

# Groups hail govt move to protect ringgit

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PETALING JAYA: Although the Government's move to introduce exchange control regulations to curb speculation on the ringgit is unconventional, it should be viewed positively, the Gerakan said yesterday.

The party's central committee member, S. Vijayarajam, said that in view of the current economic downturn, restricting free flow of the local currency had become imperative to conserve valuable foreign exchange.

"The exchange control is not a new phenomenon as it has been practised in the past in countries such as China and India," he said in a statement yesterday.

Vijayarajam said the Government had to provide sufficient room to manoeuvre as overseas educational requirements, remittance of foreign currency from abroad and payment for services-related entities were still permissible.

Tenaganita said it was motivating to see that the Government was finally taking the "casino" economy by its horns to arrest the havoc it had created to the country's economy.

Its director, Irene Fernandez, said currency speculation and trading, especially within the globalised environment, had gained momentum in the past few years.

"It has been a game for big capitalists for

capital accumulation in the shortest time," she said.

"However, this form of capitalism has only brought about immense hardship to millions of people."

International Movement for a Just World president Prof Chandra Muzaffar said it would be in the interest of the nation to conduct a comprehensive review of the new currency measures after they had been in force for about six months.

He said a review would be able to tell whether the measures were working well or not.

"At the same time the Government should persuade other governments to join it in the endeavor to regulate financial flows in the interest of a healthy global economy," he said.

He added that the real solution for Malaysia's economic woes lay in the establishment of a just international financial system which prohibits currency speculation.

In Penang, the Malaysian Economic Association said the series of measures taken by the Government will succeed in putting currency speculators "out of business."

Its northern region chairman, Francis Tan, said yesterday Malaysians should welcome the measures as the ringgit would be quoted locally for trade pur-

poses.

"These steps are akin to freeing the fishermen from the non-productive middlemen," he said in a statement.

Tan said the expected return of ringgit deposits to onshore financial institutions would bring an equilibrium resulting in low interest rates.

The Penang Malay Chamber of Commerce said the introduction of foreign exchange controls reflected the country's ability to adopt non-traditional measures.

Its president, Datuk Abdul Rahman Maidin, said the move also demonstrated that Malaysia was intent on overcoming its current economic problems.

"The steps taken will enable us to control the instability of foreign exchange rates and, therefore, bring back confidence among other countries to do business in Malaysia," he said in a statement yesterday.

In line with what had been stated by Prime Minister Datuk Seri Dr Mahathir Mohamad, Abdul Rahman said, the chamber called for "more relaxed but positive" criteria in defining non-performing loans.

"This will give entrepreneurs a chance to revive their businesses and reduce the number of NPLs," he said.

Abdul Rahman said the Government should also seriously consider the call to issue Economic Recovery Bonds.