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Beijing supports setting up of EMF (HL)

Eirmalasang Bani

CHINA has expressed support for the establishment of an East-Asian Monetary Fund (EMF) to deal with future financial crises as proposed by Prime Minister Datuk Seri Dr Mahathir Mohamad last month.

The EMF and the East Asia Economic Caucus are "part of cumulative efforts to enhance economic growth in the region", Chinese Premier Zhu Rongji said.

"We are very supportive of the idea of an Asian Monetary Fund and the EMF as suggested by Prime Minister Datuk Seri Dr Mahathir Mohamad...the details will be worked out among the parties concerned," he said through an interpreter at a joint press conference in Putrajaya yesterday.

Dr Mahathir had proposed at the World Economic Forum in Singapore on October 18 that a funding arrangement be set up by East Asian countries to bolster economic recovery and ensure sustained development in the region.

Such a fund, according to Dr Mahathir, would be "deeply and constantly engaged in East Asian monetary cooperation and problems on a daily basis as opposed to a once-a-decade-when-crisis-strikes basis".

Zhu is on a five-day official visit to Malaysia as part of his tour of four Association of South-East Asian Nations countries which will also see him visiting Singapore, the Philippines and Vietnam.

Earlier, Dr Mahathir and Zhu witnessed the signing of bilateral agreements, including a memorandum of understanding on the establishment of banking institutions in each country's territories.

The Malaysian Government was represented by Bank Negara deputy governor Datuk Zeti Akhtar Aziz and Beijing by the People's Bank of China vice-governor Yan Haiwang.

The two governments have also agreed to promote cultural cooperation and enhance ties in the fields of science, education, trade and technology. Zhu said more agreements are in the pipeline.

"In the future, I am sure we can continue this good momentum of development in both regional and international forums."

He also congratulated Malaysians, whom he said, have remained united in their concerted effort to overcome challenges.

At a separate press conference after the signing ceremony, Foreign Minister Datuk Seri Syed Hamid Albar said China has agreed to expedite negotiations on its investments in Sabah.

It has shown interest in several projects in the country, including infrastructure jobs and a power plant.

"We have also agreed to encourage more direct trade between the two countries and Malaysia is looking into opportunities to participate in monorail projects and export liquefied natural gas to China," Syed Hamid said.

Meanwhile, it will be made easier for Chinese tourists to come to Malaysia and vice versa, without visa requirements, he added.

In addition, Malaysia has requested for more landing rights in China for national carrier, Malaysia Airlines. Among the destinations are Shanghai by the end of this year and Guoming by early 2000.

Zhu and his wife, Lao An, spent about an hour touring Technology Park Malaysia and the Mimos Bhd complex. The couple, accompanied by Defence Minister Datuk Abang Abu Bakar, the minister-in-attendance, was given a briefing on the development of the technology park and the Multimedia Super Corridor.

Zhu leaves for a two-day visit to Langkawi today and will remain in Malaysia until Friday.

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