

04 MAR 1998

BRITISH TELECOM MULLING INVESTMENTS IN LOCAL TELECOMMUNICATIONS SECTOR

KUALA LUMPUR, March 4 (Bernama) -- British Telecom is looking into the possibility of investing in the local telecommunications sector, Treasury secretary-general Datuk Dr Aris Othman, said here today.

He said the firm's intention came out of a side remark made by British Minister of State for Foreign and Commonwealth Affairs Derek Fatchett during discussions with Deputy Prime Minister Datuk Seri Anwar Ibrahim.

However, no details were available on the proposed investment, Dr. Aris saidn when briefing reporters on the outcome of the meeting at the Treasury.

Fatchett is on a one-day visit here as personal emissary of British Prime Minister Tony Blair and special representative of the European Union presidency.

The news on British Telecoms intended investment comes just days after Malaysia announced that it might allow foreign equity of up to 49 percent in local telecommunications companies.

Dr Aris said the discussions focused on measures already taken and further measures to be taken by the Group of Seven (G-7) industrialised countries in efforts to help Asian countries affected by the economic crisis.

Prior to this, G-7 had been active in providing assistance which included export credit, he said.

Dr Aris also said that several additional measures could probably be announced by the United Kingdom on initiatives to help the region.

"Currently, the G-7 is confident of the region's potential based on the Thai and South Korean economy showing signs of recovery," he said.

Dr Aris also said that it was important for G-7 countries to consider the social implications stemming from the regional crisis particularly that of rising unemployment and poverty.

To this end, he said the British minister's visit was to get feedback from regional leaders on the issues that should be discussed at the forthcoming Asia-Europe (Asem) meeting to be held in London next month.

Fatchett had earlier met Prime Minister Datuk Seri Dr Mahathir Mohamad.

On Thailand and South Korea, Dr Aris said Fatchett told Anwar that the G-7 countries were satisfied with the commitment showed by these two countries (in undertaking economic reforms).

Asked whether the steps taken by the European Union were adequate in helping countries affected by the crisis, he said this would be discussed at length at the forthcoming Asem.

Before this, Fatchett said Britain had agreed to establish an Asem Trust Fund to the tune of RM31.1 million to help affected economies.

After the more than one-hour of talks with Fatchett, Anwar also held discussions with US Assistant Secretary of State of East Asia and Pacific Affairs, Stanley Roth, who is also on a visit to the region.-- BERNAMA

AA MR