

17/11/1998

Fujimori worried crisis may spill over

PERUVIAN President Alberto Fujimori yesterday expressed concern over the possibility of the Asian economic crisis spilling over to Latin America.

Speaking to newsmen after a bilateral meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad, Fujimori said the stability of Peru and its Latin American neighbours were linked to the fortunes of other countries.

"If the crisis comes to Latin America, it will rebound back to Southeast Asia, so this is an international problem that we have to stop," he said.

Fujimori noted that although Peru was still doing well, the impact of the crisis could be felt in the form of lowered exports to Asia.

"For example, we sell zinc, copper and tin to Southeast Asian countries. You don't buy as much as before. So our exports have decreased.

"But we expect the economy to recover again," he said, adding that he did not expect the crisis to affect Peru more than it already had.

Among the other topics discussed with Dr Mahathir were Malaysia's views on controlling currency speculators.

"It's working quite well in Malaysia. In Peru, we have no control at all, it's completely free. We have quite a stable exchange rate which means Peru's economy is quite stable. But I have to say Malaysia is overcoming this quite well in its own way."

Asked if the International Monetary Fund's aid package to Brazil could help shore up Latin America's defences against the crisis, Fujimori expressed confidence that it would.

But he noted that other countries in the region might have to obtain IMF assistance in future.

(END)