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ASEAN-SWAP

ASEAN FINANCE MINISTERS TO DISCUSS CURRENCY SWAP NEXT MONTH

KUALA LUMPUR, March 12 (Bernama) -- Asean finance ministers will review the terms of the proposed currency swap arrangement for Asian countries at a meeting here next month, said finance minister Tun Daim Zainuddin today.

The ministers would meet here for their fifth Asean Finance Ministers meeting on April 7-8, 2001.

Speaking to reporters after delivering a keynote address at the International Organisation of Securities Commissions conference here he said the Malaysian government was talking to those involved in the arrangement.

He, however, stressed on Malaysia's stand in opposing a proposal to link the Asean Plus Three currency swap arrangement with the International Monetary Fund (IMF).

In citing Malaysia's opposition, Daim referred to the IMF's role in Indonesia where it took a long time to disburse much-needed funds.

"We are not under the IMF, why should they impose IMF conditions on us?" he asked.

Asean Plus Three comprises the 10 members of the Southeast Asian group and its summit partners namely China, Japan and South Korea.

Under the currency swap arrangement, the 13 countries help each other to provide temporary financing for members facing balance of payments problems.

Asean members are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Vietnam, Singapore and Thailand.

At the Fourth Asean Informal Summit in Singapore in November last year, Prime Minister Datuk Seri Dr Mahathir Mohamad had said that the majority of Asean countries were not keen on having the IMF to participate in and oversee the swap arrangement.

This he said was because IMF was not a contributor to the arrangement.

Meanwhile, Daim in his speech today said in order to stay ahead of developments, policy makers and market regulators cannot afford to plan and strategise in isolation.

"They need to take cognisance of the lessons learnt during the Asian financial crisis that underscored the need for closer regional surveillance and co-operation to ensure the region's resilience to future financial crises," he said.

As such, he said policy makers needed to be forward-looking and global in their outlook and effectively utilise regional co-operation and mutual reliance to their benefit.

"There is, I believe, still much room for greater regional collaboration and the sharing of knowledge and experiences in meeting the challenges that lie ahead," he added. -- BERNAMA

MAD SEL