

24/11/1999

China backs setting up EMF

Ramlan Said

CHINA yesterday expressed support for the setting up of an East Asia Monetary Fund, first proposed by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Visiting Chinese Prime Minister Zhu Rongji said the country had been "very supportive" of the idea that a regional fund be established.

"But the final outcome will depend on the detailed consultations and exchange of views among the parties concerned," he said at a joint Press conference with Dr Mahathir after both leaders met for a meeting at the Prime Minister's Department in Putrajaya.

Zhu arrived on Monday for a five-day official visit. He is heading a 107-member delegation, comprising Foreign Minister Tang Xia Juan, Agriculture Minister Chen Yao Bang and Minister of Special Assistance Lin Hua Qiu.

This is his first stop on a 12-day regional tour also taking in the Philippines, Singapore and Vietnam - all members of Asean.

Zhu will attend the Asean summit which opens in Manila on Nov 28.

Dr Mahathir first made the proposal on the EMF at the World Economic Forum's East Asian conference in Singapore last month.

At a State banquet hosted in honour of the Chinese Prime Minister last night, Dr Mahathir had sought Zhu's support for the EMF, urging China to seriously consider the proposal.

Briefing reporters later, Foreign Minister Datuk Seri Syed Hamid Albar said China supported the EMF as it felt the proposal had "the vision and clarity" and would bring good to the region.

On contributions and from where the funds would come from, Syed Hamid said the important thing now was to set up the fund, adding that EMF was not designed to compete with the International Monetary Fund.

On economic trade and co-operation, he said Malaysia and China had agreed to increase investment, with the latter expressing keen interest to participate in several projects in the railway sector and power generating plants.

"The Chinese Government has also promised to encourage its high-tech industries to participate in the Multimedia Super Corridor," he said.

Describing the meeting as warm and cordial, he said both leaders showed lots of understanding and goodwill.

Syed Hamid said Dr Mahathir and Zhu noted the rapid trade growth between Malaysia and China but as this was mostly done through third countries, the leaders wanted to see more direct trade.

He said Malaysia was looking at investment opportunities in China like in the monorail system.

Malaysia would also like to make it easier for visitors from China to come to Malaysia, for instance by granting visas for longer periods.

On its part, Syed Hamid said Malaysia hoped China would be able to be more flexible regarding exit visas for its citizens as Malaysians could visit China without the need for such permits.

"China has agreed to all our requests to encourage the free movement of our two peoples," he said.

Malaysia had requested for more landing rights, especially in Shanghai and Kunming, where consulate offices would be opened.

On the memorandum of understanding on the establishment of banking institutions in both countries, which would pave the way for the opening

of banks' branches in both countries, Syed Hamid said the idea was to promote greater financial co-operation.

"Bank Negara and the People's Bank of China will be discussing the details, which I believe will be announced later by the relevant authorities."

On whether a branch of the People's Bank of China would be opened here, Syed Hamid said: "I think that will be one of the things that will definitely happen."

(END)