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ASEAN LAWMAKERS FOCUS ON REGION'S CURRENCY CRISES

By: Askan Krisna

JAKARTA, Sept 12 (Anex-Antara) - The recent 18th general session of the Asean inter-parliamentary organization (AIPO) paid special attention to the monetary situation in the Southeast Asian region.

Noting the far-reaching impact of the currency crises in several Asean member countries, the 5-day AIPO meeting in Nusa Dua, Bali, ended on Sept 5, 1997 with a joint statement which, among other things, stressed the need for Asean to cooperate in the money market sector.

The statement said Asean countries must cooperate to stabilize and strengthen the currency rates.

AIPO was also aware that Asean countries should enhance cooperation to protect the organization's interest from manipulation in the money market.

The statement further said that the Philippines would conduct a further study on cooperation in the monetary sector, and the country also expressed readiness to host the Asean Ad Hoc Commission meeting to discuss various measures in an effort to solidify and enhance intra-Asean cooperation in the financial sector.

Chairman of the Economic Commission at the 18th AIPO general session Taheri Noor said the Philippine proposal had actually been covered in the resolution prepared by Indonesia but the neighboring country wanted monetary affairs to be included in a special point and it was approved by all delegations.

President Soeharto, when opening the AIPO general session, said the recent monetary problem in Southeast Asia made the countries in the region aware of the need for cooperation in that sector.

"All countries in the region need to set up a common protection system in the face of such fluctuations as no country is immune to such a situation," he said.

Meanwhile, Malaysian Prime Minister Dr Mahathir Mohammad said in his message to the participants of the AIPO general session that Asean should remain united in finding a solution to their common problem and maintain regional economic resilience.

Outsiders should not be allowed to influence and dictate to Asean in the economic field as they only considered material benefits for their own interest amidst the hardship and grievance of the Asean peoples, he said.

Sharing Mahathir's opinion, Thai Prime Minister Chavalit Yongchaiyudh said in the effort to improve the economy in the region and strengthen its competitive edge in international fora, cooperation among Asean countries, peoples, private sectors and parliaments should be increased further.

The Asean lawmakers maintained that in the face of economic competition, Asean must solidify its internal cooperation although it had to face strong economic contenders.

An executive of the Indonesian functional group Golkar, Pinantun Hutasoit, agreed with the Thai prime minister, saying that all Asean peoples must be compact to face the current monetary situation.

All parties including politicians should not give emotional political statements but think of efforts to make joint measures to face the monetary situation which was considered still unstable, Hutasoit said.

"If we make emotional political statements, those who intentionally create critical monetary condition will be happy. They may feel they are successful to make us blame each other," he added.

In the meantime, Vice President Try Sutrisno reminded businessmen,

particularly the younger ones, that they should not be apprehensive to face the rupiah depreciation and should not take speculative measures.

Economists also reminded the people including businessmen should not irrationally follow buying dollars as such a step would only worsen the condition.

Another Golkar executive, Siti Hardiyanti Rukmana, likewise called on all parties including economists and bankers to restrain themselves from speculatively buying dollars.

"This is important to prevent the national economy from worsening because it would have a negative impact on all the people," she said.

Meanwhile, a director of Bank Indonesia (the central bank) Paul Sutopo said in the recent Forex South East Asia Forum meeting in Bali that up to now there was no indication that the currency fluctuations in Southeast Asia would recover.

The meeting, attended by officials of the Indonesian, Singaporean and the Philippine central banks, was held to among other things exchange information on policies to face the monetary problem as their financial performances were influential to each other.

"The market will therefore evaluate the power and weakness of the Southeast Asian currencies. To Indonesia, its policy will be based on the wish to maintain the fundamental economy," he said.

Economic observer from the Gajahmada University in Yogyakarta Mochtar Mas'oed was of the opinion that the current rupiah crisis should be faced by taking international approaches among others by imposing tax on international busuiness transactions.

However, if such a tax was imposed, it could make the dollar owners would run. "Therefore, we cannot take the measure alone. We must cooperate with neighboring states and big countries," he added. -- Anex-Antara