

DATE: 5 / 10 / 2010

THE Asia-Europe Meeting, which has been in existence since 1996, needs to chart a new and exciting vision to realise its founding objectives, Datuk Seri Najib Razak said at the beginning of the biennial two-day Eighth Asia-Europe Meeting (Asem 8) yesterday.

The prime minister said as a group, members needed to accept that the balance of the world's economy had shifted to advancing emerging markets.

"Concurrent with this trend, we need to accelerate the reform of multilateral institutions to reflect the new reality.

"Advancing emerging markets, which have benefited significantly from a more open economic system, should shoulder more responsibility in addressing some of the problems facing the world today," he said in a brief address at the first session of the meeting, where participants deliberated on "Financial and Economic Governance".

The meeting is being held at the Royal Palace in Brussels.

Najib, who is attending Asem for the first time as prime minister, acknowledged the European Union's "courageous and unprecedented steps" to protect the euro zone from the adverse implication of the severe economic downturn and risks arising from the sovereign debt problems during the recent financial crisis.

He noted that the EU had significantly improved supervision and regulations of the banking and financial services industry, and had implemented an unorthodox measure by intervening in the financial market to ensure liquidity.

As for Malaysia, Najib said the country had taken timely, bold and forward-looking policies and initiatives, citing the two fiscal stimulus packages totalling US\$18.1 billion (RM55.8 billion), or nine per cent of gross domestic product, to jumpstart the economy.

Contrary to the global trend, Malaysia had adopted market embracing initiatives, rather than taking an insular or protectionist approach in its economic management.



Prime Minister Datuk Seri Najib Razak (third row, second from right) with fellow participants of the Eighth Asia-Europe Meeting at the Royal Palace in Brussels yesterday. — Bernama picture

"These policies that we have formulated are most appropriate for our country and they are not held hostage to any ideology or dogma. Therefore, we are able to address long-term structural issues that act as impediments to growth and competitiveness."

He also spoke on the New Economic Model that was testimony to the country's new way of thinking and philosophy in its drive to become a developed and high-income nation by 2020.

Najib said the unprecedented

agreement to create a multilateral arrangement in the form of the Chiang Mai Initiative, which started as a series of bilateral swap arrangements, had made available to participants a contingent line of credit in situations of dire liquidity.

"Asem might want to consider how this experience could be used to overcome future liquidity constraints faced by Asem members."

Najib said continuous macro-economic surveillance, balanced domestic macro-economic policies as well as regular regional and intra-region-

al consultation would help detect destabilising events and coordinate policy responses to resolve them.

"Improved consultation between the governments of Europe and Asia is one way to ensure we are better prepared for the future."

Najib held a meeting yesterday with some of Belgium's captains of industry.

He also held a bilateral meeting with European Council president Herman Van Rompuy.

Najib attended a roundtable with senior representatives of interna-

tional media organisations and will hold a bilateral meeting with Indian Vice-President Prof M.H. Ansari.

Asem has grown in membership since it started in 1996. Today, it provides a forum for informal dialogue between the 46 countries of the EU and Asia plus the European Commission and the Asean Secretariat.

The talks between these 48 partners are the only forum outside the United Nations where European delegates meet a group of Asian delegates to shape their common positions.