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Dr M hails Japanese pledge to help Asean

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MALAYSIA welcomes the Japanese initiative to assist the Association of South-East Asian Nations (Asean) members countries facing a current account deficit to weather the effects of the financial market turmoil, Prime Minister Datuk Seri Dr Mahathir Mohamad says.

"We welcome the idea of a fund to help not just Malaysia, but also other Asean countries. There is a concerted effort to slow down the growth of the most dynamic economies of the world and this is not directed at Malaysia alone," he told reporters at the Sultan Abdul Aziz Shah International Airport in Subang on his return yesterday from a 12-day trip to Cuba, Chile, Uruguay and Argentina.

South-East Asian currencies, particularly those of Malaysia, Indonesia, Thailand and the Philippines, have come under waves of speculative attacks for the past three months.

Japan is expected to provide details of its pledge at the coming Asean Economic Ministers' Meeting in Kuala Lumpur next week. Tokyo has offered to look into ways to raise imports from Asean countries.

It was reported that its International Trade and Industry Minister, Mr Mitsuo Horiuchi, would propose that debt guarantees under his ministry's trade insurance be applied not only to Japanese companies but also to their Asean joint project partners.

Dr Mahathir said the Government has plans to manage the economy and overcome the current financial crisis.

"We will do something about it. Give it time, with a little bit of patience and discipline we can overcome this. It is not a major problem, other countries have gone through worse situations. Some countries had 1,000 per cent inflation ... the ringgit depreciated (only) by 20 per cent.

"There is a way to handle this. They do not like us because we were critical of them. We will try to manage this."

Dr Mahathir said Malaysians are used to a good life for a long time and when a crisis happens some are bound to over-react.

When asked if there are signs of a slowdown in various sectors of the economy, Dr Mahathir said: "At the moment nothing, it is very mild, the fundamentals are strong and even the foreigners admit that our long-term prospects are good. But the recovery will not be easy ... we will find ways to handle it," he said.

Asked if Malaysia's exports will increase in view of the weaker ringgit, Dr Mahathir said: "Exports will go up if we know how to manage our economy but some people will be tempted to raise prices."

On reports that the Malaysian economy will recover in the medium term, Dr Mahathir said: "I agree that we can recover but do not forget what they have done to us. Some have suggested that this is passing thing, a blip on the computer screen, but people have been made bankrupt. This is serious, do not think that they can rob us and say it is all right, that we will recover in six months or so.

"It is not easy ... in the past we have solved our problems without their help and we never received aid or loans ... We will not forgive them for what they have done to us."

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