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Mahathir-Brunei

BRUNEI ENDORSES USE OF REGIONAL CURRENCIES FOR INTRA-ASEAN TRADE

KOTA KINABALU, Feb 19 (Bernama) -- Brunei has agreed to the proposal to use regional currencies for trade among Asean member countries, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said Brunei's Sultan Hassanal Bolkiah expressed agreement to the proposal during their meeting in Bandar Seri Begawan yesterday.

"During my visit, I briefed the sultan on my trips to Thailand, the Philippines, Singapore and Indonesia and we made a general assessment of the economic situation and the type of cooperation we proposed among Asean countries," Dr Mahathir said.

The prime minister, who is here on a two-day visit, was asked about his Brunei trip at a news conference after touring the seaside Karambunai Resort near here.

During the meeting Sultan Hassanal also mentioned intention to visit Malaysia, Dr Mahathir said.

In turn, Sultan Hassanal briefed him on the sultan's recent visit to Indonesia, the prime minister said.

On the region's protracted currency depreciation problem, Dr Mahathir said Asean, which groups Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, is under pressure.

Asked to elaborate, the Prime Minister said "we are more or less told if we don't do what they asked us to do, then our economy will go bad."

"That means, of course, the currency will be pressed down further and that will cause the economy to go bad," he said.

"Because of the pressure from outside, it's difficult for us. If left to ourselves, we can manage our economy but everytime we do something, they apply pressure," he said.

Asked about the international concern over Indonesia's proposal for a currency board system, Dr Mahathir said "may be they are concerned but the concern is made worse by opinions which will only cause the rupiah to go down."

"You know, if say an international body says that this is bad and we won't help, then the effect is that the rupiah will go down," he said.

"We feel that Indonesia is an independent country. They have accepted all the conditions (of the International Monetary Fund) already. Some things must be left for them to decide but if everything is being forced (on them) and if it is successful, it's alright but if not successful, the so-called "help" has not helped Indonesia at all," he said.

Indonesia is considering adopting a currency board system pegging the rupiah to the U.S. dollar at a fixed rate to help pull the country out of its current economic slump.

However the IMF opposed such a system and has warned Indonesia that the US\$40 billion bail out it had extended to the country could be in jeopardy if the Indonesian government went ahead with the scheme. -- BERNAMA

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