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Mahathir-Rating (changing date of story)

MALAYSIA STILL ATTRACTIVE TO SERIOUS FOREIGN INVESTORS, SAYS PM

By: K.C.Leong

SANTIAGO, Sept 30 (Bernama) -- Malaysia is still a very attractive place to invest in to many solid, real and serious investors although it may not appear so to short-term, hot-money investors, Datuk Seri Dr Mahathir Mohamad said Monday.

Commenting on the recent downgrading in the outlook of Malaysia's debt by rating agency Standard and Poors, the Prime Minister said the agency's thinking was in line with its own perception.

"We have no way of rejecting or qualifying their rating. We accept it, but there are others who do not depend upon such ratings and Malaysia is still very attractive to a lot of solid investors, real serious investors, not short-term, hot-money investors," he added in reply to a question at a news conference here.

Dr Mahathir arrived here Sunday for a three-day visit to Chile. He had visited Cuba earlier in the course of his current Latin American tour and will proceed to Uruguay and Argentina later this week.

He said Malaysia was not really worried about the downgrading because even at a time when the country was said to be a bad risk, many serious investors had been investing in the country.

"It is up to Standard and Poors to make their ratings but we will have to convince potential investors about the quality of Malaysia's investment incentives," Dr Mahathir said.

Referring to the short-term investors, he said they made what were really almost fly-by-night investments in shares with the objective of achieving capital gains by pushing up the value of shares and then dumping them.

"If investors are really serious and want to invest for a long duration, then yes (we will welcome them) but if what they want is merely to come in to take advantage of capital gains, we would be happier if they don't come," he added.

"We will of course have to buy up the shares they are dumping because somebody has to buy and I think it is better for us to do the buying."

He, however, stressed that Malaysia had no intention of introducing measures to control the inflow of hot money "because it's a free-trade world". -- BERNAMA

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