

Malaysia is one of the best places to invest in

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Q THE stock market has been up and down, reacting differently to different statements. What is your comment?

A Well, we can't understand the behaviour of the stock market. It seems to be affected more by rumours, by statements, by people and all that rather than the performance of the companies concerned.

If you look at the Malaysian companies, you will find that they are all doing very well. In fact some of them are doing better than some of the giant companies in the rest of the world. For example, Malayan Banking made almost half a billion ringgit in the first six months of last year. That is almost equal to the total profit of one of the biggest companies in America with capital much, much more than ours.

Obviously Malaysian companies are doing extremely well but people tend to invest based on rumours and sometimes they base their investments on happenings in other countries.

So if Malaysians invest wisely, I am quite sure that the market will be stable and

people will not lose money. But if they insist on speculating too much, then of course, they must expect sometimes to win, sometimes to lose. That is what speculation is all about.

But if you invest based on performance of companies and all that, you can see the trend and you should not be making losses nor should the market collapse for no apparent reason, just because somebody makes a statement.

MALAYSIA, with one of the highest growth rates in the world and low inflation, is one of the best places to invest in. Prime Minister Datuk Seri Dr Mahathir Mohamad says some Malaysian companies are doing better than their giant counterparts in the rest of the world. Following are excerpts from Dr Mahathir's press conference in Kuala Lumpur yesterday after the opening of the ninth biennial meeting of the Asia-Pacific Association for the Study of the Liver.

Q Rumours that the Government has a hand in this?

A (Laughter) The Government has no hand in the market. We don't influence the market as such. However, when we have people playing around with our ringgit, for example, trying to force it to go down or up so that they can make a quick profit, we have to be very careful.

It is so easy to force the

value of the ringgit to go up, and then subsequently dump it, and it goes down. A lot of people are going to be hurt. When such a thing occurs, then I think the Government has a duty to stabilise the situation. Otherwise we don't interfere. It is not the Government's wish to interfere.

What we want to see is a prosperous country and we work very hard to make this country prosperous and that means, of course, people will

be prosperous. It doesn't pay for us to make people poor or to make people bankrupt because bankrupts, whether they are individuals or companies, is a cost to the nation. We lose that way.

The Government doesn't make anything when people lose money but the Government makes something when they make money. As I keep on saying, we have a share in their profit. We have no share in their losses. So it will be stupid of the Government to make people lose money and then we lose our income.

Q The alleged interference is said to help finance the Sabah election?

A (Laughter) I don't think so. In fact, to finance the Sabah election, the best thing is to make people rich, then perhaps they can help contribute to our funds or something like that. We have never done that kind of thing.

Q Measures to prevent manipulation of the market?

A It is very difficult. We don't want to be interfering because the stock market must function on its own. People must buy and sell based on what their perception is. That is why it is important that people should study the performance of companies, study the performance of the economy as a whole.

Malaysia is growing at 8 per cent a year, which is one of the highest rates of growth in the world. It has very low inflation and therefore it is a safe place to invest in.

Also when there is low inflation, your money does not depreciate in value. So you can save money or you can invest and retain the value of your money and make profits.

I think Malaysia is the best place to invest in now. As you know, people don't invest in many other countries now because they are not doing so well. Why should we follow them? Their country is not doing well, therefore people don't invest. So you should invest in a country that is doing well, and that is Malaysia.