

RM76.4b reserves ensure loss won't hurt nation's economy

# PM: Bank Negara has proven track record

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KOTA KINABALU, Sun. — The loss incurred by Bank Negara in foreign exchange dealings will not have an adverse effect on the nation's economic situation since Bank Negara's reserves remain high at RM76.4 billion, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said it had to be noted that Bank Negara made substantial profits in previous years from the foreign exchange market adding that the current losses only offset some of the previous gains.

Asked if the Government would take action against those responsible for the loss, Dr Mahathir said: "If we were to take action, it must be fair."

"Even in business there are times when losses are incurred so we have to study whether action needs to be taken," he said at a Press conference at the end of his two-day official visit to Sabah.

He said the Cabinet would discuss the losses at its next meeting.

Asked on the appointment of Bank Negara's new governor, Dr Mahathir said no decision had been made yet.

The present governor,

Tan Sri Jaffar Hussein, has opted for early retirement from May 1 after accepting responsibility on April 1 for the Central Bank's RM5.7 billion loss in foreign exchange dealings.

Asked whether the Government proposed to set up a special committee to investigate the loss, he said the Cabinet has not made any decision.

Dr Mahathir also said the Barisan Nasional Government would consider doing away with immigration controls to promote travel between the peninsula and Sabah.

He was responding to a question whether the need for Malaysians from other States to produce their passports when entering Sabah would be abolished altogether.

He said that travel between the peninsula, Sabah and Sarawak should be made easier and encouraged to bring the people much closer.

When the Berjaya Government was administering Sabah, it declared that it was not compulsory for Malaysians from other States to use passports to enter the State.

(Based on this, Malaysians from other States, who do not bring their passports can fill up an immigration form and produce their identity cards to enter Sabah for social and business visits.)

However, in October 1992, then Sabah Chief Minister Datuk Seri Joseph Pairin Kitingan said the State Government planned to re-introduce the ruling that people from other States must produce their passports to enter Sabah from 1994.

Pairin had also declared that the State Government planned to implement a new ruling that Malaysians from the peninsula who visit the Federal Territory of Labuan and then entered Sabah must also produce their passports.

Before the ruling could be implemented, however, the PBS State Government collapsed and a Barisan Nasional Government was installed.

Chief Minister Tan Sri Sakaran Dandai said last month his government would study the issue with a view to abolishing the need to use passports to enter the State.

On his statement yesterday of an extensive audit to ascertain how and to whom the PBS had allocated projects, timber concessions and contracts during its tenure, Dr Mahathir said the Auditor-General's office would carry out the audit and if necessary private accounting firms would be commissioned to do it.

He said the audit would be carried out as soon as possi-

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# Malaysia welcomes investments

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ble and that the Government was serious about taking action if there had been mismanagement or abuse of power by leaders or officials of the previous State Government.

He said the State Government would give priority to projects such as the Sabah University and improving basic amenities in rural areas.

These projects could be implemented simultaneously to ensure quicker benefits for the people.

On the role of Sabah Foundation, he said, it was an important entity in bringing development to the State and to ensure that the

State's wealth was fairly distributed through projects and programmes throughout the State.

He welcomed Bingkor State Assemblyman Datuk Dr Jeffrey Kitingan's decision to join Angkatan Keadilan Rakyat but added that it was too early to say what role Jeffrey could play in the State Government.

On the Federal Government's decision to closely monitor the administration of Sabah, Dr Mahathir said this was not new since the Federal Government had always monitored all the States closely.

He said the three Governments which were in power in the State in the past did not perform their role well

resulting in lack of development with the majority of the people in the State having to suffer hardship.

"We have a responsibility towards all Malaysians no matter where they are. So there is no reason why we should not take steps to ensure that policies and programmes are implemented properly in Sabah.

"We have close co-operation and understanding with the State Government and thus it would not be difficult to keep close tabs on the administration of Sabah," he said.

When asked whether the Barisan Nasional would accept Pairin back into the fold of the national coalition, he replied: "We have to

think about it carefully".

To another question on Hong Kong billionaire Richard Li's decision to invest in Malaysia in view of the "conducive investment environment here", he said Malaysia would welcome the investments.

Asked whether Li's decision to sell his stake in the STAR TV network to Rupert Murdoch may result in Malaysia not welcoming his investments, Dr Mahathir said:

"It is not his (Li's) fault. If people want to buy and offer big money, I will also sell. If stupid people want to buy a television station which is a losing concern for US\$500 million, I will be stupid if I do not want to sell it."