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British PM sending emissary to discuss economic problems

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KUALA LUMPUR, Wed. - British Prime Minister Tony Blair will send a personal emissary soon to Kuala Lumpur and other Asean capitals to discuss the economic problems in the region.

British High Commissioner David Moss said today the emissary, who will be on a "lightning tour" of the region, will be accompanied by several officials, including a senior member of the British Treasury.

He was unable to provide any dates for the proposed visit to Kuala Lumpur, saying it was subject to confirmation by the Malaysian Government.

"The emissary will come to talk about two key things - the economic problem of the region and what the British Government and the European Union can do and the other, to seek the views of the regional partners, in this case Malaysia, in the run up to the second Asia-Europe Meeting.

"He will be getting views before the heads of government gather in London at the beginning of April for Asem II."

The regional economic problem is bound to be a major topic of discussion at the Asem summit.

He said Britain, as chairman of the G8, is determined that the voice of the G15, which was chaired by Malaysia last year, should be heard.

"Blair is keen that the comments of the G15 should be taken into account by the big economies."

ASEM Deputy Finance Ministers met in London earlier last week.

Blair, added Moss, has been in touch with Prime Minister Datuk Seri Dr Mahathir Mohamad with a warm and supportive message recently.

"It is not for me to disclose the contents of the message, but being old friends, we need to stand together in difficult times," he said

Moss also explained that Europe (and Britain), was concerned and committed towards helping the Governments of the region find solutions to the problems faced by the region since last July.

He said with Britain holding the presidency of the European Union, and the G8 chair as well as being AsEm II host, it was well placed to voice views on the issue.

Underlining the scale of British and European involvement in the region, Moss identified Britain as the largest European investor in the region.

EU has been providing support for the restoration of market confidence and economic growth in Asia.

The EU, he explained, was the world's biggest and most open area for business.

Furthermore, EU exports to the region totalled US\$123 billion (RM437.8 billion) in 1996, which is more than the United States'.

EU banks have greater exposure in Asia, standing at US\$354 billion, than the sum of United States and Japanese exposure.

"So we are deeply involved in the region's problems because of the size of the economy and our deep involvement in the region."

Moss added that the EU had been a major contributor to the International Monetary Fund packages in the region, excluding countries like Malaysia which is covered by an IMF package.

It is also supplying seven of the 13 bilateral contributions that is outside the IMF to the Korean economy totalling US\$6 billion.

"We are also encouraging our commercial banks - British banks and EU banks - to play a positive role by securing roll-overs of Korean banking debts."

Britain, he said, was confident that the Malaysian economy would recover and grow at a good rate.

Two British companies, British Telecoms and Cable and Wireless, are currently examining possibilities of setting up joint ventures in Malaysia.

"The action of these companies and others like Rolls Royce show that they have confidence in the Malaysian economy."

British involvement in Malaysia would be more in the high technology end of the market like aerospace, fibre optics and composite materials, he added.

Moss also expected greater involvement by the City of London (Britain's financial centre) in the financial sector here.

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