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Asean handles currency, Cambodia crisis with poise

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THE acronym "C & C" in the Association of South-East Asian Nations (Asean) stand for "consultations and consensus". It aptly describes how the grouping's members work.

During the 30th Asean Ministerial Meeting (AMM) in Kuala Lumpur last week, however, the alphabets took different meanings: Currencies and Cambodia.

Both issues set the mood for the most exciting ministerial meeting ever in the 30 years' history of Asean. The nine foreign ministers took a common stand on both matters.

It decided to intensify cooperation against the well-coordinated efforts to destabilise Asean currencies and, on Cambodia, to wait for an official confirmation from Phnom Penh, especially Second Prime Minister Hun Sen, with regard to its role in solving the conflict in the country.

It was on Thursday at the opening of the AMM that Prime Minister Datuk Seri Dr Mahathir Mohamad revealed an economic conspiracy to destabilise Asean's economies.

Urging Asean to use its cooperative spirit to combat the speculative assault, Dr Mahathir said: "By working together, we can increase our clout and we would be able to deal with this kind of problem which is common to us."

Over the weekend, Dr Mahathir named Hungarian-born American financier George Soros as being behind the assault, aimed at destroying the economies of countries which supported Myanmar's entry into Asean.

Soros was known to have strong views on the entry of Myanmar into Asean. On Saturday, he had said that he wanted Malaysia and Thailand to disallow Myanmar from joining Asean but denied linking it to currency speculation in the region.

Dr Mahathir, reacting to Soros' denial, said: "It is very difficult to separate the right hand and the left hand, and sometimes you don't even know what your right hands is doing. But in this case, it is quite obvious there is a convergence.

"I think is very difficult to have a split personality unless he is schizophrenic or something like that," he added.

Dr Mahathir's call at the AMM did not go unheeded. The Asean foreign ministers include one paragraph on international currency manipulation in their joint communique issued at the end of the two-day meeting.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi said the Asean foreign ministers leave the matter to the Asean finance ministers and the governors of the central banks to handle.

"We would encourage any action at the regional level to curb the well-coordinated efforts to destabilise the economies of states in the region.

"... whatever cooperation going on now among finance ministers and governors of central banks will be intensified in such a way so that they can manage the situation," he said at a press conference at the end of the meeting.

The first Asean currency hit by speculators was the Thai baht, followed by the Philippines peso and the Malaysian ringgit.

On Friday, the baht was slightly stronger at 32.05-15 to the US dollar compared with 32.10-40 the day before while the ringgit stabilised at around the 3.64 level as the market showed signs of returning to some normalcy. It closed at 2.6480/95 against the greenback, compared with

2.6490/00 on Thursday.

Meanwhile, on Cambodia, solidarity runs thick among the nine-member grouping.

Despite assurances from Cambodian Foreign Minister Ung Huot, the most sought-after personality at the AMM, that Cambodia is working towards solving its internal political problems, the Asean ministers reaffirmed its July 10 decision to defer the country's admission into the grouping during the 30th AMM.

Cambodia's admission into Asean was deferred following bloody factional fightings which saw Second Prime Minister Hun Sen ousting First Prime Minister Prince Norodom Ranariddh on July 6.

Cambodia was initially scheduled to be admitted into the grouping alongside Laos and Myanmar.

Laos and Myanmar was admitted into Asean as its eighth and ninth member respectively on Wednesday.

Ung Huot had written letters to all Asean foreign ministers requesting for Cambodia to be admitted to the grouping last week during the meeting but Asean was not convinced of any assurances given until it has heard from its own special envoys who had met the Cambodian leaders.

Indonesian Foreign Minister Ali Alatas had led a three-man delegation comprising Domingo L. Siazon Jr of the Philippines and Thailand's Prachuab Chaiyasarn to meet Cambodian King Sihanouk and co-premiers Prince Norodom Ranariddh and Hun Sen.

Following positive developments out of Phnom Penh, it would not be too long before Cambodia becomes the 10th member. In fact, Asean is working towards finding a peaceful solution to the Cambodian problem. Asean will despatch the same delegation to undertake the task.

Asean believes its "constructive engagement", rather than crisis intervention, will work in Cambodia.

Pushing them into isolation, as is the case when the US temporarily suspended aid, will have serious repercussions - Cambodia will not have to justify its actions to the world.

The West is practising double standards at its best in this part of the world. While it continues to pressure for adherence of the Paris Peace Accords by Cambodia, it closes both eyes, for example, to the current deadlock in West Asian peace process.

Construction of a new settlement at Jabel Abu Ghneim to the south of occupied East Jerusalem and of the other Israel settlement activities as well as of all illegal measures and actions in Jerusalem go unabated.

Cambodia is a different case study altogether. There, efforts are being undertaken to resolve the internal political problems.

Cambodia's National Assembly is sitting on July 28 to endorse the nomination of Foreign Minister Ung Huot as first prime minister of the state.

If this process goes according to procedure, it will not be long before the Asean forefathers' vision of an Asean 10 is realised.

In fact, sources said if everything goes well in Cambodia, it may be admitted into the nine-member grouping as early as August 8.

One of the "requirements" Asean had laid down for Cambodia's admission into the grouping is for the state to return to normalcy. This includes a first prime minister from the Funcinpec party, in accordance with the 1991 Paris Peace Accords.

The foreign ministers, however, will have to meet prior to the commemorative reception in Jakarta to decide on this.

If Cambodia is admitted into Asean on August 8, the reception scheduled in Jakarta on that day would be more than just a birthday party for the "Club of 1967". It is on that day 30 years ago that Asean was formed by

Indonesia, Malaysia, Philippines, Singapore and Thailand.

But if this falls through, there is always the commemorative summit at the end of the year.

Is there an urgency to admit Cambodia into the grouping this year? Yes, the Asean forefathers had envisioned for a united South-East Asia. No, they did not set a timeframe for this.

But at 30 years old, Asean has grown not only in terms of size but also maturity. It is an influential body, politically and economically, regionally and globally. As such, it is a right time as any for the grouping of 10 South-East Asian states.

Therefore, it was hardly surprising to see Prachuab shaking an imaginary hand on his right when he posed for a group photography session with the other eight Asean foreign ministers after the admission ceremony of Laos and Myanmar into the grouping.

He was keeping the spot on his right warm for Cambodia.

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