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BRITISH EMISSARY HERE TO DISCUSS ASEM TRUST FUND PROPOSAL

KUALA LUMPUR, March 4 (Bernama) -- Armed with the message "Asia's problems are Europe's problems too," British Prime Minister Tony Blair's special emissary, Derek Fatchett, arrived here today to discuss the proposal of an Asia-Europe Summit Meeting (ASEM) Trust Fund to provide technical assistance for financial restructuring in the wake of the Asian financial turmoil.

The trust fund has been proposed by the United Kingdom and will be established under the World Bank, Fatchett, who is also representing the Presidency of the European Union, told a Press conference.

"We have floated the idea and now we have to work out the details and turn the idea into a practical reality," added Fatchett, who is espousing the idea to Thailand, Malaysia, Indonesia and Singapore.

He has already visited Thailand and is scheduled to meet with Prime Minister Datuk Seri Dr Mahathir Mohamad and his deputy Datuk Seri Anwar Ibrahim this afternoon.

Fatchett will also discuss with Mahathir and Anwar the idea of the Group of Seven to provide short-term finances to help Asian companies. Also, he will convey the UK's proposal to help Malaysian students studying in the UK.

On the proposed ASEM Trust Fund, he said it is confined to technical assistance as European countries have already contributed substantially to the rescue package under the International Monetary Fund (IMF).

"We feel the best contribution is not to duplicate that (of the IMF) but to offer UK and European technical expertise that can be effective. The sum of money is not important," he said.

The trust fund, he explained, will enable Malaysia and other countries battered by the economic crisis to draw on the services, expertise and experience that are available in Europe.

He said the fund will have a significant leverage effect on the region's financial services sector, which needs to inject openness and transparency.

"We can make a contribution towards ensuring that restructuring is carried out in an efficient way. Maybe we do not always get the credit, but the truth is we have been very much involved with initiatives to help Asian companies."

Expressing the importance for Europe and Asia to work in partnership and collaboration, he said: "We come with a certain humility because there had been times when Europe had a problem too.

"At some stage, it may be Europe's turn to have problems and in that case it wants Asia to help it. So we both have a mutual interest...when one is in difficulty, the other stands behind it."

He said Europe is interested in the region and European companies wish to see a more open system so that they can invest.

"They are interested to come here as active, long-term strategic investors. I don't think there is any difficulty to persuade European companies to come here."

The Asian financial crisis, he said, will hold centre stage at the next ASEM in London from April 2 to 4.

Referring to the social impact from the economic turmoil, Fatchett said: "The economic changes brought by the financial turmoil will have social consequences which we need to manage in order to maintain the

integrity of the cohesion of the social system."

Jim Cloos, Special Representative of the European Commission Presidency, said the commission supports the idea of an ASEM Trust Fund and is thinking of complementing it with the setting up of a network of people who have experience in financial regulations in multilateral surveillance.

"We know that Asean is trying to develop a multilateral surveillance and we we have the experience. We think the network will allow us to provide assistance and expertise." -- BERNAMA

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