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Communique-Currency

M'SIA AND S'PORE AGREE TO RESTORE CURRENCY STABILITY

KUALA LUMPUR, Feb 17 (Bernama) -- Malaysia and Singapore have agreed to cooperate with one another and their Asean partners to restore stability to regional currencies.

Officials of both countries would study the proposal of using regional currencies and other options to finance intra-Asean trade, said a joint communique released by the Foreign Ministry on the final day of Singapore Prime Minister Goh Chok Tong's two-day working visit to Malaysia.

The proposal to fallback on their own currencies in light of the stronger US dollar and economic downturn was floated at the second Asean informal summit held here last year.

"Both governments will intensify efforts to cooperate in the areas of banking and finance," said the communique.

It said the two prime ministers also recognised that the regional financial crisis had further underscored the need for both countries to cooperate closely in all possible areas.

Prime Minister Datuk Seri Dr Mahathir Mohamad and Goh met yesterday for discussions which centred on the current regional currency crisis and other bilateral issues.

Asean countries have discussed intensively to step up intra-Asean trade using their own currencies following their depreciation against the US dollar.

Dr Mahathir said after a recent meeting with his Thai counterpart Chuan Leekpai in Bangkok that Malaysia, Thailand and Indonesia had agreed to study the idea of setting up a clearing house for intra-Asean trade using their own currencies.

In the communique, Singapore expressed full confidence in Malaysia's economic prospects and said it would encourage its private sector to invest in Malaysia and vice versa.

"In this respect, the two prime ministers highlighted the value of cross-holdings in infrastructure and other economic sectors to make both countries stakeholders in each other's prosperity and long-term economic future," it said.

Both governments also welcomed the establishment of the Malaysia-Singapore Business Council by the private sector to enhance trade and investment between the two countries. -- BERNAMA

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