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Mahathir-Economy

PM GIVES ASSURANCE ON MALAYSIA'S ECONOMY

KUALA LUMPUR, Oct 6 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today gave an assurance that the current economic problems facing Malaysia will be overcome.

Dr Mahathir denied that his statements against currency manipulators had caused the ringgit to fall further.

Speaking to reporters on his return at the Sultan Salahuddin Abdul Aziz Shah Airport in Subang near here, he said that other countries, whose leaders did not say anything, also saw their currencies fall even further.

Among those present at the airport to welcome him home was Deputy Prime Minister Datuk Seri Anwar Ibrahim.

Dr Mahathir called on Malaysians to pull themselves together to come out of the current crisis.

He said that ways and means would be devised to tackle the current weaknesses in the economy.

It was ironic, he said, that while Malaysia's fundamentals were good such as its low inflation rate, its currency was battered while currencies of other countries, whose fundamentals were weak and inflation rates were over a thousand per cent, did not depreciate at all.

Dr Mahathir said Malaysians had it so good for so long that when the first signs of a slowdown appeared, they become panicky.

He said that there were foreign elements out to destroy the country's economy as well as that of the Asean region.

Foreign elements, he said, were jealous of Asean's dynamic economic growth which was why they were probably be "full of glee" now that these economies were going through crisis.

"What has Indonesia done to them? What about the Philippines, a young and growing economy?" he asked.

He said that there was no justification for these economies to be attacked when other countries were in far worse economic situations.

Elaborating on allegations that his statements had pressured the ringgit further down, he said in the first place when the currency crisis broke out, he abstained from saying anything.

But then, the ringgit kept on falling due to the continued manipulative attacks which was why he had to speak up, he said.

Dr Mahathir said although other Asean leaders did not attack these manipulators, who included US financier George Soros, their currencies also fell severely.

Citing an example of how inaccurate a foreign news report could be, Dr Mahathir said he had read a news article which said that the minute he left Malaysia, the ringgit fell down when in actual fact, it had been falling long before that.

"As far as Thailand is concerned, there could be some weaknesses...we admit that. But, what we could not accept was the continued attack on the currency to bring it down even further but no help was forthcoming from the developed countries, which only seemed bent on criticising the weaknesses in our economies," he said.

Elaborating on the stance adopted by Western countries in attacking Asean economies, he said when the manipulators continued to "kick Thailand down", "they (Western countries) should have offered a helping hand."

Dr Mahathir also emphasised that such manipulative attacks "are not a passing thing. It is a serious thing."

"We cannot forgive them for what they have done to us. What have they really done to help us? Nothing really. We have to do something about it," the prime minister said.

Asked whether banks would be told to ease up on borrowers facing debt servicing problems, Dr Mahathir said the government will look into ways to overcome the problems.

"In currency trading, there is a lot of profit to be made and this (my statements in causing the ringgit to fall) is just an excuse for the foreign manipulators," he said.

On suggestions that the International Monetary Fund (IMF) is not too supportive on international trade being too dependent on the US dollar, Dr Mahathir said following his discussions with World Bank president James Wolfensohn and IMF managing director Michel Camdessus "they too don't quite like currency manipulations for it would affect world trade."

On whether Malaysia could increase its exports because of the cheaper ringgit, he said: "Exports will go up if we know how to manage our economy...but there are some people who will raise prices when the value of the currency falls."

"We have to fight on with the backing of the Malaysian people. We must not give up as it will mean giving in to foreigners to direct policy in this country. With patience and discipline we can overcome this," he said.

On the support shown by Malaysian businessmen accompanying him on his recent South American tour, he said they did it voluntarily and was not done through his instigation, adding that the foreign press would report it otherwise.

Asked whether there was any sign of a slowdown, he said: "At the moment, there was nothing much of a slowdown."

But according to investment houses and investors, "our fundamentals are good and long-term projections are good, which is an indication that the economy will recover although it is not going to be easy," he added. --
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