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`Negative reports on Indonesia exaggerated'

Baidura Ahmad in Jakarta

MALAYSIA has every confidence that the political stability in Indonesia will help the country recover from its economic difficulties, despite a negative outlook given by international observers.

Deputy Prime Minister Datuk Seri Anwar Ibrahim, who arrived yesterday to attend the Asean Finance Ministers meeting today, said people should not be influenced by the negative reports on Indonesia's road to recovery.

"Most of them are exaggerated," he said.

"From the information privy to me, I believe that in general, Indonesia has everything under control and the Government has the commitment to carry out (economic reforms) which will bring the country out of this economic problem."

Anwar was speaking to Malaysian reporters soon after meeting his Indonesian counterpart Mari'e Mohammad, and ruling Golkar party chairman Harmoko.

Following the region's economic woes, which started with the drastic fall in the baht last July, Asean leaders have held regular meetings to keep each other informed of the situation.

Earlier this month, Anwar, and Prime Minister Datuk Seri Dr Mahathir Mohamad made separate visits to Asean countries to compare notes on the situation. Both have met with Indonesia's President Suharto.

Anwar said during his meeting with the Indonesians, "they did not deny the fact that they are facing problems".

"I look at this as a sign of responsibility from the policy-makers and leaders, that they will address these problems in the best possible way to help the country recover.

"We must not forget that Indonesia is a very big country with a large population. So their (economic and financial) problems are bigger than that of other Asean countries."

Street protests, often peaceful ones, are a daily occurrence in this country of 202 million, as people voice their frustrations over the shortage and rising costs of essential goods, and demand political reforms which some see as a way out of the predicament.

Earlier in Kuala Lumpur, Anwar described the Asean Finance Ministers' Meeting as a significant step forward for member countries to deal with the regional economic problem collectively, reports Bernama.

"We are going to discuss specifically the recommendations of the Asean central banks on intra-Asean trade and its mechanisms," said Anwar, who is also Finance Minister, in reference to Asean's efforts to use regional currencies in trading.

The finance ministers of the regional grouping, comprising Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, last met here in December.

Speaking briefly at the Sultan Abdul Aziz Shah Airport before leaving for Jakarta, Anwar said the meeting would have substantive discussions on co-operation among Asean members to combat the economic problem.

The move to use regional currencies, which has been gaining momentum, was mooted to reduce the region's dependence on the US dollar and the impact of the steep depreciation of regional currencies against the greenback.

On the other issues to be discussed, Anwar said: "We will also take up on the Hong Kong initiative for a Special Asian Fund to help troubled

Asian economies."

He said during the meeting, Malaysia would maintain its stand for controls over rogue currency speculators in an effort to instil discipline among them.

On the contributions by Japan and Taiwan to the meeting, Anwar said although they are not members, they are involved in discussions at the committee level where they have expressed willingness to co-operate with Asean to overcome the current problems.

"Their input will be submitted in the committee reports, which will be discussed by the ministers," he said.

Besides this, Anwar said there would be further deliberations on a proposed private debt instrument, approved at the last meeting here in December.

Under the plan, private sector resources would be mobilised from the bond market to help countries avoid attacks on currencies with the assistance of international financial institutions.

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