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PRIME MINISTER

28 October 1997

TRANSCRIPT OF A DOORSTOP INTERVIEW WITH AUSTRALIAN PRIME MINISTER JOHN HOWARD FOLLOWING HIS MEETING WITH MALAYSIAN DEPUTY PRIME MINISTER DATO' SERI ANWAR IBRAHIM AT KUALA LUMPUR INTERNATIONAL AIRPORT ON 28 OCTOBER 1997.

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PRIME MINISTER:

Can I just say that it's been a real delight to talk to the Acting Prime Minister. It was very generous of him and his wife to come out to the airport and we've had a good opportunity to talk about a few bilateral issues between Australia and Malaysia. It's a very strong relationship. We have naturally talked about the movement in foreign exchange and currency markets and the stock exchanges of the world, not only here in the region, but also in the United States and in Europe. All governments have a responsibility to follow what's happening very closely, not to over react, to recognise the importance of having the fundamentals of their domestic economies in very strong shape, and also to recognise that the way in which stock markets all around the world in different fashions are reacting is a sign of the increased linkages and the increased globalisation of economies around the world. But I want to say here in Malaysia on this very brief visit how much I value the association between our two countries and to have been able to have reinforced that to the Acting Prime Minister is very good. I had very useful talks with Dr Mahathir in Edinburgh. I'll see him again when I go to Vancouver for the APEC meeting. We both share a very strong commitment to APEC and this stopover has been a marvellous opportunity to get to know the Deputy Prime Minister a little better and before I go on to the Indonesian capital, Jakarta, where I will talk to the Indonesian President, Dr Suharto, tomorrow and also the Foreign Minister, Mr Alatas, and then back to Australia.

JOURNALIST:

Prime Minister, do you think a floor can be put under the slide, and if so how?

PRIME MINISTER:

Jim, I am not going to give a running commentary on the movements from day to day. The last thing that Prime Ministers, Acting Prime Ministers, Treasurers, Central Bank Governors, anybody having any responsibility, is to give a running commentary. One's responsibility is to observe, to monitor, to understand and, above all, to have strong fundamentals and the story that will be written out of the events of the past few weeks when it is appropriate for a story to be written is that those economies that had their fundamentals sound, those that cut inflation, and cut budget deficits and tackle the hard problems will emerge in stronger shape than others.

JOURNALIST:

Mr Howard, will this slump in Asian stock markets strengthen Australia's economic growth and your own forecast of GDP growth by ... [inaudible].

PRIME MINISTER:

Well, I am not prepared at this stage to dignify what has happened with the sort of words you have used. Words are bullets in these situations and I am not going to do that. Obviously our trade varies with the countries of the region. We sell more to Japan and to Korea than we do to the ASEAN countries although our sales to the ASEAN countries are increasing. We have careful whilst being very deeply involved in the Asia Pacific region and whilst having a deliberate policy of putting Asia first, we are very careful to keep those economic linkages with the rest of the world, so that we have a diversified trade portfolio, as indeed does Malaysia, and any sensible trading nation in the globalised world economy will never put all of its economic eggs in the one basket. It will have preferences.

[Ends]