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Currency problems will not affect region (HL)

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PETALING JAYA, Sat.- Asean, its dialogue partners and countries of Southern Africa are confident the currency problem faced by several countries in this region, is temporary and will not have a long-term negative impact.

The unanimous view of the nine Asean Ministers who attended the 29th Asean Economic Ministers Meeting and their dialogue partners - Japan, Australia, New Zealand and the Southern African region was that Asean will continue its high rate of growth and will remain dynamic.

In various statements issued by the AEM and Asean Free Trade Area council, confidence was expressed that the transient economic and exchange rate fluctuations would not affect the underlying sound fundamentals of the region.

The AEM said in its statement that "while the recent currency situation had affected most of the Asean member countries, they were confident the grouping will continue its high rate of growth and will remain a dynamic region.

"With strong economic fundamentals, abundant investment opportunities, high savings ratios and consistent application of sound, market-oriented and outward-looking policies, the Ministers are optimistic that Asean would overcome the present financial situation."

The AEM which ended today was opened on Thursday by Prime Minister Datuk Seri Dr Mahathir Mohamad, and was preceded by a senior economic officials meeting.

Minister of International Trade and Industry Datuk Seri Rafidah Aziz said today the currency crisis had been given "extra focus" and had motivated Asean countries to ensure they will emerge stronger.

"I am happy to say that our colleagues outside Asean whom we had meetings with had indicated this as a fact.

"They are very confident that we will come out of this stronger.

"The timing depends on each country but, in the long term, this will be what will happen with Asean.

"A stronger Asean, a more integrated Asean, an Asean that's more economically resilient, an Asean that's able to narrow the gap between the more developed members and the lesser developed," she said.

Asked whether Malaysia would continue to raise the currency crisis in other fora, she said: "Why not? Not only Malaysia but other Asean member countries as they are also affected."

She stressed that it was vital for Malaysia to take the initiative in establishing an arena for discussion. A collective voice, she said, would be more effective.

Malaysia had raised the matter at the AEM and had also circulated a background paper.

Asean secretary-general Datuk Ajit Singh said the currency crisis has brought Asean closer together.

"It has made us look to arriving at a common position on currency issues which up to now, has not really been discussed in Asean."

At the end of the 6th AEM-Miti Japan consultations today, Japan's Minister of International Trade and Industry Mitsuo Horiuchi said there was a consensus that despite the transient difficulties, Asean has significant long-term potential.

In the joint statement from the meeting which he co-chaired with

Rafidah, the Ministers agreed that the "transient difficulty, export slowdown and exchange rate fluctuations experienced by some Asean countries recently would not harm the significant long-term potential of these economies.

"The Ministers also agreed that the economic fundamentals of Asean remain strong."

Australian Deputy Prime Minister and Trade Minister Tim Fischer, at a press conference yesterday, said the Australian involvement was in Asean "for the long haul".

He said despite the "economic firestorm" in some Asean countries, there was still potential and there were still opportunities for the Closer Economic Relations countries of Australia and New Zealand.

The CER held consultations with AEM yesterday.

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