

10 JAN 2002

MAHATHIR-EURO

MAHATHIR: EAST ASIA DEMANDS SAME RIGHT AS EU TO MAKE OWN DECISION

By: Siti Hawa Othman

KUALA LUMPUR, Jan 10 (Bernama) -- Just as the countries of Europe have the right to work together, the countries of East Asia should also enjoy the right to make decisions of their own as a group, the Prime Minister Datuk Seri Dr Mahathir Mohamad pointed out today.

"Obviously, we haven't come to the stage when we are free to make decisions that are good for ourselves," he said during the presentation to him of the new euro notes and coins by the heads of missions of European Union (EU) members in Malaysia at his office here.

"In East Asia, we wanted a simple forum in which we can talk to each other but we were told we could not talk to each other unless other people were present also," he added.

The attempts to prevent East Asians from talking to each other, he added, were still being made and new organisations were being proposed so as to supercede any organisation that concerns East Asians only.

In accepting the presentation of the euro by the Ambassador of Spain Alvaro Iranzo (the current president of the EU council in Malaysia), Dr Mahathir said the euro is expected to figure prominently in international trade and that Malaysia could do more business with the EU.

He said Malaysia wants to see how the euro fares as there have been suggestions that East Asia as a grouping should have its own "single currency".

However, he added that these will only be realised in a long term as the euro itself took 50 years to materialise while Europe as a unified entity was also more homogenous in its characteristics.

Iranzo described the idea of having a single currency system in East Asia as ambitious and noble but cautioned that there were more urgent priorities like the need to first achieve economic harmony and integration in the region.

According to Iranzo, the euro was well accepted following its adoption by the 12 member nations of the EU at the start of this year when 10 billion Euro banknotes and 50 billion Euro coins went into circulation.

He said the euro is going to be an alternative to the US dollar (as a common currency) and by 2010, about 30 to 40 percent of international investment and financing will be done in euro units.

Iranzo said the euro will be the sole legal tender throughout the euro area or "zone" by March while the United Kingdom, Denmark and Sweden (which opted to retain their national currencies) might join the system at a later date.

The benefits of trading in this single currency, he said, include the fact that Malaysian firms dealing with European countries will henceforth have to deal with one currency system instead of 12 different ones.

"The euro will facilitate the making of price comparisons for similar products offered by companies in different countries while access to the EU will be easier for many Malaysian small and medium-sized enterprises that might otherwise lack the ability to enter many markets individually," Iranzo continued.

"Overall economic efficiency will also be increased due to cost reduction, the suppression of exchange rates and commissions, and increased competition.

"Malaysian tourists to Europe will also benefit as they will need to change their money only once." -- BERNAMA

SHO SEL