

# Dr M: No necessity to privatise Bank Negara

From  
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in London

PRIME Minister Datuk Seri Dr Mahathir Mohamad said yesterday the Government had no plans to privatise Bank Negara because the institution remained an important instrument in helping to shape the country's economy.

Dr Mahathir said: "This is especially so when it comes to ensuring the credibility of our financial market and our currency. The central bank itself is a powerful agent for regulating certain things that may go wrong.

"The Government believes that we should work very closely with the central bank and we should get the kind of information that the bank can give us," he said in response to a question from the floor at a dialogue on the Malaysian economy and capital market.

The dialogue, which is part of the Kuala Lumpur Stock Exchange roadshow, saw some 150 senior representatives from asset management companies, merchant banks, major corporations with interests in Malaysia and potential investors in Britain, listening to the Prime Minister's views and comments.

The roadshow was held at the Mansion House, the official residence of the Lord Mayor of London.

Dr Mahathir said: "The banking sector in Malaysia has experienced healthy growth and the central bank

does not interfere too much.

"But without the central bank overseeing, there can be a lot of irresponsibility within the commercial banks and when that happens, we need an instrument to look into the operations of the banks.

"So, for the moment, there are no plans to privatise the central bank," he said.

To another question, the Prime Minister agreed that the introduction of scripless trading at the KLSE would have effects on Singapore.

"But Singaporean businessmen are canny. They know how to get around things. When we first decid-

ed to break away from the Singapore Stock Exchange (SSE), they created Clob (Credit Limit Order Booking) to continue trading in Malaysian stocks.

"With scripless trading, this is going to be more difficult. But I think Malaysia has the right to try and build up its own stock exchange," he said.

Clob enables market players to buy or sell stocks in either the KLSE or the SSE, whichever offers a more attractive price.

Dr Mahathir also expressed disappointment that the Western media continued to broadcast only the trade activities of the SSE, although the KLSE was larger in size and trade val-

ue. trading is partly to bring back our trading to our own stock exchange."

In terms of market capitalisation, the KLSE is ranked 14th in the world and third in the Asia-Pacific region. In Asean, it is the largest bourse ahead of Singapore and Bangkok.

Dr Mahathir also said that the Government was committed to ensuring that overheating did not cause the economy to collapse, with the implementation of certain measures.

These include price controls on essential items, regulating unjustifiable price increases and controlling inflation.

On another question on transfer of technology, Dr Mahathir said Malaysia was happy with its trading partners from Europe and the United States as they were willing to share their knowledge and experience with their business counterparts.

"And certainly Britain has been very forthcoming when it comes to technology transfer and we appreciate this very much. But what we are unhappy about is the fact that the amount of investment from Britain is not as big as that from Japan.

"We would like to see more British investment in Malaysia. The British know the Malaysian system of law and administration. And for British investors, investing in Malaysia will be as easy as walking through an open door," he said.

On allowing foreign national institutions to operate as local banks in Malaysia, Dr Mahathir said at this juncture, the Government was not prepared to accept this.

"We cannot allow an American bank to come to Malaysia and operate like a local bank with branches in villages. This will be detrimental to the local banks as they will not be able to compete," he said.

Dr Mahathir also launched *Malaysia Incorporated*, a book recently published by LimKokWing Integrated. The book contains, among others, the work of the Economic Planning Unit, the Malaysian Industrial Development Authority and views of 35 corporate leaders.