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MALAYSIA SEEKS TO MAINTAIN RINGGIT STABILITY, SAYS DR M

By: Zulkefli Salleh

ULAN BATOR, Sept 11 (Bernama) -- The Malaysian government will ensure that stability of the ringgit will be maintained despite having depreciated by about 20 percent against the US dollar since the recent currency debacle, Prime Minister, Datuk Seri Dr Mahathir Mohamad said today.

At the same time, the government would also try to capitalise on the ringgit's sharp fall against the US dollar to its advantage, he told a press conference for international and Malaysian journalists here at the end of a four-day visit here.

Asked by a foreign journalist on factors that contributed to the ringgit's plunge against the greenback and how the Malaysian government was tackling the crisis, Dr Mahathir said, "We are quite helpless to defend ourselves against manipulators who are rich but wanting to make money out of poor people."

To a question from a Mongolian journalist, he however noted that the ringgit's depreciation might slightly affect the country's investments abroad, in particular Mongolia, but was quick to add, the Malaysian government should be able to manage it.

Dr Mahathir explained that there was really no connection between what was happening in Thailand and what was happening in Malaysia as the latter's economic fundamentals were good.

"It was difficult for the government to defend the ringgit when currency manipulators who are rich want to make money out of poor people", said Dr Mahathir who had repeatedly blamed American tycoon, George Soros for the assault.

He said there was no reason for the ringgit's sharp depreciation against the US dollar given the country's strong economic fundamentals. "Unfortunately the currency traders, especially the big ones, have decided to dump the ringgit and subsequently they hope to make a profit."

On July 2, Thailand's decision to float the baht to allow the currency to be determined by market forces in a bid to shore up its economy sent shock waves throughout regional stock and currency markets with most Southeast Asian central banks including Bank Negara acting to defend their currencies to offset any negative impact.

The ringgit is still languishing within the 2.90 level after breaching the 3.0000 psychological level last week. Today, the ringgit ended at 2.9345/95 to the US dollar against yesterday's close of 2.9245/95, but not before touching its intra-day high of 2.9130.

Describing his visit as fruitful, Dr Mahathir said that it had been very useful in establishing good contact between both the Malaysian and Mongolian governments.

At the same time, the visit which had opened up many opportunities for Malaysians to participate in Mongolia's economic activities, was expected to further enhance their bilateral trade relations, he added.

Among others, Malaysia can buy cashmere and beef from Mongolia and produce them here for export, he said.

Other potential exports for Mongolia are coal and other minerals, which would take some time to develop and export but Malaysia, he added, was ready to look into the possibility of producing them for export.

Dr Mahathir said that Malaysia also offered to participate in the infrastructure development in Mongolia which was currently lacking. For instance, Mongolia has railway transport but it is not frequent enough to

cater for transportation of goods.

On the Air Services Agreement signed between Malaysia and Mongolia during his visit, Dr Mahathir said that Malaysia Airlines and the Mongolian airline MIAT can operate direct flights covering Beijing and some other cities once the traffic volume between the two countries increases.

He also hoped negotiations on a code sharing agreement between the two airlines would be reached soon.

Dr Mahathir also said he had spoken to several Malaysian businessmen in the delegation on the possibility of a Malaysia-Mongolia joint-venture to develop a township here.

Asked his views on the great Mongolian leader, Genghis Khan who ruled in the 13th century, Dr Mahathir said he was among the greatest heroes that had inspired him and who had shown that even nomadic people who were backward could unite and create a great nation, spanning almost two-thirds of the world.

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