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Mahathir-Frei

CHILE'S PRESIDENT FREI SUPPORTS ORDERLY CURRENCY TRADING, SAYS PM

By: K.C.Leong

SANTIAGO, Sept 30 (Bernama) -- Chilean President Eduardo Frei Ruiz-Tagle has expressed support for Malaysia to seek some order in the world of currency trading, Prime Minister Datuk Seri Dr Mahathir Mohamad said Monday.

He added that during their talks this morning, he had explained to the Chilean leader that the bad impact of the manipulation of Asian currency markets could have an effect on other countries which were equally exposed.

"I stressed the need for developing countries to co-operate closely to protect themselves from such manipulation and he (Frei) agreed with this and that was why he said he was very supportive of Malaysia to seek some order in currency trading," Dr Mahathir told a news conference here.

He added that no specific proposals were made on how to achieve this but he indicated some ideas about how currency trading could be regulated. "The most important thing that was agreed was that we must co-operate and devise some way of making currency trading more open".

Stating that the ringgit was still under attack, the Prime Minister said the traders seemed to have an unlimited supply of ringgit but it was not known where they got the money from.

He added that although other international trading such as in shares and commodities took place in established, regulated markets, this was not true of currency trading which he described as "totally opaque, not open at all".

"So if countries like Malaysia are to survive, we need (currency) trading to be open," he said, adding that a proper market place must have a proper rules and regulations and laws.

Replying to questions, he explained that Malaysia was not seeking to impose controls on currency trading.

Although some people believed that markets must be absolutely free with no controls at all, the regulations Malaysia sought was only meant to ensure that the participants were normal traders and "to keep the crooks out".

He admitted that the current turmoil in the financial markets would have some impact on Malaysia's growth rate this year and in the next few years but did not wish to hazard a guess at what the figures might be.

Asked about his opinion regarding the present unipolar world, the Prime Minister said a single world must be one which was governed not by power but by the rule of law.

There must be international laws which everyone must subscribe to and not have one country making laws and imposing them on others. "That would be wrong," he added.

He also expressed satisfaction with the present state of relations between Malaysia and Chile and said there were many opportunities to be exploited by both sides to further raise the level of co-operation.

He said that since his last visit here in 1991, Chile had achieved tremendous growth which meant that opportunities for doing business with this country of 14 million people, one of the most prosperous in Latin America, had greatly improved.

He was confident that once businessmen in the two countries overcame the misconception that they were far apart as transportation and communication improved, bilateral co-operation would show better results, especially after his current visit. -- BERNAMA

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