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Mahathir-Wealth

SOUTHEAST ASIA'S WEALTH DROPS 30 PCT FROM CURRENCY DEVALUATION, SAYS PM

KULIM, Nov 15 (Bernama) -- The currency devaluation faced by Southeast Asian countries has eroded the wealth of the region by over 30 per cent, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"In all, we estimate some US\$200 billion (about RM670 billion) has been knocked off from the countries in the region," he said at the opening of Industri Otomotif Komersial (M) Sdn Bhd plant in Padang Serai, near here.

Dr Mahathir said there would also be a reduction of imports to this region by about the same amount.

He said the countries in the region were now facing the problem of devalued currencies, which had raised the cost of all imports.

"Today we cannot afford to import too many things because we are short of funds," he added.

When asked to elaborate on the matter during a press conference later, Dr Mahathir said currency devaluation and depressed capital markets were not only experienced in Southeast Asia alone but also in other Asian economies, including Taiwan, Hong Kong and South Korea.

He said this had resulted in a lesser purchasing power following a reduction in the per capital incomes and gross domestic products of these countries.

In the case of Malaysia, he said, it had lost US\$30 billion (about RM100 billion) as its per capital income has reduced by US\$1,500 (about RM5,025) from US\$5,000 (about RM16,700) before the ringgit depreciated by 30 per cent.

Dr Mahathir said Malaysia had successfully sustained an economic growth of over eight per cent for nine years continuously but there were still some people who were saying that it was somewhat unhealthy and the economy would overheat soon and the country would face recession once again.

He said: "For several years these people have been telling us that we cannot sustain eight per cent growth but we have shown that we could sustain this growth rate.

"Still these prophets of doom keep on saying that this cannot be done and it shouldn't happen, and very soon the economy will suffer.

"But, Malaysia's economy continues to grow at eight per cent and they thought that in order to ensure their predictions and forecasts are correct, they took steps to devalue our currency."

The prime minister said these people would obviously deny their doings and blame it on fundamentals and all kinds of reasons.

"The fact is that if they don't fiddle around with the ringgit, the currency will not depreciate," he added.

After opening the plant, Dr Mahathir was taken on a tour around the facility where he witnessed the commercial production of the Permas van, which is expected to be in the market by early next year. -- BERNAMA

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