

China will not devalue currency, says official

Nst - 8 MAR 2002

CHINA is standing firm on its decision to not devalue its currency "to maintain stability in the region," says a Chinese Government official.

"We will never devalue our currency ... we are not here to damage our neighbours' interest," said China's chief representative for trade negotiations of the Ministry of Foreign Trade & Economic Cooperation, Long Yongtu in Kuala Lumpur yesterday.

He was one of the speakers at the two-day Asia Economic Summit, presenting a paper on "Asia's economic and investment outlook."

The Summit, organised by the Asian Strategy & Leadership Institute, was opened by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Long dismissed ideas that as China embraces the open market concept, countries in the East Asian region would lose their competitive edge.

"People think that China is simply the manufacturer, the major exporter. They forget that we are also a major importer especially in the region and the pace is increasingly significant," he said.

Long noted that last year, China's imports were valued at US\$250

billion (RM950 billion).

He said the East Asian countries, Malaysia included, are increasingly becoming more important to China, not just for their raw materials but also manufactured goods.

"China's market liberalisation does not mean that the attractiveness of countries in the region will be swept away," said Long.

Meanwhile, China's vice president Hu Jintao in his speech said the republic's progress over the last 10 years very much depended on the world's and region's economies.

"We are gratified that we have entered the WTO. With our economy opening up, we will continue to depend on these economies for our success," he said.

Another speaker, Salomon Smith Barney International vice chairman Jeffrey Shafer, said Asian economies are less vulnerable to shocks now compared to the years leading to the 1997/98 financial crisis. However, he said, there are still a number of challenges that these countries need to counter.

This include, among others, continuing with their financial restructuring, grabbing the opportunities China has to offer and creating larger economic spaces within the Asian region.