

21 JUL 1997

MAHATHIR QUESTIONS MOTIVE BEHIND RECENT CURRENCY TURMOIL

By: Zainoor Sulaiman

OKAYAMA, (Japan) July 21 (Bernama) -- Malaysia believes that the recent currency turmoil in some Southeast Asian countries was a deliberate act by a foreign-based foundation to destabilise the economies of Asean countries, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"We feel that there are some other agenda, especially when the speculator, who heads a foreign-based foundation, had attempted to create an open society in a Southeast Asian country, so as to depress the economies of Asean countries," he added.

Saying that the fundamentals were good and their economies were strong, yet there were attempts by speculators to depress their currencies, he said at a dialogue session with the Okamaya business community here.

Dr Mahathir said when the world decided to float currencies instead of a fixed exchange rate, it had caused a lot of destabilisation.

"But over the years we (have shown we) can manage it. But now there are individuals who have a lot of money to play around by speculating in currencies to make money for themselves," he said.

"Sometimes they have a political agenda and the countries of Asean like Thailand, the Philippines, Indonesia and Malaysia had become their targets," he said.

Dr Mahathir said Malaysia and its neighbours were doing better than many developed countries and yet there was pressure on their currencies to be devalued.

"Actually many people say that the Malaysian ringgit is already under-value and it should be revalued," he said.

He said the national oil corporation, Petronas, had registered a profit of over RM1 billion and this even surpassed the performances of many big foreign companies and yet there was pressure to push down the value of the ringgit.

During the two-hour dialogue, the Prime Minister was asked a wide range of questions from Look East Policy to the Multimedia Super Corridor (MSC).

Replying to a question, Dr Mahathir said due to the keen interest shown by many businessmen for direct air and sea links between Malaysia and Okayama, about 600 km southwest of Tokyo, Malaysia Airlines may consider operating flights to this city.

At present, Korean Airlines is the only foreign carrier which operates five-weekly services into this prefecture.

Dr Mahathir also met some 30 Malaysian students studying here and in the neighbouring areas.

He leaves for Kuala Lumpur tomorrow, ending his two-month leave-cum-working visit which took him to several countries including Britain, Lebanon, Turkey, Hungary and Japan. -- BERNAMA

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