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AEM: MSIA'S PAPER ON CURRENCY RECEIVES WIDE SUPPORT

PETALING JAYA, Oct 15 (Bernama) -- Malaysia's background paper for Asean to stand united in dealing with the currency crisis received region-wide support as its economic ministers pledged to combat what has been described as a "passing shower."

Thailand's Deputy Finance Minister Thawachong Na Chiengmai said confidence would soon return to markets through the structural adjustments coupled with cost-cutting measures now taken by the affected countries.

"The currency crisis would be short-lived," he said at a joint press conference attended by all the economic ministers of the nine Asean countries after the Afta Council meeting here.

Singapore's Minister for Trade and Industry Encik Lee Yock Suan, who said these adjustments would improve Asean's economic fundamentals, believed that Asean would emerge more resilient from the crisis.

The currency crisis, which started with an attack in July on the Thai Baht, led the currency to fall by 28 percent against the US dollar, followed by the Indonesian rupiah which declined 35 percent, Philippine Peso 25 percent, the Malaysian ringgit 23 percent while the Singapore dollar gave up 10 percent.

Brig. Gen. David Abel, the Minister for National Planning and Economic Development for Myanmar, which was unaffected by the crisis, described the crisis as a "passing shower" which could be handled "prudently by our Asean brothers."

He said Malaysia's move to press for the paper to be circulated among them has given further insight for member countries to trim expenditure, adding "it has taught us a lot and Asean will be stronger."

Dato Abdul Rahman Taib, Minister of Industry and Primary Resources for Brunei -- which was unaffected by the crisis, described it as a "passing shower" saying his country sympathised with its neighbours and appreciated the steps taken to address weaknesses in their economies.

He said he appreciated efforts by Malaysia to exhort the issue, in reference to Prime Minister Datuk Seri Dr Mahathir Mohamad call for controls on speculation and manipulative attacks on currency markets.

Asean should denounce the sceptics by turning the problem into an advantage by making the region more competitive, adding that the region should stick to its schedule of creating the Asean Free Trade Area (Afta) by the year 2003.

On a newsreport that Thailand was quite angry with Dr Mahathir for hitting out at currency speculators because of claims that everytime he spoke out against currency speculation, Asean currencies fell further, Thawachong said "its not true....we are in the same situation."

"We need to take full advantage of the shifting value of our currencies," said Philippines Secretary of Trade and Industry Cesar B. Bautista, adding that the problem was more a perception than a reality and that it should not lead to increased costs."

Indonesia's Minister of Industry and Trade, Tunky Ariwibowo said the region's private sector should be more efficient and be made attractive for increased foreign direct investments.

Vietnam's Vice Minister of Finance, Cik Le Thi Bang Tam said although her country was lucky not to have been affected by the crisis, it was nevertheless closely monitoring developments closely and from which it could draw lessons.

Minister of International Trade and Industry, Datuk Seri Rafidah Aziz, who chaired the Afta council meeting and the press conference, said there was no recommendations for central banks in the region to cooperate in dealing with the crisis contained in Malaysia's paper.

She said that a fund to help affected economies was not discussed and neither was there any move to adopt a pan-Asian strategy to overcome the currency crisis.

"What transpired today was an appraisal of the situation affecting the Asean economies and how each were dealing with it...and it would be an ongoing basis to remind us of the problem.

-- BERNAMA

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