

Mahathir denies claims by S'pore

S 30. 9. 98

DATUK Seri Dr Mahathir Mohamad has denied claims by Singapore Prime Minister Goh Chok Tong that Malaysia was attempting to make the republic poorer.

"It is impossible for us to make Singapore, a rich country, poorer. What we require is to bring our wealth back to our own country," he said in reply to Dr Tan Seng Giaw (DAR - Kepong).

Malaysia had recently made the ringgit non-convertible overseas and banned offshore trading in the ringgit. All ringgit deposits should be brought back into the country by today. From tomorrow, travellers will only be allowed to bring in a maximum of RM1,000 each.

Dr Mahathir said such action had brought positive effects and the country's reserves had increased by US\$1bil within

three weeks.

"Our total reserves increased from US\$20bil to US\$21bil."

Dr Mahathir said Japan had intended to help Malaysia but other developed countries did not want to see Malaysia's economy recover and had imposed various types of pressure like downgrading credit ratings, depreciating the ringgit and share values.

He said these measures were aimed at creating problems so that Malaysia would resort to the International Monetary Fund for assistance.

"Thank God, up till now, we still can maintain our independence in terms of our economy despite strong pressure."

Dr Mahathir said foreigners were not taking advantage of the opportunity to invest here as they were more interested

in trading in currencies and shares, adding that trade in currencies and shares was 20 times larger than business transactions.

"Such trading does not benefit us. We need confidence and investment from foreigners, but not in shares," he said.

He also said that Malaysia had no agreement with Singapore to set up CLOB, adding that the facility had provided

chances for foreigners to trade in Malaysian shares through nominee companies.

Such facility had enable nominee companies, which had 200,000 registered shareholders, to trade without informing the KLSE, he said. adding that such trading had also resulted in the drop in share values.

(The KLSE had on Aug 3 made all trading on CLOB illegal.)