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Fundamentals in Malaysia are good, says Tung

Baidura Ahmad; Cheah Chor Sooi

HONG Kong's chief executive Tung Chee-Hwa said Malaysia should not be unduly troubled by the current difficulties in the country's financial and stock markets.

"It is understandable that you feel the pain and frustration, but I would like to emphasise that the fundamentals in Malaysia are good. In fact, fundamentals all over Asia are good," he said in Kuala Lumpur yesterday.

Tung was addressing a luncheon talk for businessmen and diplomats organised by the Asian Strategy and Leadership Institute at the end of his two-day visit to Malaysia.

Tung said the present difficulties in regional financial and stock markets had come as quite a blow.

"I understand the frustration caused by the setback to treasured hopes and plans. Financial markets go up and down.

"If it is any consolation, we have had some hard times in Hong Kong too, and have had to learn some painful lessons, particularly in 1987 when the capitalisation of our stock market halved almost overnight.

"Yes, there are things we need to learn, but remember the underlying process is going on, and will not stop. Malaysia is rich in human and natural resources.

"The underlying economy is strong and your leaders have a clear vision for your future development. The fact is that Malaysia, like Asia, has found its feet in the world.

"We are building better lives for our citizens, and Malaysia has been and continues to be a leader in that process."

On his first overseas trip since taking office in July, Tung said he had come to Malaysia to see for himself what the country had achieved and discussed with the leaders on how Hong Kong could deepen its partnership both with Malaysia and Asean.

"Together we stand in the midst of the most hopeful and vigorous economic area in the world. Our potential is breathtaking, like the Petronas Towers that soar above this city.

"In those towers you have made a statement about your aspirations," he added.

Tung said he wanted to have a look at what Malaysia was doing in response to common challenges and opportunities, particularly in the extraordinary new environment that information technology had the potential to create for both Hong Kong and Malaysia.

"Your vision of the Multimedia Super Corridor has helped everyone to see that IT is far more than a new hi-tech industry, far more than a quick way of sharing information."

Tung, who met Prime Minister Datuk Seri Dr Mahathir Mohamad and Deputy Prime Minister Datuk Seri Anwar Ibrahim on Wednesday, noted that Malaysia and Hong Kong were close associates.

In trade, Malaysia is Hong Kong's 10th largest partner last year with over RM16 billion worth of goods and services exchanged - up 15 per cent from 1995. Hong Kong has over RM3 billion of direct investment in Malaysia.

Reiterating that "it is business as usual in Hong Kong" after the July handover to China, Tung said Hong Kong's economy continued to forge ahead.

"It is not just in Hong Kong that history is being made in Asia. I see

every reason for people throughout this region to be confident of the future.

"Occasional setbacks notwithstanding, the benefits of a competitive, open approach in business and commerce have been realised around the region, and Hong Kong and Malaysia now stand at the centre of the most rapidly growing economic region on earth.

"There is every prospect that we will see a sustained, substantial rise in the quality of life for our citizens and in our standing within the world economic order in the decades ahead."

Later, Tung said among the things discussed between the Malaysian leaders and him were the possibility of lifting visa requirements for Malaysian visitors to Hong Kong.

"The details of the (visa-free) arrangement will be announced very shortly," he said.

The visa requirement will be imposed effective Oct 1 after a three-month grace period following the return of the former British colony to China.

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