

14/12/1997

Malaysia can't afford to open sector completely

PETALING JAYA, Sat. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia is not in a position to completely open up its financial sector to foreign participation as it is still weak compared to those in other countries.

"If we open up, Malaysian banks, which are very much smaller, will suffer," he told a dialogue with top Asean business leaders at the Private Sector Salute to Asean Conference at the Sunway Lagoon Resort Hotel.

The three-day conference which began today, brings together top-level Asean business leaders and from other parts of the world to interface with the Asean Heads of Government and other ministers to discuss key issues and concerns of the region.

Fielding questions from businessmen, Dr Mahathir said Malaysia would allow 51 per cent foreign equity participation in the Malaysian financial sector and this message had been conveyed to the World Trade Organisation.

"We have already decided to allow an increase on foreign participation from 49 per cent to 51 per cent.

"Other countries have agreed but the United States says we need to open up 100 per cent or no go. But we are firm on this matter, we can't open up anymore," he said.

He said the decision applied to all companies.

Dr Mahathir added that the level playing field in financial liberalisation was not acceptable to Malaysia.

(END)