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Apec leaders agree currency trading must be regulated

By HARPAJAN SINGH

KUALA LUMPUR: Apec leaders agreed yesterday that currency trading must be regulated and that the Group of 22 was the appropriate forum to urgently mobilise such measures.

The Malaysian proposal received all-round backing from the leaders who decided that the best way to deal with the situation was by getting the support of all countries affected by the currency crisis.

Prime Minister Datuk Seri Dr Mahathir Mohamad told a press conference at the conclusion of the Apec Summit the leaders felt that the G22 might be the expanded forum to deal with the problem and that a G22 leaders' summit might have to be called to move the idea forward.

"Everyone admits it is urgent. Urgent is one thing but getting things moving in the international community is another thing. As I have said, the international community is ponderous and does not move fast enough."

Dr Mahathir said the G22, which was a forum of finance ministers and central bank governors, could work out the mechanics of the plan but after that it would have to be taken up by higher authorities, adding that Apec leaders had suggested a G22 summit.

Asked if Apec was not the desirable vehicle of action to forward the plan, the Prime Minister said Apec was a body of action but it could not decide for the world and then try to

get all affected countries to follow the decision.

Dr Mahathir also said that while there seemed to be some respite and improvement in the economic situation in the region, the results were not necessarily engineered by the International Monetary Fund (IMF) or its aid package.

He touched on the Long Term Credit Management's (LTCM) troubles which had seen the US dollar depreciating slightly which appeared as though the currencies of the hard-hit economies had strengthened.

He said there were also some banks which had cut back on hedge fund lendings because they feared losses in the process and that all of this had somewhat contributed to the improvement seen in many countries.

Dr Mahathir described the summit as a successful meeting, saying it had been focused and specific in addressing issues which were of serious and common concern to all economies and the citizens in the Asia Pacific region.

"Apec has yielded results," he said, and noted that the commitment to open markets, facilitate business and help the private sector flourish besides sharing expertise and narrowing the gap between economies were important targets.

The Prime Minister was also asked to comment on the US and Japan's US\$10bil (RM38bil) aid package for the region which Datuk Seri Rafidah Aziz had described as "not worth five sen" on Monday.

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Mahathir happy with Japan's offer

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Dr Mahathir said he had no comment on the matter as he did not know much about the package and also evaded a question whether the United States was trying to keep Malaysia out of aid programmes which only seemed to mention Indonesia, South Korea and Thailand as target economies.

However, he said the Japanese offer (of a US-\$1.8bil loan to Malaysia) was very good, adding: "My worry is that somebody may come in the way to stop Japan from disbursing the funds."

Asked why Malaysia was not mentioned as an economy that was affected by the crisis in the Apec leaders' declaration, he said Malaysia was not

concerned whether mentioned.

He said he also explained at the meeting what KL's exchange controls were about and that the measures had worked and improved the situation in Malaysia with reserves going up by US-\$4bil (RM15.2bil) and inflation under control at 5.3% unlike some countries which charted 10% to 20% in a month.

"Business activity has increased, car and house sales are up, and the private sector feels relieved," he added.

The Apec leaders also decided on a host of other related issues in efforts to cushion the effects of the financial and economic crises on their private sectors and industries which ranged from tightening of measures and re-

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training of human resources besides enhancing business activity.

Several leaders also held their own press conferences yesterday at the end of the week-long Apec meetings which saw more than 5,500 delegates and journalists converging on KL.

The somewhat trade-heavy agenda of the meeting took a lively political turn, however, when US Vice-President Al Gore praised the *reformasi* movement at a business dinner on Monday where several leaders, including Dr Mahathir, were present.

Gore, however, stirred a hornet's nest when Apec leaders joined Malaysians to slam him for interfering in Malaysia's affairs and inciting trouble.

But a stubborn Gore did not repent, and instead defended his actions.

Dr Mahathir was flooded with questions yesterday about Anwar and Gore but he chose not to comment on Gore's remarks, saying what was needed had been said.

Dr Mahathir, however, said that a leader had remarked to him that he was surprised that he did not see any soldiers on the streets in KL in contrast to the foreign media reports which painted a situation of daily riots and demonstrations.

The leader, he said, told him that he was moving about freely and had not seen any sign of tension or trouble. He did not name the leader but said "this was not a friendly one, he was the less



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A number of leaders, he said, had also mentioned that the foreign media reports were short on facts and seemed more concerned with propagating their own viewpoints.