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APEC-NEWS-CURRENCY

PHILIPPINES APPRECIATES NEED TO REGULATE CURRENCY TRADING

KUALA LUMPUR, Nov 16 (Bernama) -- The Philippine government now has a better understanding of the need to regulate currency trading, Foreign Secretary Domingo L. Siazon said today.

"We now have a better understanding for the world to have some kind of regulation and supervision over currency transactions, particularly hedge funds," he said.

He said the daily transaction of currencies of US\$1.2 trillion was too large compared to the "our individual economies".

The regional currency crisis was discussed at the bilateral meeting between Philippine President Joseph Estrada and Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad, he said.

"The Prime Minister explained his (government's) currency policy and he believes that it will work for Malaysia," Siazon told reporters after the meeting which was held on the eve of the Apec leaders summit.

He said they also discussed economic cooperation between the two countries, especially the private sector.

Siazon said Malaysia-Philippine economic cooperation should continue, especially during these difficult economic times, because there are more than 50 Malaysian companies in the Philippines.

He also said currency controls had been proven to be a failure in the Philippines because it is an archipelagic country.

"And we have very porous borders making it very easy to smuggle," he said.

Malaysia recently introduced selective currency controls, including fixing the ringgit at 3.80 to the US dollar, to insulate itself from excessive currency speculation.

-- BERNAMA

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