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Currency crisis: Malaysia keen to learn from UK

Mustapha Kamil; Kamarul Yunus in London

LONDON, Wed: Malaysia hopes to learn from the UK, which was faced with a major currency crisis in 1992/1993, in trying to turn the table on the crisis now facing the country and South-East Asia.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi said Britain succeeded in overcoming the negative impact of the attacks on the pound sterling, and this experience could be shared with Malaysia and other countries affected.

"Due to the (South-East Asian) currency crisis, (Malaysia) has had a difficult task to provide the confidence to the foreign investors to come and invest in Malaysia.

"Malaysia has been achieving rapid economic growth rates ... but with the currency crisis, it is difficult for us to talk about Malaysia's economic success.

"Thus, you (British investors) are the ones who can play an important role or the catalytical role to contribute in helping Malaysia attain the economic success," he said at a luncheon talk in conjunction with the Malaysia-British Partnership Dialogue (London Dialogue), here today.

Abdullah represented Prime Minister Datuk Seri Dr Mahathir Mohamad, who is still recovering from flu.

While professionals and economists should come up with suggestions to overcome the depreciation of the ringgit, Abdullah said the Government also believed the important role played by foreign investors to boost the economic growth of the country and help cushion the currency problem.

"Therefore, this dialogue between the private sectors from Malaysia and the UK is being held at the right time to discuss such currency problem and boost business partnerships between the two countries.

"While old friends will not be forgotten, new friends will have to be made," he added.

Abdullah said Malaysia's economic success has been attributed largely to its multi-racial harmony and political stability.

"We always believe that if a country wants to achieve economic success, it has to ensure peace and political stability in the country. However, in our present situation of currency turmoil, we need to boost our economic growth in order to maintain peace and political stability," he said.

Besides political stability, Abdullah said Malaysia will ensure that the democracy practised in the country will be fair and just to all the multi-ethnic Malaysian society.

"We will also not tolerate terrorism, be it religious or ethnic terrorism.

"In fact, when I was in Germany recently, many asked on Malaysia's role as an Islamic country. While there are still perceptions that Islam will always be acquainted to terrorism, they (Germans) see Malaysia as not posing such terrorism problem," he said.

Meanwhile, UK Board of Trade president and Secretary of State for Trade and Industry Margaret Beckett said Britain will continue its commitment to forge greater trade relations with Malaysia despite the currency problem hitting the country and most economies in the region.

"We can help each other by working together and it is my hope that we can develop even closer partnerships with our Malaysian friends. The frequency of ministerial visits by both countries is testimony to its strength. I am determined to do all I can to encourage even closer links

between us," she said.

Britain is Malaysia's largest European investor, while Malaysia is Britain's 21st largest market worldwide. In terms of trade, Britain's total value of exports to Malaysia reached STG1.16 billion (STG1 = RM5.55), up 9 per cent for the period between January and July this year against the same period last year. Britain's imports from Malaysia during the seven-month period this year reached STG2.38 billion.

Beckett also said the proposed setting up of a Malaysian-British Business Council would provide a forum in which business representatives could meet and consult to promote and expand trade links.

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