

'FOREX DEALINGS NOT DESTABILISING' PM: Our right to protect \$

By HARDEV KAUR and REJAL ARBEE

MALAYSIA has every right to protect its own currency from manipulation. As such, the concern expressed by the US recently about Malaysia's foreign exchange dealings is unjustified, according to Prime Minister Datuk Seri Dr Mahathir Mohamad.

He said it is quite difficult to understand the rationale for a country such as the US with a deficit of US\$250 billion to comment on a country such as Malaysia which is "a very small player" in the foreign exchange market.

In a wide ranging interview over the weekend, the Prime Minister said Malaysia's foreign exchange dealings will not destabilise the world. But the world can destabilise Malaysia any moment. A single bank can dump M\$100 million which is sufficient to push down the ringgit and at the same time raise Malaysia's foreign debts.

"When the banks did this no one complained except us, and we are a voice in

the wilderness. I think there is a lack of appreciation of proportion here ... We will be quite willing to stop it if they stop fiddling around with our currency," he said.

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Asked if he thought Malaysia was the only country doing it, he replied: "I think any country should be doing it in order to protect its own currency." While some countries may not have the capacity, the Prime Minister added those that can afford to do so "should not be deprived of the right to protect themselves".

On the achievements of the New Economic Policy (NEP), he said in 20 years, taking the rate of growth of many countries, the NEP has done extremely well, "if you take into consideration that the rate of growth of 10 per cent for a country is very high."

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"In the case of the NEP, the rate of growth of the Bumiputeras from 1 per cent to 19 per cent or 20 per cent in 20 years represents a rate of 2,000 per cent over a period of 20 years or roughly 100 per cent a year and that is cumulative, geometrical. In that sense it is a success," he added.

In addition, Datuk Seri Dr Mahathir said, there are other aspects of the NEP, which because they are not too controversial, are not talked about. For example, poverty which has been reduced.

In upgrading the skills of the Bumiputeras through education the NEP has "done extremely well". However, the Prime Minister said he is disappointed with the attitudes of the Bumiputeras who see the policy as a "means of getting rich quick".

As for the country's potential in the 1990s the Prime Minister said: "We can achieve tremendous growth and a better

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life in this country provided we are prepared to work for it. To expect merely government policies and laws to achieve growth is wishful thinking. Everybody must work very hard."

He stressed that it is not sufficient for the Government to want to do something. It is essential that the people place themselves in a position to achieve the set targets.

Even though the Malaysian economy has recovered it should not be taken for granted. He

pointed out that even though the world economy has recovered not all countries have done so, such as economies in Latin America and Africa. "Only the countries in South-East Asia have. And that is a question on how you cope with the recession and the global recovery."

In taking advantage of the recovery, Malaysia must be efficient, otherwise it will be in trouble. Efficiency, he said, can be improved all the time, because

"you cannot reach an absolute degree of efficiency no matter how good you are at doing something. There is always a better way to do it."

The economy of a country depends on many factors ... some external, some internal, some deliberate, some accidental. "We cannot say there is one single cause for the turnaround. A whole series of factors has to come in, including the external factor."