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ASEAN MAY INTRODUCE LAWS TO CURB CURRENCY SPECULATION

KUALA LUMPUR, July 24 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today Asean might consider formulating laws to curb speculative attacks on the region's currencies.

"In the first place, have common stand on how to deal with this issue and if there is a necessity to formulate some laws regarding our currencies, we will do so.

"We are examining areas of possible cooperation," he told a press conference after opening the 30th Asean Ministerial Meeting (AMM) here today.

While no exact measures to overcome the problem has been identified, Dr Mahathir said in general, Asean would use its cooperative spirit to combat the speculative assault.

"Certainly 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," he said.

Calling for a stronger cooperation among Asean's central banks, Dr Mahathir said, although at present the level of relationship among Asean central banks were sufficient, it can be further expanded.

"Obviously, there can be a growth," he said.

Asked whether Malaysia plans to propose a formal concerted efforts on the matter, he said: "We already have some kind of cooperation or arrangement but obviously not sufficient.

"And, not effective enough to deal with the kind of situation we are facing now."

Mahathir reiterated that poor economic fundamentals could not be the basis for speculative funds to pressure down Asean currencies, but it was of pure profiteering motives.

"Problems like export slowdown and over-exposure of property lending, is bound to happen to any country but I would not say our fundamental is not good ... in fact, most Asean companies are doing rather well in comparison with those in Europe," he added.

When asked who are the speculators, Dr Mahathir said: " I think you know what it means as much as I do. I don't want to name them."

To a question, Dr Mahathir said Asean's economic cooperation will not be turn into a trade bloc.

"We do not want to be a trade bloc. We have always said that we are not a trade bloc but we do have certain privileges among ourselves."

He said that the Asean Free Trade Area (AFTA) arrangement would reduce the import duties between Asean countries but would not force any conditions for its members to trade with other countries.

"So it is not our intention to become a trade bloc," he added.--

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