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MSIA'S BACKGROUND PAPER ON CURRENCY TO BE CIRCULATED TODAY

PETALING JAYA, Oct 14 (Bernama) -- Malaysia's background paper on the impact of the currency crisis which affected Asean countries is expected to be circulated at the Senior Economic Officials Meeting (SEOM) here today.

The meeting which is into its second and final day in preparation for the 29th Asean Economic Ministers (AEM) meeting on Thursday, would take note of the adverse effects currency attacks had on several Asean countries.

By presenting the paper, Malaysia hopes to put forward a proposal for the ministers to discuss the crisis now plaguing several Asean economies in efforts to get valuable feedback and how others are coping with the problem.

Minister of International Trade and Industry, Datuk Seri Rafidah Aziz, said yesterday that Asean's experience in handling the crisis could complement the International Monetary Fund (IMF) and World Bank's efforts to look into ways to curb excessive speculation and manipulation in the currency markets.

Most affected were Malaysia, Indonesia, Thailand and the Philippines and to a lesser extent Singapore, with the currencies of the first four having depreciated by between 25-30 percent against the US dollar since July.

Some of the affected Asean countries are making overtures for financial assistance to overcome the problem from multilateral aid agencies, with Thailand seeking some kind of help from Japan, which has a huge current account surplus at its disposal which could be used to help Asean ease its predicament.

Officials at today's meeting which would again be chaired by MITI Secretary-General Tan Sri Asmat Kamaludin, would also finalise details on the notification procedure as well as the Asean Investment Area.

More importantly, they would review progress made on concessions made by member countries in cutting tariffs towards the creation of the Asean Free Trade Area (Afta) by the year 2003, and review progress of the Asean Industrial Cooperation (AICO) scheme where some 20 applications have reportedly been received from multinational firms in the region.

Officials are expected to have another busy day in finalising the relevant documents as most economic ministers from the region begin to arrive today including Cambodia's Senior Minister in charge of Rehabilitation and Development Keat Chhon, who would attend as an observer.

Rafidah would chair the two-day AEM to be opened by Prime Minister Datuk Seri Dr Mahathir Mohamad, after which dialogues would be held with the Closer Economic Relations (CER) countries of Australia and New Zealand, the Southern African Development Community (SADC) and Japan's Ministry of International Trade and Industry. -- BERNAMA

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