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Progress report on currency trading

Sufi Yusoff

PETALING JAYA, Sat. - The International Monetary Fund will table a progress report on the proposed regulation on currency trading, which is being studied by its task force, at the Asean Finance Ministers' meeting here next month.

Deputy Prime Minister Datuk Seri Anwar Ibrahim said today IMF managing director Michel Camdessus would brief the Asean Ministers as well as their counterparts from five regional governments at the meeting to be held between Dec 1 and 2.

"The IMF will spell out the developments with regards to fixing procedures or prudent regulations pertaining to the movement of hedge funds.

"In whatever activity there are regulations, be it in co-operatives, insurance and banking, but not in currency trading. This is what Prime Minister Datuk Seri Dr Mahathir Mohamad has been saying.

"Now it is acknowledged and the IMF will brief us on the progress of their study on Dec 1," he said, adding that Camdessus had informed him of his (Camdessus) participation at the meeting yesterday.

He was speaking at the simultaneous launching of Angkasa's new headquarters, the 75th International Co-operatives Day and the 14th annual Angkasa national convention in Kelana Jaya.

Also present were Land and Co-operative Development Minister Datuk Osu Sukam and Angkasa president Royal Professor Ungku Aziz.

The Asean Finance Minister's meeting will also involve the participation of Korea, Japan, China, Hong Kong and Australia, which were instrumental in setting up the US\$17 billion (about RM57 billion) rescue package for Thailand.

Anwar, who is also Finance Minister, said the IMF's announcement of a US\$23 billion (about RM78 billion) fund to help bolster Indonesia's economy was a positive one.

He said Malaysia would benefit from the effects of the efforts to revive the economies of Thailand and Indonesia as the country's economic fundamentals were stronger than its' neighbours.

He reiterated that a US\$1 billion (about RM3.4 billion) loan pledged by Malaysia to Jakarta would be put on stand-by.

In a meeting with World Trade Organisation director-general Renato Ruggiero yesterday, Anwar said he told Ruggiero Malaysia would continue to support trade liberalisation.

However, he said he made it clear that Malaysia wanted the freedom to protect its national and economic interests.

Ruggiero was in Kuala Lumpur to attend the G-15 Economic Ministers Dialogue yesterday. He had met Anwar for about 30 minutes at the Prime Minister's Department in the morning.

"It (liberalisation) does not mean that giant companies from the US and Europe can come and swallow all the small ones. This opposes our philosophy of life, not only our philosophy of development.

"We cannot accept an economy which results in the rich swallowing up the poor," Anwar said adding that in the nation's development philosophy the Government supported the co-operative movement.

This, he said was to defend the interest of the masses, from the hard core poor to the rich.

Anwar also said he told Ruggiero that Malaysia wanted a gradual

liberalisation process to enable local companies to find their footing on a stronger note.

"We also want individual countries to have the right to impose their own regulations to protect their economies," he added.

Ruggiero was also told that to correct the imbalance of payment, the government introduced several tax policies to defend the country's interests.

Meanwhile, Anwar said two officers from the Treasury's Economic Division and Bank Negara's assistant governor Dr Zeti Aziz had been asked to draw up procedures and conditions to protect Malaysian interests in the face of trade liberalisation.

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