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Mahathir-Islam

MAHATHIR: CONSENSUS NEEDED ON ISLAMIC BANKING

By: Abdul Rahman Ahmad

MANAMA, April 9 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said there is a need for consultation among Muslim countries, and perhaps consensus, on what is permissible and not under the Islamic Banking System.

The prime minister, who is a three-day official visit here, said like Bahrain, Malaysia had experience in Islamic Banking but doubts were being cast whether the system conformed to Islamic law.

In Malaysia, the Islamic banking system was well-received not only among the Muslims but also non-Muslims who make borrowings through the system, he said during a dialogue with members of the Bahraini Chamber of Commerce and bankers yesterday.

He said the system had been extended into the insurance and pawn-broking and other financial activities and Malaysian commercial banks have been allowed to use the system through their respective Islamic banking windows.

He also clarified that it would take time for Malaysia to allow foreign banks to operate in Malaysia except those on a reciprocal basis.

This was to protect local banks, which have been encouraged to merge, so that they could easily compete with other bigger banks when liberalisation by the World Trade Organisation became effective, he said.

On investment, Dr Mahathir advised Bahraini businessmen to make Malaysia a gateway to market their products in the Southeast Asian and neighbouring regions.

He encouraged them to set up joint ventures with Malaysian counterparts particularly in the production of aluminium cast and wheels.

Dr Mahathir said Malaysia would probably participate in some industries here as Malaysian companies were now spreading their investment abroad.

He also shared with Bahraini businessmen Malaysia's success story, spurred by the "Malaysia Can Do It" spirit, in transforming itself from an agricultural to a manufacturing and soon to a high-technology nation.

He said the Malaysian government was fortunate to have successfully changed the attitude of the people towards work.

Dr Mahathir also said he would ask for an immediate investigation into the case of Malaysian plywood being sold here at a higher price prompting buyers to look for cheaper alternative suppliers like Indonesia.

He described Bahrain as a potential place for investment by Malaysian businessmen as the country imports all kinds of products.

"You are big importers and we are big exporters," he said adding that Bahrain imports goods mainly from Europe or Japan.

"Once we know what we can provide you an alternative source, it would be worthwhile that you import from us," he added. -- BERNAMA

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