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Tumultuous year for the nation and the region

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NO PRIZES for guessing the issues that made the news in the country this year. The haze and the economic situation certainly grabbed the limelight. Another event was the defeat by the national soccer team to low-rated Laos in the 19th South-East Asia Games in Jakarta.

Although it cannot be ascertained when the haze actually started, the problem reached its peak when Sarawak declared a state of haze emergency on September 19 as the Air Pollutant Index in Kuching reached the 839 level. It was, however, lifted 10 days after.

Fortunately, the haze slowly disappeared and Malaysians were able to enjoy clear blue skies from early November.

The timing was perfect as the fourth Langkawi International Maritime and Aerospace Exhibition '97 was to be held on the island from December 2-7.

Now that the haze problem is over, Malaysia is facing an uphill task to consolidate its economy after the ringgit and the stock market received a battering.

In short, the second half of 1997 saw countries in South-East and East Asia, including Malaysia, battling to redeem themselves, among other things, from succumbing to pressure by speculative attacks on their currencies.

Since Thailand devalued the baht on July 2, countries in the two dynamic regions of Asia were put on the alert for the possibility that they too might be affected by the spillover effect of the baht crisis.

However strong their economic fundamentals may have been, Indonesia and South Korea, soon realised that the spillover effects of the baht crisis were too much to contain.

In the end, the countries had to seek financial assistance from the International Monetary Fund.

However, the assistance comes with conditions, especially those relating to the liberalisation of the financial and trade sectors.

It is with this in mind, that Malaysia is trying its best not to seek IMF's help, as Prime Minister Datuk Seri Dr Mahathir Mohamad had said.

"No, we did not ask for the assistance ... However, I have been told that if I say this, then we will again come under tremendous pressure to force us eventually to ask the IMF for help," Dr Mahathir had said after the opening of the two-day Association of South-East Asian Nations (Asean) Finance Ministers' meeting in Kuala Lumpur on December 1.

On his part, Dr Mahathir had repeatedly said at most international fora and meetings, including those which Malaysia hosted, that foreign currency trading should be regulated.

Although in the early stages Malaysia was seen to be fighting alone against such activities, now and then some foreign leaders seemed to acknowledge Malaysia's intention of wanting some form of regulation against irresponsible currency traders.

At the end of the economic dialogue at the Commonwealth Heads of Government Meeting held in Edinburgh recently, the leaders adopted a resolution to study the effects of the currency crisis.

The temporary shutdown of the New York Stock Exchange on October 27 may have signalled the need to implement certain regulations on the currency market.

On November 20, the Government announced the setting up of the National Economic Action Council which will have powers to implement immediately

the necessary measures to tackle the economic problems in the country.

Dr Mahathir heads the council, with Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim as his deputy.

Economic Adviser to the Government Tun Daim Zainuddin was appointed executive director on December 20. The members of the council have yet to be named.

On a brighter note, the Government's ambitious Multimedia Super Corridor (MSC) project received a boost from established foreign companies.

The inaugural meeting of the International Advisory Panel (IAP) of the project was held in San Francisco on January 17.

Four months later, the MSC project received a further boost, with the launching of Cyberjaya, an intelligent city within the corridor.

On the political front, Selangor has a new menteri besar following the resignation of Tan Sri Muhammad Muhammad Taib. Former Domestic Trade and Consumer Affairs Minister Datuk Abu Hassan Omar took over on May 2.

Former Wanita Umno Treasurer and Tebrau Member of Parliament, Siti Zainab Abu Bakar was relieved of her job as Deputy Primary Industries Minister. Her membership in Umno was also suspended for the wrongful transfer of Wanita Umno's fund amounting to RM1.8 million.

On the world scene, 1997 saw the death of several prominent persons namely Princess Diana, Mother Teresa and Zaire's dictator Mobutu Sere Seko. However, the death of Princess Diana was most shocking.

The princess was killed in a car accident in Paris on August 31 along with her companion Dodi Al-Fayed and the driver of the car they were travelling in.

The world community also saw a new face heading the United Nations early this year. Ghana's Kofi Annan took office as the seventh UN secretary-general on January 1, following the departure of Mr Boutros Boutros-Ghali. Annan visited Malaysia for four days from December 14.

July 1 was a historic day for Hong Kong as the British colony was officially handed over to Chinese rule after 156 years of colonial dominance.

Countries in the Asian region which are facing economic problems will have a hard time recovering next year as the negative impact of the weaker currencies and stock markets is expected to be greatly felt next year.

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