

22 JUL 1998

LEAD Downer

AUSTRALIA PRAISES MALAYSIA'S ECONOMIC RESTRUCTURING

KUALA LUMPUR, July 22 (Bernama) -- Australian Foreign Minister Alexander Downer gave the thumbs-up today to Malaysia's efforts to reform and restructure its economy as a way to beat the economic downturn it is facing.

"We are very supportive of the efforts the Malaysian government has been making to reform and restructure the economy and I want to get a first-hand assessment of how that process is developing," said Downer on arrival here to begin a three-day official visit.

He said the visit would provide him a good opportunity to discuss the Southeast Asian economic crisis with Prime Minister Datuk Seri Dr Mahathir Mohamad, his deputy Datuk Seri Anwar Ibrahim, who is also the Finance Minister, and Foreign Minister Datuk Seri Abdullah Ahmad Badawi.

Australia, he said, was very supportive of the region especially during this difficult period and in the case of South Korea, Indonesia and Thailand, the Australian government had contributed to the International Monetary Fund (IMF) financial packages which the three countries received.

He said Malaysia had made a very conscious decision in not seeking the IMF financial packages.

Asked about maverick anti-immigration Australian politician Pauline Hanson, Downer said the Malaysian government knew where the Australian government and the vast majority of Australians stood as active participants in engaging the Asian region and its people.

"If Hanson's policies were to become reality, the Asian investment in Australia would simply collapse because hundreds of thousands of jobs are dependent on the investment from various countries including Malaysia and this would cause enormous damage to the Australian economy," he said.

Downer said the Australian economy had till now escaped the regional crisis unscathed.

"But we would be like our Asian neighbours with a catastrophic collapse of our currency and withdrawal of investments in vast scale if Pauline Hanson becomes the Prime Minister," he said.

Downer said while here he would also be discussing Indonesia's political and economic situation with the Malaysian leaders.

"The focus of the discussion will be on the economic situation in Indonesia and the need for the country to continue with the process of economic reforms and as in the context of Malaysia, to attract investors back into the Indonesian economy," said Downer, who is on his fourth visit to Malaysia since becoming Foreign Minister in 1996.

Downer is also scheduled to meet Special Functions Minister Tun Daim Zainuddin tomorrow morning and call on Dr Mahathir later.

This will be followed by talks with Anwar.

Downer leaves for Manila on Friday to attend the Asean Ministerial Meeting and Post Ministerial Conferences.

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