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PM: Europe serious about wanting to help East Asian economies

Ramlan Said

PETALING JAYA, Sun. - Datuk Seri Dr Mahathir Mohamad said Europe was really serious in wanting to help revive the economies of East Asian countries affected by economic problems and enhance mutual co-operation.

The Prime Minister said European countries now fully understood the situation in the region, including the serious effects suffered by developing countries due to a lack of transparency in financial and capital market dealings.

"One of the decisions taken at the (Asia-Europe) meeting was to send a European Union mission to East Asian countries aimed at helping them to revive their economies, like through more investments," he told reporters at the Sultan Abdul Aziz Shah International Airport upon arriving home from London where he attended the Asem.

Asked on when the mission would arrive, he said it would be as soon as possible.

"The most important decision out of Asem is that for the first time they now admitted that currency speculation had caused the problems faced by countries in this region. They also realised how serious it was."

Asked on the assumption that almost all European leaders thought that there was a need to discipline national and international financial practices, Dr Mahathir said: "They agreed that efforts be made to establish an international financial system able to reduce the volatility of the financial market, including volatility caused by currency speculation."

He said the task had been entrusted to the respective regions' Foreign and Economic Ministers, adding that Malaysia also hoped to contribute to this effort.

Asked whether Europe was really serious this time, Dr Mahathir said it looked like it.

"The seriousness can be seen from their speeches. I took the opportunity to explain to them the pressure caused by currency speculation in which thousands of people lost their jobs.

"In Europe, the Governments provide unemployment benefits for the jobless, which differs from here. When people have no income to buy food, medicine and others, they are forced to migrate to other countries."

Dr Mahathir was also asked whether the change in stand among European countries on the dangers of currency speculation was because they were also affected by the problems faced by East Asian countries.

"Perhaps, there is some effect. They realised that innocent people are now suffering because of the financial instability in Asia.

"Although the Governments are regarded as corrupt, indisciplined and practising crony-capitalism, the ones actually suffering are the people."

Dr Mahathir expressed surprise that not too long ago, these same Governments were praised for developing their economies.

"Before, the same people and Governments lived prosperously but because of efforts to discipline these Governments, their people have become victims."

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