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Tung: Malaysia's economy still strong

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HONG Kong Chief executive Tung Chee-hwa has reiterated that economic fundamentals of Malaysia and the rest of Asia are strong.

"We should look forward with confidence," Tung told reporters at the end of his two-day visit to Malaysia, his first overseas trip in the capacity of the chief executive of China's Special Administrative Region (SAR).

"The point I want to make is that financial markets go up and down but the Malaysia's fundamentals are very good. So in due course, it will be very fine," he said.

He said it was understandable the frustration and pain felt by the Malaysian leaders due to the current financial crisis affecting the country and other nations in the region.

He said Malaysia and Hong Kong has reached a visa-free arrangement for SAR passport holders to enter Malaysia.

"The details will be announced shortly," he added.

Meanwhile, in his speech Tung said the present difficulties in the regional financial and stock markets have come as quite a blow.

"I understand the frustration caused by the setback to treasured hopes and plans.

"If it is any consolation, we have had some hard times in Hong Kong too, and have had to learn some painful lessons, particularly in 1987 when the capitalisation of our stock market halved almost overnight," he said.

"Yes there are things we need to learn, but remember the underlying process that is going on and will not stop," Tung said.

"Malaysia is rich in human and natural resources. The underlying economy is strong and your leaders have a clear vision," he said.

"The fact is that Malaysia, like Asia, has found its feet in the world."

On trade, Tung said Malaysia was Hong Kong's tenth largest trading partner last year with over RM16 billion worth of goods and services traded, up 15 per cent over 1995.

During his visit, Tung called on Prime Minister Datuk Seri Dr Mahathir Mohamad, his deputy Datuk Seri Anwar Ibrahim, Foreign Minister Datuk Seri Abdullah Ahmad Badawi and Transport Minister Datuk Seri Dr Ling Liong Sik.

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