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IMF role in currency swaps: Malaysia leaves it to `majority opinion'

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PRIME Minister Datuk Seri Dr Mahathir Mohamad has reiterated that Malaysia is against International Monetary Fund supervision in the central bank currency swaps among Asean+3 countries, but leaves the final decision to "majority opinion".

He said it was not good for Asian countries to be supervised by IMF as its ways and approach would not bring about any benefits.

"That is our stand. Whether people accept it or not, it is up to them," he told reporters after opening the first National Education Convention at Genting Highlands yesterday.

Malaysia has not been happy with proposals to tie the activation of the swaps among Asean countries plus Japan, China and South Korea to IMF-monitored reforms.

The Prime Minister said, however, that if the majority opinion was to involve the IMF, then Malaysia would have no choice. "We do not yield very easily but if we are forced to, then what to do?"

Japanese Finance Ministry officials said recently that the weight of opinion might be gradually tilting within Asean against Malaysia's hard line on the IMF, which it blames for prescribing poor policy advice to Asia at the time of the 1997-98 economic crisis.