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Dr M: Country still wants foreign investments

Syed Nadzri in Hong Kong

PRIME Minister Datuk Seri Dr Mahathir Mohamad made it plainly clear yesterday that countries in the region were still keen to receive investments from Europe and America despite the bitterness arising out of the current currency crisis.

It is only that recent events had caused Southeast Asian countries to be more cautious about foreign capital and the "rogues" behind them, he reasoned.

He also suggested that currency trading be stopped as it was unnecessary, unproductive and immoral and should not be treated like commodity trading.

"There has been a lot of talk about our scaring away foreign capital.

"But you should also appreciate that we of Southeast Asia are now very scared about foreign capital."

Dr Mahathir rationalised this in his speech titled Asian Economies: Challenges and Opportunities, at the annual seminar of the World Bank and International Monetary Fund.

The presentation, which was very well-received judging from the ovation, was attended by some of the world's top financial planners, bankers, fund managers and investors.

The Prime Minister, who delivered the speech at the Hong Kong Convention Centre barely two hours after arriving for an overnight visit, said countries in the region had always thought the West, through their investments, were helping them.

And this, he added, explained the roadshows organised to attract foreign capital in the share and financial markets.

"We will continue to do so. But we will have to be more circumspect. We still believe there are sincere investors out there. But there are also quite a few rogues who can cause an avalanche, forcing others to run for cover."

He said Malaysia knew better now after taking stock of previous attempts to stop Japan and South Korea from catching up with Western countries.

He said Malaysians had also dismissed the rumour that their country would go the way of Mexico whose economy was suddenly blighted when foreign funds were suddenly withdrawn.

"But now we know better. We know why it was suggested that Malaysia would go the way of Mexico. We know now that even as Mexico's economic crash was manipulated and made to crash, the economies of other countries too can be suddenly manipulated and forced to bow to the great fund managers who have now come to be the people to decide who should prosper and who shouldn't."

When he accepted the invitation to speak at the forum three months ago, all he wanted to speak about was one his favourite subjects - advocating the enrich-thy-neighbour concept where countries help one another for mutual gain.

But it is now clear, he noted, that the old instinct of the rich helping themselves by taking from the poor is still evident.

He said Malaysia and its neighbours, which had continued to prosper regardless, were then considered as upstarts who should be put in their place.

"There may be no conspiracy as such but it is quite obvious that a few at least, media as well as fund managers, have their own agenda which they

are determined to carry out.

"We have always welcomed foreign investments, including speculation.

"They can come in to buy shares and to get out if they wish to for whatever reason. But when the big funds use their massive weight in order to move the shares up and down at will and make huge profits by their manipulations, then it is too much to expect us to welcome them, especially when their profits result in massive losses for ourselves - in the classic zero sum game theory."

"I know I am taking a big risk to suggest it but I am saying that currency trading is unnecessary, unproductive and immoral. It should be made illegal.

"We need to buy money only when we want to finance real trade."

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