

18/11/1997

PM confident our recovery will be earlier than others

A. Kathirasan

PENANG, Mon. - Prime Minister Datuk Seri Dr Mahathir Mohamad today expressed confidence that Malaysia would be able to recover from its present economic problems earlier than her neighbours.

He said the Government, working in tandem with the private sector and the people, would design an effective approach to tackle the economic problems arising from the activities of currency traders.

He called on the people to give feedback and to report to the Government if they felt its programmes or projects would not help improve the economy.

He said this when addressing State executive councillors, senior Barisan Nasional leaders, corporate heads, business leaders and department heads at a luncheon at the Equatorial Hotel. Also present were Chief Minister Tan Sri Dr Koh Tsu Koon and former Chief Minister Tun Dr Lim Chong Eu.

Earlier, he received written pledges of support from the State Exco, the State Barisan Nasional, the Penang Joint Chambers of Commerce, the Penang Malay Chambers of Commerce and the Nibong Tebal BN.

"Today, our economy is not bad but it is not as good as before. I am confident as long as Malaysians act responsibly and do not panic or do anything that will adversely affect us, we should be able to recover in a short while. I cannot say how many months or years, but definitely earlier than neighbouring countries such as Thailand, the Philippines and others.

"If we are disciplined; the rakyat works with the Government, and the Government works with the private sector, I am confident we will be able to design an approach which will help overcome the current problems."

Calling on the people to remain calm, he said: "If there is anything the Government does which you think is not good for the economy, please inform the Government through the existing channels. We have many means of communication. Tell us what is wrong.

"I know one problem is the scarcity of workers. Dr Koh has informed me of this. We will find a way to overcome that problem in such a way that both government and business people will gain. That is always our position. We want business to do well.

"We keep telling our civil servants that when business people do well, the Government does well because we collect taxes. Because of that, civil servants now accept that they should work closely with businessmen. We want this to continue."

Dr Mahathir praised Malaysians for acting rationally "in these times of stress".

He said the show of support they had given the Government and himself demonstrated to the world that Malaysians had the will to overcome adversity.

"It demonstrates that we will act in concert according to a proper plan which we will design to overcome the existing problems."

Dr Mahathir said none of the foreign investors who had invested in Malaysia had made any loss. Rather, he added, many of them had re-invested, showing that Malaysia's economic fundamentals were strong.

He again pointed out that Malaysia's problems were due to the depreciation of the ringgit caused by unscrupulous currency traders. Informing the audience of their modus operandi, he also gave everyone a lesson in simple economics on how such actions had impoverished Malaysians by 30 per cent.

"It is the ordinary people, especially the poor, who will suffer when prices go up. In the end, it is not only we who suffer, the world suffers too as affected countries will import less goods.

"That is why I have been calling for some kind of regulation in currency trading. Currency trading is a loss to the world market. When I first suggested regulations, some called me stupid. But today, more people are acknowledging the need for such regulations, the latest being French President Jacques Chirac. The World Bank is looking into it and the G-15 group has endorsed it," he said to applause.

(END)