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PM to raise currency issue at Apec meet

MALAYSIA is likely to raise the issue of currency speculation at the Asia-Pacific Economic Cooperation (Apec) meeting in Vancouver, Canada in November.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who has called on the international community to treat speculative attacks on poor countries' currencies as a crime, said he may raise the issue in Vancouver.

He noted that Asean's dialogue partners were split over the issue of the region's currency situation.

Dr Mahathir, who met representatives from the 10 dialogue partners yesterday, said some suggested that it should be raised at the Apec meeting.

"Others said it is a normal situation.

"The European Union (EU), in particular, is interested in a more stable currency exchange situation because it will affect trade," the Prime Minister told reporters after launching the Great Malaysian Air Rally '97 in Kuala Lumpur yesterday.

Describing his discussion with them as "good", Dr Mahathir said the meeting focus exclusively on the impact on the currencies.

"I gave my views about this and they responded ... Some gave a lot of views on how to tackle this problem."

He said all of them agreed that the present violent movement in currency's exchange rates is not doing anybody any good.

The Association of South-East Asian Nations' 10 dialogue partners are Australia, the US, Canada, the EU, New Zealand, China, South Korea, Japan, Russia and India.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi later told reporters Dr Mahathir may speak on the issue at the Apec meeting.

"Apec would be a more appropriate venue to discuss the currency problems facing economies in the region.

"The problem was discussed at the Post-Ministerial Conference (PMC) but we feel that is not the right place," he said at the end of the meeting in Petaling Jaya yesterday.

Meanwhile, asked whether financier George Soros' name was mentioned during the meeting, Dr Mahathir replied: "Well, I did not mention his name. I supposed everybody knows whom I was talking about."

To claims that the present currency situation is an indication of the economic pattern, and Soros was not to be blamed, Dr Mahathir said: "When Milken and Ivan Boesky were doing junk bonds business in the New York Stock Exchange, at first it was not regarded as a crime.

"Subsequently, they were arrested and put in jail. So, it depends on your perception. This also I had explained. What we can do depends on our perception.

"If you perceive this as a criminal act, then you can act (against it). But if you think that this is normal, of course you will not take any action."

On the plan to remedy the ringgit situation, he said the Government has some ideas on what to do. "Obviously, we cannot just publicise what we want to do as much as Soros does not publicise what he wants to do.

"We have to protect ourselves. Otherwise, people can just fiddle with everybody's economy and get away with murder."

Australian Foreign Minister Alexander Downer said Australia is concerned

with the currency problems experienced by South-East Asian economies.

"Any weakening of the economic fundamentals will be of great concern to us.

"The Asean economies are our big partners," he told a press conference after the PMC.

Downer was asked to comment on Dr Mahathir's remarks on the assault of South-East Asia's currencies by US financier George Soros.

He declined commenting on the remarks, saying Dr Mahathir is entitled to his own views on the matter.

Despite the currency problem, Downer said the Australian Government is confident of the fundamental strength of Asean economies.

"We are aware of the currency problem in Thailand but it has little impact. Overall, we are confident of the fundamentals of Asean economies and the success of these economies is important to us because they are our big partners.

"Any speculation or any weakening of the economic fundamentals of the Asean economies is of great concern to us," he added.

Meanwhile, China Vice Premier and Foreign Minister Qian Qichen said in spite of brief fluctuations of the currencies, East Asia as a whole has maintained its growth momentum and retains its position as the fastest-growing region in the world.

"In recent years, the development in the Asia-Pacific region has continued to attract world attention. Thus, the prospect of future development in East Asia continues to look good.

"The developing countries in South-East Asia, Indochina and South Asia have achieved good results in their economic reforms, characterised by gradually deepened restructuring, steadily improved competitiveness and emergence of a number of economic growth points," he added.

China Foreign Ministry spokesman Cui Tiankai told journalists China is not affected by the currency problem because its currency is not fully convertible.

He also said China will continue to cooperate with Asean in strengthening economic relations between the two regions.

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