eliminated through abiding respect for

justice and the rule of law and through the strengthening of national and regional resilience," said the leaders in the seven-page vision statement.

"We see Asean as an effective force for peace, justice and moderation in the Asia-Pacific region and in the world," they said.

Singapore Prime Minister Goh Chok Tong said it was agreed that an Action Agenda be established to "quickly implement" the vision statement. The Action Agenda would be endorsed at next year's Asean formal summit in Vietnam.

The leaders also witnessed the signing of a memorandum of understanding to establish the Asean Foundation in Jakarta to promote education, training, health and culture among member countries.

The MOU was signed by Ali Alatas (Indonesia), Prince Mohamed Bolkiah (Brunei), Somsavat Lengsavad (Laos), Ohn Gyaw (Myanmar), Domingo Siazon (the Philippines), S.Jayakumar (Singapore), Surin Pitsuwan (Thailand), Nguyen Manh Cam (Vietnam) and Datuk Seri Abdullah Ahmad Badawi (Malaysia).

They also graced the signing of the "Protocol To Implement the Initial Package of Commitments under the Asean Framework Agreement on Services" by their economic ministers.

Dr Mahathir also launched a pictorial book "Asean: One Region One Vision", produced to commemorate Asean's 30th anniversary.

The book was produced by Bernama, the Malaysian National News Agency.

Dr Mahathir also held a gala dinner at which Asean honoured the five founding signatories of the Bangkok Declaration of 1967 that led to the birth of the Southeast Asian grouping.

One of the two surviving signatories, former Thai foreign minister Tun Thanat Khoman, was present to receive the "Asean Heads of Government Citation".

Tomorrow, the Asean leaders will meet separately with their Chinese, Japanese and South Korean counterparts. -- BERNAMA

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