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Asean-Study

PROPOSAL TO STUDY IFA EMERGES IN ASEAN PLUS THREE MEETING

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SINGAPORE, Nov 25 (Bernama) -- A proposal to form a body to study the international financial architecture (IAF) was mooted during the meeting of leaders of Asean and its summit partners, China, Japan and South Korea (Asean Plus Three), said Prime Minister Datuk Seri Dr Mahathir Mohamad.

The idea was suggested by South Korean President Kim Dae Jung, Dr Mahathir said at a news conference after he has held a bilateral meeting with Japanese Prime Minister Yoshiro Mori on the sidelines of the Fourth Asean Informal Summit here.

"We hope Japan will participate. Japan pointed out that the G7 (group of seven developed nations) has done the study and made some recommendations," said Dr Mahathir.

But Asean and its two other summit partners felt that the study was inadequate and did not serve the purpose, particularly on finding out the cause of the recent Asian financial crisis, he said.

Asked on a proposal to link the Asean Plus Three currency swap arrangement with the International Monetary Fund (IMF), Dr Mahathir said: "The idea to link and get the IMF oversee the swap arrangement is something the majority of Asean countries are not keen upon".

He said that the majority of the 10-member Southeast Asian grouping were not keen on having IMF's participation in the swap arrangement because the latter was not a contributor to the arrangement.

Under the swap arrangement, the 13 countries help each other to provide temporary financing for members facing balance of payment problems. Asean members are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Vietnam, Singapore and Thailand.

On another note, Dr Mahathir said the national carrier, Malaysia Airlines (MAS), was studying a possibility for strategic alliance via sales of shares and "some form of cooperation with other companies".

"There are lots of people who have become suitors. At the moment, I think MAS is not yet satisfied with the suitors. Maybe we will look at other things as well," he added.

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