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ASEM is set to discuss currency turmoil

Elaine Lim in Bangkok

AS countries in the region continue to nurse economies shaken by a currency crisis, Finance Ministers from Asia and Europe meeting in Bangkok today and tomorrow are expected to put this high on their agenda.

Officials say the delegates of the inaugural Asia-Europe Finance Ministers Meeting are likely to discuss ways of tackling the currency turmoil faced by countries such as Malaysia, the Philippines and Indonesia since the de facto devaluation of the baht in early July.

Deputy Prime Minister Datuk Seri Anwar Ibrahim, who leads the Malaysian delegation, said in Malaysia earlier that the country would suggest adjusting guidelines on currency speculation to fend off manipulative speculators at this, and two other international forums.

However, Thai newspapers yesterday carried reports that a meeting of Asean Finance Ministers to discuss the issue here would not be held as planned because of Thailand's economic problems.

They quoted Somkid Jatusripitak, adviser to Thai Finance Minister Thanong Bidaya, as saying that Malaysia has proposed hosting a meeting in December that will bring together these Finance Ministers, as well as the governors of their central banks.

Earlier reports, the Bangkok Post said, had indicated that the Ministers from Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam would hold an informal discussion on this matter at the inaugural meeting.

Somkid said the schedule of this meeting did not allow it.

This Asia-Europe Meeting, held at the Oriental Hotel here, links Asian countries inclusive of Japan, South Korea and China, and 15 European Union nations. It is a follow-up to the first ASEM held in Bangkok in March last year.

More than 180 delegates are attending this meeting.

Singapore's Minister of Finance Richard Hu will make a presentation tomorrow on the outlook and development of foreign exchange markets in Asia.

In addition to currency matters, the Ministers in Bangkok are scheduled to exchange macroeconomic views.

On the programme are talks on developments and co-operation in the financial sector. Anwar will deliver a paper on the Asian perspective while EU president Wim Kok will give the European perspective.

Also, EU Ministers will brief their Asian counterparts on the benefits and impacts of the European Monetary Union fixed exchange rate regime. Co-operation in customs administration will also be discussed.

The Japanese Minister of Finance Hiroshi Mitsuzuka will deliver a paper on the progress in financial liberalisation, one of the requirements for entry to the World Trade Organisation.

Reports say the Ministers may also discuss a position on Myanmar's attendance at the Asem in London next April.

Prime Minister Datuk Seri Dr Mahathir Mohamad has said that he might opt out of the summit if the EU bars Myanmar from participating. This was in reaction to British Foreign Minister Robin Cook's statement that it would not admit Myanmar to the summit because it profited from the drugs trade.

Malaysia is being represented at today's meeting by Anwar, who is also Finance Minister. He leads a delegation of more than 10 officials.

The event starts today with the meeting of senior officials. Tomorrow,

Thailand's Prime Minister General Chavalit Yongchaiyudh will deliver a keynote address before the ministers adjourn for two closed door sessions. A joint Press conference will be held in the evening.

Although no details had been released late yesterday, reports say IMF managing director Michel Camdessus will be speaking on "The Global Macroeconomic Outlook and prospects for Asia-Europe Co-operation."

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