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Prachuab-Fund

THAI FM SUGGESTS COMMON ASEAN FUND AGAINST CURRENCY ATTACK

By: Khuzaimah Idris

BANGKOK, Aug 16 (Bernama) -- Thai Foreign Minister Prachuab Chaiyasarn has proposed the setting up of a common fund for Asean countries to fight speculative attacks against their sovereign currencies.

The fund, which he named as Asean Monetary Fund (AMF), would enable Asean countries to stabilise their currencies in "emergency cases" such as the current attacks on the region's currencies by international speculators.

" I strongly urge all Asean countries to start a source of fund ... it doesn't matter what you call it but I think everybody should share responsibility to help each other ... a friend in need is a friend indeed ", he told a group of visiting Malaysian journalists at his office here yesterday.

The journalists are on a nine-day study tour of Thailand organised by the Thai government.

Prachuab likened currency attacks, which badly hit especially the Thai baht, to HIV virus.

But he said the crisis had also created an opportunity for Asean countries to enhance and strengthen their counter-mechanism.

When asked whether the AMF proposal might be discussed at the next Asean summit in Kuala Lumpur in December, Prachuab said: " It should be "

Asean comprises Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand, Singapore and Vietnam.

Prachuab said the Asean communique at the year-end summit should contain some wordings on the currency crisis.

" The fact is that because Asean is becoming stronger in terms of population, it may be seen as a threat in terms of economy (by others). "

" We start Asean because of the Cold War to bring together countries which have grown stronger and stronger but now we are facing an economic war," he said.

But in his view, the positive aspect of the currency crisis would come in the form of closer intra-Asean cooperation that could lead to earlier implementation of the Asean Free Trade Area (AFTA).

Prachuab said Thailand was very thankful to its Asean neighbours and other countries as well as the International Monetary Fund (IMF) and World Bank for their contributions to help the country tide over its currency crisis.

The IMF and Asia-Pacific nations have agreed to lend Thailand US\$16 billion to shore up its foreign reserves.

Japan and the IMF will each contribute US\$4 billion while Hong Kong, Malaysia, Australia and Singapore will each lend US\$1billion with Indonesia and South Korea adding US\$500 million a piece.

The Asian Development Bank will contribute US\$1.2 billion and the rest from the World Bank and China.

In the 30-minute meeting with the journalists, Prachuab also expressed his admiration for Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad and Malaysia which he described as a "very aggressive" country.

" Your prime minister has launched Malaysia from an agriculture-based industry to a sophisticated industry like Information Technology and has mobilised efforts to venture to Africa and Latin America in a very aggressive way," he said.

Prachuab said Thailand and Malaysia had become increasingly closer

especially in the past eight to nine months following greater cooperation among authorities to tackle problems in their common border.

" We in Thailand do not want to damage traditional ties with people around the border and at the same time neither we want outsiders to interfere and create conflicts to our country ",he added. -- BERNAMA

ZAI au rn