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Asean-Declaration

SUMMIT BACK M'SIA'S CALL FOR USE OF ASEAN CURRENCIES

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HANOI, Dec 16 (Bernama) -- Asean leaders ending their sixth summit meeting here have backed Malaysia's proposal for the use of Asean currencies for intra-Asean trade settlements.

They have agreed to encourage wider use of the Asean currencies in an effort to overcome the region's financial crisis and accelerate economic recovery, according to the Hanoi Declaration signed by all the nine Asean leaders at the end of the summit.

It said they also proposed that the international community adopt new and innovative approaches to catalyse the return of private capital flows to the region.

The international community has a responsibility to continue to support the region's economic reform efforts through bilateral and multilateral assistance, the eight-page declaration said.

While welcoming Japan's aid initiative of US\$30 billion to the region under the "Miyazawa Plan" and the Asian Growth and Recovery Initiative to revitalise private sector growth in Asia, Asean looked forward to their quick implementation, it said.

Stressing that Asean was committed to accelerating economic and financial reforms to strengthen their respective economies, the leaders believed that reform efforts at the global level were crucial to address weaknesses in the international financial architecture.

The declaration said the leaders strongly urged for further work be done within the Group of 22 (G-22) or an expanded version of it to address weaknesses in the international financial architecture.

On Asean's part, the grouping would continue to play an active role in the international community to expedite the development and implementation of these reforms, it said.

The leaders, recognising that the economic and financial upheavals had severely set back many of the gains achieved by Asean countries, pledged to work together "in ever closer cooperation and ever stronger solidarity" to overcome their country's present economic and social difficulties.

"We shall move Asean onto a higher plane of regional cooperation in order to strengthen Asean's effectiveness in dealing with the challenges of growing interdependence within Asean and of its integration into the global economy.

"In doing so, we commit ourselves to intensifying our dialogue on current and emerging issues, further consolidating our unity in diversity, our cohesiveness and harmony," the declaration said.

The leaders also reaffirmed their commitment to the greater integration of their economies as a primary expression of their cooperation and solidarity.

"To this end, we shall spare no efforts to quickly restore financial and macroeconomics stability, bring about early recovery and maintain sustained growth," they said in the declaration.

In this regard, Asean had put in place an Asean Surveillance Process, based on peer review to highlight emerging risks, recommend appropriate responses and encourage early action to avoid such risks, it said.

The leaders also pledged to keep the Asean markets open as they recognised that the key to strengthening and stabilising the region's currencies was to attract long-term investment.

"Asean reaffirms its commitment to trade and investment liberalisation

and facilitation at the multilateral and regional levels and will continue to undertake concrete measures towards these objectives," the document said.

The Asean leaders also agreed to fortify confidence in their countries by continuing to maintain friendly relations among them and fostering the security of the region.

Toward this end, they agreed to expedite the ratification of the Second Protocol to the Treaty of Amity and Cooperation in Southeast Asia so as to enable non-regional states accede to the treaty at the earliest possible time.

To strengthen cooperation and solidarity among Asean member states, the leaders pledged to resolve outstanding problems and prevent disputes in the Asean way and in accordance with international laws and practices.

They agreed to promote efforts to settle disputes in the South China Sea by peaceful means and called on all parties concerned to exercise restraint and refrain from taking actions inimical to the peace, security and stability of Southeast Asia and the Asia-Pacific region.

The signatories to the declaration were Prime Minister Datuk Seri Dr Mahathir Mohamad, Brunei's Sultan Hassanal Bolkiah, Indonesian President B.J.Habibie, Laos Prime Minister Sisavath Keobounphanh, Myanmar leader Gen Than Shwe, Philippine President Joseph Estrada, Singapore Prime Minister Goh Chok Tong, Thai Prime Minister Chuan Leekpai and Vietnamese Prime Minister Phan Van Khai.

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