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ASEAN TO LOOK INTO IMPLICATIONS OF EURO AND YEN AS INTERNATIONAL CURRENCIES

KUALA LUMPUR, Dec 15 (Bernama) -- East Asean leaders have asked their finance officials to look into the implications of having the Euro and Japanese yen as the international currency in the region, apart from the US dollar.

Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad told reporters after chairing the Asean Plus 3 summit here that the leaders felt that it would be better to have more than one international currency in the region.

"We did discuss the primacy of the US dollar in international dealings," he said after the meeting attended by the leaders of Asean member countries, China, Japan and South Korea.

Dr Mahathir said the meeting felt that there should not be one currency for the region.

However, no conclusion or decision was made during the meeting except to ask their ministers of finance to study the implications of having some other currencies as currency for the region.

Asked what the impact on the Southeast Asian economies would be upon the introduction of the Euro in 1999, Dr Mahathir said: "The subject has to be studied further. We know so little about the Euro so we want the economists and academicians to study seriously how it will affect us".

The meeting also recognised the need to help the Asean banks to grow bigger in the East Asian countries to compete with other banks in the world.

Dr Mahathir said the East Asian banks were mostly small national banks and their capacity for expansion was limited.

"Even if they merge, the banks will not be in the same league to compete with the big banks when the WTO (World Trade Organisation) opens up the financial sector", he said.

As such, the Asean Plus Three saw the need to form a working arrangement with other banks in the region to increase the financial strength of national banks.

"We have asked the ministers of finance to look into these arrangements." he added. -- BERNAMA

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