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MAS chief praised for offering airline's revenue

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PRIME Minister Datuk Seri Dr Mahathir Mohamad commended Malaysia Airlines executive chairman Tan Sri Tajudin Ramli for the latter's offer to the Government to use the airline's revenue to invest in and curb the ringgit's further weakening.

Describing it as "noble", Dr Mahathir denied Tajudin had offered to sell the national airline back to the Government due to the current economic crisis as stated by Lim Guan Eng (DAP-Kota Melaka) in a supplementary question.

"I have received a letter from Tajudin offering the use of all MAS revenue from overseas dealings, which are paid in hard currency like the US dollar.

"The money can be invested in the ringgit to head off currency traders' attempts to weaken the currency.

"This is the offer Tajudin made and it differs with what is stated by the Yang Berhormat and so it is not right to accuse him (Tajudin) of wanting to sell the airline off," he told the Dewan Rakyat when responding to Lim yesterday.

Lim had asked if the Prime Minister agreed that the weak ringgit had positive effects on the economy as stated by his deputy, Datuk Seri Anwar Ibrahim, and other ministers, considering that even Tajudin had offered to sell off Malaysia Airlines as the ringgit devaluation had made it unviable for him to continue operating the airline.

Dr Mahathir said the weak ringgit had positive effects on the economy, albeit initially, as manufacturers would reap profits from exported goods paid in foreign currency which translated to a bigger quantum in ringgit.

"They will profit so long as they can keep the cost down, but how long can we do that?

"Foreign goods imported to produce our manufactured items for export will be more expensive and this will push up our costs," Dr Mahathir said.

He added that the local workforce was also bound to ask for more pay when they found that they were unable to buy the same amount of goods with their current pay due to increased prices, which in turn would also push up costs.

Earlier, Dr Mahathir said local companies had invested RM4.755 billion overseas in real estate, hotel, telecommunications, agriculture and mining sectors.

The places include South Africa (RM2.006 billion), Zimbabwe (RM1.25 billion), South America (RM627 million), India (RM800 million), Kyrgyz Republic (RM56 million) and Croatia (RM16 million).

He was answering the original question from Datuk Mohd Zihin Mohd (BN-Larut) who wanted to know the progress of trade, cultural and social aspects achieved through memoranda of understanding signed during the Prime Minister's visit to continents and regions like Africa including Central Africa and Central Asia.

Dr Mahathir said economic and trade relations between Malaysia and these countries had improved through the visits and MoUs signed between local companies, foreign governments and the private sector.

Exports, he said had also increased in the last three years. In Africa, Dr Mahathir said Malaysia's exports totalled RM2,049 million last year compared to RM1,219 million in 1994.

During the same period, in the Middle East, Malaysia's exports grew to

RM3.8 billion from RM2.3 billion previously, South America RM2.6 billion compared to RM2.1 billion and Central Asia RM352 million from RM178 million.

Dr Mahathir also said of a total 65 MoUs signed between Malaysian investors and foreign governments and companies since 1995, 20 did not materialise.

This was because the projects were either unviable, or were facing problems in the negotiation period with the foreign partners, problems in project financing, delay due to privatisation programmes in the joint ventures and difficulty in adhering to foreign laws and policies. He added to ensure that the MoUs signed were genuine, the Government had made it compulsory for all MoUs and joint ventures to be registered.

A committee under the Ministry of International Trade and Industry had been set up to scrutinise every MoU and joint venture proposed.

To a question by Lim Kit Siang (DAP-Tanjong) on whether the economic crisis would effect Malaysia's trade relations, Dr Mahathir said it would make Malaysian companies less competitive due to higher costs. He also said Malaysia's objective in investing in developing countries was to assist in enriching these countries to create new markets for Malaysia.

"When we enrich them, they have more money to buy our goods. This is a lesson we learnt when Japan invested here and enriched us and in turn, we had money to buy their goods and we became a good market for them," he said.

To a question by Datuk Hanafi Ramli (BN-Jerlun) who wanted to know if the Prime Minister received any accolades by the foreign media for his efforts to help these developing countries, Dr Mahathir said he could not find one after after going through the reports.

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