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EU keen to see confidence return to Asian markets

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KUALA LUMPUR, Wed. - A special representative of Prime Minister Tony Blair of Britain, which holds the European Union presidency arrived today, bringing the message that EU is keen to see confidence return to Asian markets and to prove that it is not just a fair-weather friend.

Derek Fatchett met separately with Prime Minister Datuk Seri Dr Mahathir Mohamad, Deputy Prime Minister Datuk Seri Anwar Ibrahim and Foreign Minister Datuk Seri Abdullah Ahmad Badawi.

He is on a four-nation visit ahead of the Asem 2 meeting in London next month expected to be dominated by the region's economic situation.

Accompanied by Jim Cloos, Chef de Cabinet of EU president Jacques Santer, Fatchett said he was seeking the views of Malaysian leaders on the financial issues and would report back findings to EU Foreign Ministers meeting in Edinburgh next week.

At the outset of his one-day visit, he told a Press conference at Carcosa Seri Negara that there was "tremendous European interest" in the region and alluded to the exposure of European banks which was greater than that of US and Japanese banks' combined.

"I am keen to demonstrate that Britain and the rest of Europe continue to be engaged with Asia. We are strongly committed to assist in resolving the current economic and financial difficulties in the region.

"We want to send a clear message not just to the ministers we meet but to the financial markets and to the people of the region," he said.

British High Commissioner to Malaysia David Moss was present.

He said the UK was pushing for an idea of making available the vast European expertise in financial services to the region.

"We are not suggesting that you have got it wrong. We had our problems in the past, this is about the sharing of expertise," he said.

The financial expertise is one half of the Asem trust fund, for which STG5 million (RM30 million) would be made available. The trust fund which is a form of technical assistance will be placed under the World Bank.

The other aspect of the trust fund was to provide a safety net to the social impact triggered by the problems.

Briefing the Press after Fatchett's meeting with Anwar at the Treasury, Finance Ministry secretary-general Datuk Dr Aris Othman said Anwar told Fatchett and Cloos that it was important to determine the social impact.

"It involves the rise in poverty, unemployment and in certain areas, famine, due to drought," Aris said.

He added that while the offer of expertise in financial services was mainly applicable to countries under International Monetary Fund's aid programme, Malaysia could also benefit in terms of financial reform.

Aris said Fatchett mentioned an investment by British Telecoms related to the Mutlimedia Super Corridor as a proof of continued European interest and commitment in the region.

Fatchett also spoke of a new UK Government scheme to assist students mainly from Malaysia now studying in Britain.

"I briefed the Prime Minister and fellow ministers about the scheme to fund Malaysian students studying in UK," he told reporters after meeting Abdullah at Wisma Putra.

Fatchett noted that the process of recovery in the region had begun. He arrived here from Thailand and would visit Indonesia and Thailand.

Another visiting dignitary who met Anwar and Abdullah today was United

States Assistant Secretary of State for East Asia and Pacific, Stanley Roth.

Briefing the Press after his meeting with Roth, Abdullah said Malaysia and the US agreed that countries in the region should in their own ways assist Indonesia to enable the country overcome its financial problems.

"Asean wants to see stability and peace in the region which is important especially to help steer countries out of their economic problems."

On a US move of possible sanctions against Petronas for its participation in a joint venture involving oil and gas project in Iran, Abdullah said he reiterated Malaysia's stand that Petronas should not face any restriction on its business dealing.

On Cambodia, Abdullah said they both stressed on the importance of the election in July be held in a democratic and credible manner.

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