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Mahathir-Asean

MALAYSIA KEEN TO INCREASE TRADE AND INTERACTION WITH MYANMAR

KUALA LUMPUR, March 1 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today he hoped that his upcoming trip to Myanmar would lead to an increase in trade and economic interaction between the two countries.

He said Malaysia also wanted to participate in the reconstruction of Myanmar which joined Asean in July last year.

"At the same time, of course we want to sell the idea about the free market system," he told reporters after presenting prizes to winners of the Le Tour de Langkawi cycling event at Dataran Merdeka, here.

Dr Mahathir was asked to comment on the issues he would address during the trip slated for March 9 and 10.

Asked to comment on the support by Asean finance ministers for a Bilateral Payment Arrangement (BPA) to enhance intra-Asean trade, the prime minister said the move would encourage the use of Asean currencies.

"That is what we have been urging all the time...the idea is to get away from having to use currencies not belonging to the Asean countries because to do so automatically devalues our currencies," he said.

Implementing it would be very simple, he said.

Asked when the arrangement could start, he said: "As soon as possible."

He said the central banks of the member countries would arrange for the clearing house, which every country would have.

Asked by how much it would reduce the dependence on the US dollar, given the fact that only 30 per cent of the trade was between Asean countries compared with 70 per cent internationally, Dr Mahathir said 30 per cent was still a very big amount. Apart from that, the other 70 per cent was not all conducted in US dollars.

"There are instances where we use other currencies, so the dependence on the US dollar will be less, I don't know how much less," he said.

To another question, Dr Mahathir said there would be some policies and guidelines for the BPA's implementation.

"For example if we are going to sell to Asean countries, do we sell at a lower price or not," he said.

He said if the goods were sold at too low a price, then they might be bought and re-exported which would negate the whole exercise.

The Asean finance ministers, who met in Jakarta yesterday, also urged the Group of Seven (G-7) countries to recognise the financial and economic problems faced by the region and not to burden them with additional pressures.

Asked to comment on this lack of effort by the G7 countries, Dr Mahathir said: "I have said that I don't expect much from them."

"Here is a situation where they don't feel that they're obliged to help us at all although they have benefitted from the lower cost of our products now," he said.

"They will only be able to extend help when they feel the impact of the currency turmoil in Asia," he added.

"When they find that we cannot buy the things that they sell because we are poorer, then they will realise that making your markets poorer does not serve you.

"At that stage, I believe they will take some action," he said.

-- BERNAMA

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