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PM HOPES CURRENCY TRADING RULES WOULD BE IMPLEMENTED QUICKLY

KUALA LUMPUR, Dec 1 (Bernama) -- Prime minister Datuk Seri Dr Mahathir Mohamad hopes that Malaysia's proposal to regulate currency trading, although may take time, will be implemented as soon as possible.

"Maybe a year or two years. I hope it is not long," he told reporters here today after opening the meetings of the finance ministers of Asean, and Asean plus Six other countries and the conference on financial initiatives for the 21st century.

Dr Mahathir said the International Monetary Fund (IMF) would announce its recommendation to the proposal at its meeting in April.

Leaders of the Asia Pacific Economic Consultative forum (Apec) countries had also said at their recent meeting in Vancouver that they would wait for the IMF to make its recommendation, he said.

Dr Mahathir said that there was no harm in the IMF coming out with the proposals but, since currency trading was regarded as trade, it should come within the ambit of the World Trade Organisations (WTO).

Earlier in his speech, the prime minister called on the WTO to regulate foreign exchange trading, leaving market supervision to the IMF.

"The IMF should continue to supervise but, if currency trading is trade, then the WTO must be the one to formulate the regulations. All countries can be free then to formulate the regulations, which should be designed to stimulate world economy and not impoverish them," he said.

Dr Mahathir, when asked by reporters later that whether the one to two-year period of waiting was considered long, he said: "Well, I would like to have it today. But, you know I can't. It is beyond my power to do it and, I know, everytime I open my mouth, the ringgit (goes) further down."

Also asked what would be raised when he and the IMF managing director Michel Camdessus met, he said: "Only general matters. Regulations on all trade, if necessary."

Dr Mahathir also squashed suggestions that his meeting with Camdessus was to seek aid from the IMF.

"Well, no, I did not discuss about asking assistance from the IMF although I am told that if I say this, then we will come under tremendous pressure again to force us to eventually to ask the IMF to help," he said.

Dr Mahathir said their earlier discussions centred more on how to regulate and make currency trading beneficial to everyone in the world.

Asked whether it was true that Japan and United States were not interested in contributing to the Asian standby fund to help Southeast Asian countries, he said "Japan has expressed interest but I do not know about the United States, but they (US) already felt that any aid or fund should go through IMF."

The prime minister said Malaysia took the view that the Asian standby fund should not be an appendage of the IMF and be subject to IMF conditionalities.

On a question whether there was still too much disagreement for the Asian standby fund to take off, Dr Mahathir said: "Well, I do not really know but I think there is a possibility although some of us feel that there is nothing more than appendage to IMF."

He added that discussions pertaining to the Asian fund held in Manila recently was at a very low level.

"The discussions held was only among deputy ministers. They are not

binding. They are merely suggesting how the Asian fund should be used but of course what they decided will be subject to the ministers and finally ratification by the governments," he said. -- BERNAMA

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