

03 MAY 1998
Anwar-Japan
JAPAN TOLD TO MOVE FASTER

KUALA LUMPUR, May 3 (Bernama) -- Deputy Prime Minister Datuk Seri Anwar Ibrahim today reiterated the call by Asean and international community leaders to Japan to move faster to stimulate its economy.

This was critical because otherwise, Japan's present economic situation would not give a positive impact on the interest rates and investments in the region, Anwar, who is also Finance Minister, said.

Speaking to reporters after a meeting Japanese Foreign Minister Keizo Obuchi at Carcosa Seri Negara, here, Anwar said he told Obuchi that if, for example, Japan decided to reduce its interest rates, more Asean and regional products would be able to penetrate the Japanese market.

Japan had announced that it was taking measures to stimulate its economy to help countries in Asia which are badly affected by the economic crisis.

Among other things, Japan had reduced its taxes, introduced a massive financial package to stimulate its economic activities in the manufacturing and construction sectors and provided additional loans for its companies to invest overseas.

"While we welcome all these measures, we would like to see that all these are implemented fast because they (the Japanese government) have to present them to the Diet (Japanese Parliament), debate on them, and assuming that the Diet approves, they have to be implemented fast," he said.

"The concern has always been that the package will take far too long to be implemented," he added.

Anwar said Obuchi had also offered RM300 million as financial assistance to Malaysian students studying in Japan to help reduce their financial burden caused by the currency devaluation.

Obuchi is leading a 26-member delegation on a three-day visit here.

He will hold talks with Prime Minister Datuk Seri Dr Mahathir Mohamad on bilateral issues and Japan's role in tackling the Asian financial crisis.

Earlier, Anwar held a 30-minute discussion with Indonesia's Coordinating Minister for Economy, Finance and Industry Prof Dr Ginandjar Kartasasmita, at the same venue.

He said Ginandjar briefed him on Indonesia's discussions with the International Monetary Fund (IMF) pertaining to the world body's aid package which had been concluded.

He said the IMF Board would convene tomorrow to decide on the package to be given to Indonesia.

Anwar told Ginandjar that Malaysia would continue to assist Indonesia as that country's economic recovery was not only important to its neighbours but would also help restore investor confidence and reduce the social problems brought about by the influx of illegal Indonesian immigrants to Malaysia.

Asked whether he discussed the possibility of Malaysian companies buying stakes in Indonesian companies, which is part of Indonesia's reformation exercise, Anwar said they did not discuss that in detail.

However, Anwar said, the government, while fully encouraging the private sector to do so, would leave the matter to the companies' discretion as "they are quite knowledgeable about the economic environment in Indonesia".

On whether Malaysia would conform with the IMF's suggestion that Malaysia further tighten its monetary policy, Anwar said : "Our policy has been generally a tight monetary policy. The question of reducing had been said (before) but the IMF has been encouraging us to take further tightening measures.

"I will look at their advice seriously but I'm generally satisfied that we've been able to manage the rate according to our needs," he said.

When asked to comment on the Securities Commission's move to withhold approval for Omega Securities to carry on its business activities, Anwar said: "Such action is taken based on fact". He did not elaborate.

The SC had said that it decided not to grant the consent because of the large deficit which Omega Securities must address if its wishes to resume business.

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