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ANWAR: JAKARTA MEETING IMPORTANT STEP FORWARD TO DEAL WITH ECONOMIC CRISIS

KUALA LUMPUR, Feb 27 (Bernama) -- Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim says the Asean Finance Ministers' Meeting (AFMM) beginning in Jakarta today will be a significant step forward for member countries to deal with the regional economic crisis collectively.

"We are going to discuss specifically the recommendations of the Asean central banks on intra-Asean trade and its mechanisms," he said in reference to Asean's efforts to use their own currencies for trading.

The region's finance ministers last met here in December.

Speaking to reporters briefly at the Sultan Abdul Aziz Shah Airport at Subang prior to his departure for Jakarta, Anwar said the meeting will be substantive so far as co-operation by Asean members to combat the economic crisis is concerned.

The economies of Asean countries and that of Hong Kong and South Korea plunged into a crisis following speculative attacks against their currencies beginning with the Thai baht in July last year.

The worst hit were Indonesia, Thailand and South Korea, which have received financial assistance from the International Monetary Fund (IMF) but there has been criticism that despite difficult reforms undertaken, investor confidence has yet to be restored to the troubled economies.

The AFMM, which ends tomorrow, was preceded yesterday by a meeting of senior officials which included Malaysia's Treasury officials who prepared the agenda for the finance ministers to deliberate on.

The move to use regional currencies, which has been gaining momentum of late, was mooted so as to reduce the region's dependence on the US dollar and the impact of the steep fall in its currencies against the greenback.

As a further progress to the usage of regional currencies, Prime Minister Datuk Seri Dr Mahathir Mohamad said early this month that Malaysia, Indonesia and Thailand had agreed to set up a central clearing house for intra-Asean trade.

Asked on the other issues to be discussed, Anwar said: "We will also take up the paper on the Hong Kong initiative for a Special Asian Fund to help troubled Asian economies."

He also said during the meeting Malaysia will continue to maintain its stand for controls over rogue currency speculators in efforts to instil some discipline among them.

On Japan and Taiwan's contribution to the meeting, Anwar said although they are not members they are involved in discussions at the committee level where they have sounded out their willingness to co-operate with Asean to overcome the current problems.

"Their input will be submitted to the committee reports, which will be discussed by the ministers," he added.

Besides this, he said, there will be further deliberations on a proposed private debt instrument which was approved at the last meeting here in December.

Under the plan, private sector resources will be mobilised from the bond market to help countries avoid attacks on currencies with the assistance of international financial institutions. -- BERNAMA

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