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#### US MAINTAINS CONFIDENCE IN ASEAN ECONOMIES

By: Salmy Hashim

VANCOUVER, Nov 25 (Bernama) -- The United States believes that Asean economies affected by currency devaluation can pull out of its economic crisis because of their strong fundamentals, Daniel Tarullo, Special Economic Adviser to President Bill Clinton said here Monday.

Tarullo, at a briefing for reporters covering the annual Apec meetings, said that Clinton in his breakfast meeting with five Asean leaders told them that the US still had confidence in the underlying strengths of the Asean economies with their high savings rates, high literacy and high productivity.

"These strengths have not disappeared and still have to be built on if countries adopt the right kind of macroeconomic policies and adjustments," Tarullo said.

Clinton in a breakfast meeting with Asean leaders -- Prime Minister Datuk Seri Dr Mahathir Mohamad, Prime Minister Goh Chok Tong, Sultan Hassanal Bolkiah, President Fidel Ramos and Prime Minister Chuan Leekpai -- spent 45 minutes this Monday morning to talk in depth about the economic turmoil that has seen a devaluation of currencies and volatility in the stock market.

Indonesia's President Suharto had a separate meeting with Clinton where they discussed US assistance to put out forest fires in Indonesia.

Asean members Vietnam, Laos and Myanmar, which are not members of Apec, were not present at the meeting.

Tarullo, who is also Deputy Director of National Economic Council, said here: "It is clear that all the leaders take the situation very seriously. The leaders believe that there is no quick fix to the problem and that they need to study the situation and think about what can be done to address the issue."

President Clinton noted to the leaders that one-third of US exports to the world goes to Asia, "and we have a direct interest in the Asian economy."

Asean financial ministers plus their counterparts from six economies -- the United States, Japan, South Korea, Hong Kong, China and Australia -- are scheduled to meet in Kuala Lumpur on Dec 2, followed by finance ministers of the G-15 (developing countries) on Dec 3.

A special meeting between Asean finance ministers and the International Monetary Fund chief, Michel Camdessus, has also been arranged for Dec 1 in Kuala Lumpur to address the economic crisis that has hit hard countries like Indonesia, Thailand, the Philippines, Malaysia, South Korea and lately a major Japanese security firm.

Clinton told reporters following his bilateral with Prime Minister Ryutaro Hashimoto, "Japan can lead Asia out of this difficulty with the strength of its economy."

He said the Asian financial turbulence is high on the Apec leaders' agenda and they would endorse the Manila initiative designed to rapidly assist Asian economies out of their crises at the conclusion of the two-day summit Tuesday.

Deputy Treasury Secretary, Lawrence Summers, said Japan's problems were not similar to South Korea's and said, "I don't foresee any IMF bailout for Japan."

Japan, as the second largest economy in the world, has the potential and could be the engine of growth to pull out the other Asian economies out

of their crises.

At this point, Summers said, it was important for Japan to revive consumer confidence, strengthen its financial system and continue with its deregulatory agenda. -- BERNAMA

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