

18/06/1998

New Zealand keen to help stimulate Asian economies

K.P. Waran

NEW Zealand which suffered an economic downturn in the late 1980s wants to share its experience with Malaysia and other Asian countries in mapping out strategies and institutional reforms which can help overcome the financial problems affecting the region.

Its Deputy Prime Minister Winston Peters said his country was keen to work collectively with Asian governments to stimulate the economy of individual countries.

"In some ways, parts of Asia is going through a phase which we had gone through and our experience can assist in setting out clear strategies and institutional reforms which can benefit us, our neighbours and trading partners," he said in an interview.

Peters is in Malaysia for a three-day visit with a 10-member delegation. He is accompanied by former New Zealand Prime Minister Mike More, Governor of the Reserve Bank of New Zealand Dr Don Brash, chairman of the New Zealand Dairy Board Sir Dryden Spring and Maori community leader Sir Tipene O'Regan.

He said New Zealand was concerned with the financial problems in the region and since it affects the Malaysian people "it is not in the nature of New Zealand to walk away from our friends".

"Since New Zealand is along the edge of Asia, it affects us as well and we have to downscale our growth targets and make fiscal decisions which we did not have on our original forecast.

"We have shielded our people from the worst effects by having transparent and open institutions, having a strategy of repaying debt, promoting exports and growth and ensuring there are surpluses.

"We instituted reforms back in the late 1980s when similar aspects of our banking institutions were not performing in an accountable, transparent and responsible way and have found them to be successful," he said.

On his delegation's visit to Malaysia, he said it was to underscore the relationship with the Malaysian government and the people especially in view of the long and enduring friendship between the two nations.

"We are going to put more efforts into our relationship. We came here to expand our business partnership and the Malaysian Government has been gracious in its efforts to accommodate this," he said.

Asked to comment on the proposal by Prime Minister Datuk Seri Dr Mahathir Mohamad that Governments must regulate or impose restrictions on the practices of currency traders to end the current economic woes and currency stability, Peters said:

"There is no system that is perfect. Any system should be constantly re-evaluated to ensure that it is viable. If a system is not performing as it should, then it should be subjected to re-examination.

"At the end of the day it would be the responsibility of Governments since they are the only ones with the powers to act," he said.

On trade relations between the two countries, he said there is significant interaction between Malaysian and New Zealand business communities.

"Obviously the downturn has affected further development but we realise there are still opportunities, especially in new joint-ventures between Malaysian and New Zealand firms and also those involving third parties," he said.

New Zealand exports about RM1 billion worth of goods to Malaysia while

its imports from Malaysia amounted to RM800 million. Malaysia is New Zealand's 10th largest trading partner.

(END)