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Brunei agrees to use local currencies for intra-Asean trade

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TUARAN, Thurs. - Brunei has agreed to the proposal for intra-Asean trade using their respective currencies, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

Dr Mahathir said Sultan Hassanah Bolkiah of Brunei whom he met during a one-day working visit to Bandar Seri Begawan yesterday had voiced his support for the proposal.

The Prime Minister said he also briefed Sultan Hassanah about his recent visits to the Philippines, Thailand, Indonesia and Singapore.

"We made an assessment of the current economic situation and proposals to overcome the problem," Dr Mahathir said after visiting the RM600 million Nexus Golf Resort in Karambunai about 10km from here.

Brunei, least affected by the currency problem in the region, joins the other Asean members which had earlier agreed to use their respective currencies to trade with each other.

Dr Mahathir said Sultan Hassanah would visit Malaysia soon.

Asked whether his visits to Asean capitals could lead to a conclusion that the economic problems affecting the region were over, Dr Mahathir said Asean countries were finding it difficult to work towards their own economic recovery as they had to cope with external pressures.

"If left to our own selves, we can manage our economy. But everytime we want to do something, they apply pressure," he said.

Asked to comment on the concerns expressed by the European Union and the International Monetary Fund over Indonesia's proposal to introduce a currency board, Dr Mahathir said:

"Maybe they are concerned, but the concern is made worse by opinions which will cause the rupiah to go down. If an international body says that this is bad and that it will not offer help, the effect is that the rupiah will go down."

The EU on Monday backed a threat by the IMF to pull the plug on Indonesia if it pressed ahead with plans to peg the depreciating rupiah to the US dollar.

IMF managing director Michel Camdessus confirmed last week that he had sent a letter to President Suharto spelling out its opposition to a currency board linking the rupiah to the dollar.

Malaysia, Dr Mahathir said, felt that Indonesia had the right to make such decisions.

"It (Indonesia) has accepted all the conditions already. Some things must be left to it to decide. But right now everything is being forced.

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