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LOCAL INSTITUTIONALS URGED TO SPEARHEAD EFFORTS TO BOOST SENTIMENT

KUALA LUMPUR, Nov 19 (Bernama) -- Local institutional investors should spearhead efforts to correct the current weak local market sentiment and help in the recovery of the Kuala Lumpur Stock Exchange, Deputy Finance Minister Datuk Dr. Affifuddin Omar said here today.

"We should have confidence in our strength as the economic fundamentals are already there as outlined in the 1998 Budget unveiled recently," he told reporters at the Parliament lobby here today.

He cited the fall at Wall Street, which although dropped by 500 points, managed to recover and stage a rally the very next day sparked off by buying by big corporate players.

Share prices on the KLSE closed sharply lower today on forced selling which saw the 100-quality Composite Index at one point falling below 600 points to a low of 588.13.

However, it recovered on a technical rebound by 18.60 points to close the day at 603.49 points.

At Parliament today, a motion was tabled to express the House's full support for Datuk Seri Dr Mahathir Mohamad as Prime Minister and to object to the US investigation into investments by Petronas, the national oil corporation, in Iran.

The tabling of the motion was brought about following a draft resolution by a group of US congressmen demanding Dr Mahathir to publicly apologise or resign over alleged statement of a Jewish conspiracy in Southeast Asian currency speculation.

On the US' attempt to invoke its Iran-Libya Sanctions Act 1996 on Petronas for investing more than US\$20 million in a gas project in Iran, Dr Affifuddin said Washington's move was a unilateral decision infringing upon the rights of others.

He said it was a form of modern imperialism which uses economic might as a leverage to prevent other countries from doing something.

He said Deputy Prime Minister Datuk Seri Anwar Ibrahim, who had tabled the motion, had stressed that in the spirit of free trade, there were appropriate fora such as the World Trade Organisation (WTO) to discuss the issue.

Hence what was being done by the US was introducing a law applied in America but enforced on others, he said.

Dr Affifuddin said that action would not affect bilateral trade between Malaysia and the United States... "I think of it more as an international controversy and I hope America will appreciate the feeling of other countries (on issues) regarding their sovereignty." -- BERNAMA

MK MR SHY