

Currency controls lauded

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Japanese firms welcome move

By J. SEBASTIAN

PENANG: Japan's federation of economic and business companies, Keidanren, yesterday welcomed Malaysia's currency control measures implemented last month.

Its strategic policy unit chairman (Asia-Pacific region) Datuk Hiroshi Maeda said exchange rate stability was "extremely important" for export-oriented Japanese companies.

"We appreciate the strong measures of (Prime Minister Datuk Seri) Dr Mahathir (Mohamad). We are also against short-term and speculative capital moves worldwide," he said when commenting on Malaysia's currency control measures to stabilise the ringgit.

Maeda, who is Toray Industries Inc executive counsellor, said although there was a tendency for liberalisation of economic activities, a very strong

policy was needed to protect one's country in view of the financial crisis.

"Even for Japan, we hope there are some kind of substantial government moves to deal with the country's financial crisis," he said after calling on Yang di-Pertua Negeri Tun Dr Haji Hamdan Sheikh Tahir.

Keidanren has several thousand members, including most of Japan's public-listed companies.

Maeda, who retired four months ago as senior managing director of Toray's international division which includes the RM3bil Toray Pen-Group operations in Malaysia, received the *Darjah Setia Pengkuan Negeri (DSPN)* award in conjunction with Dr Hamdan's 77th birthday recently.

On the fixed RM3.80 level for one US dollar, Maeda said the ringgit and the yen had devalued at almost the same value

against the US currency.

He said the yen had devalued about 35% against the US dollar over the past five years.

Earlier, Chief Minister Tan Sri Dr Koh Tsu Koon

described Maeda as a good friend of Penang and that the state was proud that Toray's biggest facility outside Japan was sited in the state.

Maeda said the Toray

group had made three reinvestments over the past 27 years, adding that such reinvestments were made possible because of Malaysia's favourable business incentives.