

30/03/1998

Asian crisis likely to top Asem agenda

Fauziah Ismail; Kamarul Yunus

ECONOMIC issues, including the impact of the euro and South-East Asia's financial turmoil, are likely to be the focal point for the 10 Asian members at the Asia-Europe Meeting (Asem) in London this week.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the Asian members of Asem have no common issue yet. "But we will be meeting in London. We hope to have something common. It may be on the economy ... we will see."

The Prime Minister was asked if Asia would have something in common to raise at the second Asem meeting which opens in London this Thursday.

He said the matter was raised during his meeting with Indonesian Vice President Bacharuddin Jusuf Habibie yesterday. Habibie arrived Kuala Lumpur on Saturday and left for London yesterday for the Asem.

In an interview with Business Times, Foreign Minister Datuk Seri Abdullah Ahmad Badawi said Malaysia expects the financial turmoil facing Asian countries to be a major issue.

Abdullah said the implications arising from the introduction of the euro would also be raised, apart from economic cooperation and an European initiative on environmental disaster.

The Asian participants of Asem are Brunei, China, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Thailand, Vietnam. Europe groups the 15 members of the European Union, namely Austria, Belgium, Britain, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden. The European Commission is also a member of Asem.

The inaugural Asem was held in Bangkok two years ago.

Abdullah said since Asem 2 will take place against the backdrop of the financial and economic difficulties plaguing the region, Malaysia expects the issue to be one of the main focus of the meeting.

"The currency crisis that triggered the financial and economic difficulties confronting certain Asian countries not only have global impact but were also partly brought about by weaknesses in the international monetary system, including in financial and capital markets."

He said the London meeting is expected to adopt an Asia Europe Cooperation Framework which will spell out the principles and mechanism for long-term Asia-Europe cooperation in political and other areas.

"Malaysia hopes the framework will provide direction for the future development of the Asem process," he said.

On the Asem Trust Fund, Abdullah said Malaysia appreciates the British initiative for the establishment of the fund at the World Bank for use by the Special Financial Operations Unit to provide assistance to crisis and non-crisis Asem countries.

"While Malaysia views the British initiative to set up the Asem Trust Fund at the World Bank as a positive measure, it alone will not be sufficient to help in the recovery of economies concerned," he added.

(END)