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Anwar-meeting

ANWAR SAYS JAKARTA MEET CRUCIAL FOR COLLECTIVE RESPONSE TO CRISIS

KUALA LUMPUR, Feb 27 (Bernama) -- Deputy Prime Minister Datuk Seri Anwar Ibrahim has described the Asean Finance Ministers' Meeting (AFMM) beginning in Jakarta today as 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," said Anwar, who is also Finance Minister, in reference to Asean's efforts to use regional currencies for trading.

The finance ministers of the regional grouping, comprising Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, last met here in December.

Speaking to reporters briefly at the Sultan Abdul Aziz Shah Airport at Subang here before leaving for Jakarta, Anwar said the meeting would be substantive in so far as co-operation among Asean members to combat the economic crisis was 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, including Malaysia's Treasury officials who prepared the agenda for the finance ministers.

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

As a further progress to the proposed 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 would 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 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 said.

Besides this, he said, there would 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 would 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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