

28 NOV 1999

Asean-Malaysia

ESTRADA BACKS MAHATHIR'S ASIAN MONETARY FUND PROPOSAL

MANILA, Nov 28 (Bernama) - The Philippines today backed Malaysia's proposal to set up the Asian Monetary Fund (AMF) as part of Asean's efforts to sustain economic stability and growth into the new millennium.

In his keynote address at the 3rd Asean informal summit today, President Joseph Estrada said Prime Minister Datuk Seri Dr Mahathir Mohamad had proposed the AMF at a time Asean was looking for ways to link up with other Asian economies.

"There is Prime Minister Mahathir's idea on an Asian Monetary Fund," Estrada said, describing it as "an important step" in creating a new regional group, the East Asian economic cooperation.

As discussed by senior Asean officials, the new grouping would seek to integrate Asean economies into those of Japan, China and South Korea within a framework of cooperation and consultations.

Japan, China and South Korea are represented by their heads of state or government in their informal dialogue today with the leaders of Asean which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Laos, Myanmar, Vietnam and Cambodia.

Estrada said the AMF should form part of East Asia's vision to create a common market and a single currency "so that we can have a happy family union of the north and southeast" Asian countries.

In calling for Asean's economic integration into East Asia such as Japan, China and South Korea, Estrada noted the rising trade level between the two sides.

In trade, Asean's exports to East Asia jumped by an unprecedented 37 percent in 1997 despite the foreign exchange crisis at that time that battered most regional economies, Estrada said.

He said East Asia accounted for nearly one fourth of Asean's total exports and exceeded those to the United States or the European Union that year.

"Let us face it. Our future is intertwined with that of greater East Asia," Estrada said, adding that "fulfillment of a promise in the future requires a greater openness with our neighbours."

Estrada cited Japan, China and South Korea for their efforts in helping the Asean economies cope with last year's currency crunch that sent interest and exchange rates soaring, leading to the collapse of many enterprises.

He praised Japan for extending over US\$80 billion in emergency funds to crisis-hit Asean economies and China for not devaluing its renminbi currency that could have worsened the crisis.

"South Korea, gravely affected as it was by the crisis, kept its assistance to uplift Asean's human resources flowing," Estrada said.

-- BERNAMA

ALJ YBY