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US, Europe will start feeling the 'pinch' too: Dr M

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SOUTH-East Asia's trading partners in Europe and US will feel the "pinch" following the attack on the region's currencies as these countries will no longer have the purchasing power to trade, Prime Minister Dr Seri Dr Mahathir Mohamad said yesterday.

South-East Asian countries lost some US\$100 billion (US\$1 = RM3.31) in terms of purchasing power since July 2 when the Thai baht was first attacked.

Malaysia's portion alone totalled US\$35 billion.

"When irresponsible people devalue the currency, they will impoverish people in the developing countries like the South-East Asian nations ... causing a reduction in the latter's capacity to buy goods.

"If we (South-East Asian countries) have been buying things from Europe before, we will have to reduce our purchase.

"By making us poor, they are actually impoverishing themselves, and that may also cause unemployment in Europe and elsewhere.

"People who caused the loss of the US\$100 billion may have made some money but on the whole, the currency turmoil has caused a disappearance from society of a huge amount of wealth which we can all share," he said at a press conference in Kuala Lumpur after a question-and-answer session at the Global Panel.

Dr Mahathir said European countries which want to become Malaysia's trading partners, should accept the concept of "prosper-thy-neighbour" as "we look at partners who like to share with us".

"Sometimes, we find that our Western partners expect everything to accrue to them with minimal benefit to their Eastern partners.

"As far as Malaysia is concerned, an ideal Western partner must accept that in helping us, they are actually helping themselves.

"But today, we see an attempt to impoverish us in order to enrich certain people. That is not the kind of ideal partner we expect," he added.

Echoing his concern on the effects of the attack on currencies of the developing nations, Dr Mahathir said he will continue to bring up the issue during the fifth Asia Pacific Economic Cooperation (Apec) summit in Vancouver scheduled November 24-25.

"Whether or not I can convince the people, I wouldn't know because the powerful and rich countries are not affected so much by the currency devaluation.

"Countries like us are very susceptible ... people talk about democracy, human rights but is it a right to impoverish the Malaysians, Indonesians, and the Filipinos?

"If they consider that as a right, then I have nothing to say or comment," Dr Mahathir added.

Asked what he wants to see achieved at Apec, he said: "What I would like to see Apec do is to appreciate that members are not at the same level of the developed countries.

"It is important that the more powerful and much richer countries give due consideration to problems faced by the poorer members," the Prime Minister said, adding that Apec should not be too legalistic but must also have a sense of sympathy.

Citing an example, he said Apec members, especially the powerful and rich ones, must understand that the market forces work in the interest of

millions of people.

"We have to examine exactly what is meant by market forces. I hope to get some sympathy from our friends in Apec," he said.

Prior to the Apec summit, the Prime Minister had brought up the currency issue during the Commonwealth Heads of Government Meeting in Edinburgh, Scotland and the G-15 summit in Kuala Lumpur.

On whether he would meet Mr Michel Camdessus who will be in the country later this week, Dr Mahathir said the International Monetary Fund (IMF) chief will meet his deputy and Finance Minister Datuk Seri Anwar Ibrahim instead.

"I have discussed with the Finance Ministry's officials and the Deputy Prime Minister (Anwar). If it is a necessary for me, and if it is necessary for him (Camdessus), I will see him," he added.

On topics expected to be discussed with Camdessus if the Prime Minister agrees to the meeting, Dr Mahathir said he will obviously talk on the need to regulate currency trading.

"I will not hide anything especially on my views towards the currency crisis," he added.

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