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Summit (Wrapup)

CURRENCY PLIGHT DRAWS EAST ASIA CLOSER

KUALA LUMPUR, Dec 16 (Bernama) -- Asean leaders wrapped up their second informal summit here today in the same mood they had begun, still preoccupied with the financial crisis and a plea to the world to help stabilise the worsening turbulence.

As regional currencies depreciated unabated despite International Monetary Fund (IMF) efforts, the leaders also asked major economies such as the European Union, Japan and United States to overcome the situation as soon as possible.

But there was still a silver lining.

The summit was marked with the unprecedented East Asia gathering that brought together Asean leaders and their counterparts from China, Japan and South Korea.

"There is a sense of unity, unity in adversity if you like, because all of us are suffering from the same peculiar disease caused by the same virus," said summit chairman Datuk Seri Dr Mahathir Mohamad at the close of three-day summit.

The regional plight will also see the leaders coming face to face in the next few months again to review measures ahead of the second Asia-Europe Meeting scheduled in London in April.

The East Asian leaders overwhelmingly endorsed the rapid implementation of the Manila Framework agreed last month to restore financial stability. The plan, among others, is to enhance regional surveillance and support financing arrangements that would supplement the IMF's resources.

When asked if he felt that the summit could have done more to overcome the financial crisis, the Malaysian Prime Minister said whatever decisions taken at the summit had been "good enough."

"I don't think how this summit can do more... I don't think anyone could really do more (than what we have already done). I accept that," he said.

Japanese Prime Minister Ryutaro Hashimoto took the opportunity here to unveil a package of measures to prop up economic structural reforms that included a 0.5 percent cut in standard interest rate for Official Development Assistance (ODA) loans, US\$18 billion trade insurance credit line for infrastructure and to train 20,000 Asean youths over a five-year period.

China hastened to assure Asean leaders that it would not devalue its yuan to maintain its competitiveness.

Chinese Foreign Ministry spokesman Shen Guofang said although China was very concerned over the currency turmoil, it would not resort to currency devaluation but "will take other measures in the interest of the stability of the other currencies in the region".

While the financial crisis prevails, Asean leaders took efforts to lessen its impact on their economies.

Malaysia asked Japan to make a special effort to address its trade imbalance with Asean countries which totalled US\$30.2 billion dollars last year.

There were also deliberations to consider using more than one international currency in the region for international dealings such as the Euro (European single currency) and the yen.

Philippine President Fidel Ramos said Asean leaders have agreed in principle to carry out trading among themselves using the regional

currencies and asked their finance ministers to discuss how to implement the move. -- BERNAMA

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