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No need for new forum to tackle crisis: Mar'ie

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THE Association of South-East Asian Nations (Asean) does not need a separate forum to address the currency crisis which had rocked economies in the region in recent months, Indonesian Finance Minister Mar'ie Muhammad said yesterday.

There are already existing forums where the Asean finance ministers and heads of its central banks can meet and discuss about the problem.

He said the Asean finance ministers will meet their European counterparts in Bangkok on September 19 and there is "a high possibility that finance ministers from Indonesia, Malaysia, Singapore, the Philippines, Thailand and Brunei will hold a separate meeting (during the Asia-Europe finance ministers' meeting)."

He also said that the Asean finance ministers and heads of the central banks will meet again on September 21 during the World Bank/International Monetary Fund annual joint meeting in Hong Kong.

He was speaking to reporters after delivering a lecture on "Development: What and For Whom?" in Bangi, Selangor yesterday.

Mar'ie said he had also discussed with Prime Minister Datuk Seri Dr Mahathir Mohamad at a recent meeting on the crisis faced by countries in South-East Asia.

"While South-East Asian countries were recently shaken by a currency crisis ... a crisis that does not reflect the economic fundamentals of the nations in the region ... we should not allow ourselves to be unduly swayed by these events which I am convinced are of a temporary nature.

"However, we must realise that the volatility in the international currency markets is rapidly approaching the level of fluctuations that have traditionally been more characteristic of capital markets," he said.

He also said that one should not make a final assessment or judgement on the current currency situation.

"We expect more developments to come in the future," he said.

Earlier, he said that a market-driven economy must be guided so that its operations become more transparent and less distorting.

"The fashionable trend now is for market-friendly economy or market-driven economy.

"Indeed, many are so enamoured of the so-called beauty of the market that the role of Government is neglected.

"Government still has a role to play. Like a referee who does not take sides but enforces the rules of the game, Government must arbitrate conflicts among various business interests, especially big business that often come to dominate not only the domestic but even the global market," he said.

Governments, he said, should play a role in human resources, acquisition of technology, development of the financial sector, providing physical infrastructure needed for development, preventing environmental degradation, developing a legal framework that fosters rapid growth.

Mar'ie also said development is a process of transforming the ways of political, economic and social community through the application of a multi-dimensional approach that results in the creation of a better society according to some commonly accepted measures.

"Although development is variously defined, and not only in the field of economics, creating a higher standard of living for all must be given the highest priority," he said.

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