

US\$1 tril lost to economic attacks

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By WAN HAMIDI HAMID

MAPUTO: The attacks on the East Asian economies have resulted in the loss of more than US\$1tril of purchasing power in the region, Datuk Seri Dr Mahathir Mohamad said.

Banks and businesses of all kinds had been bankrupted, more than 30 million workers made unemployed, food and medicine were in short supply, and growth had either been reversed or stunted, the Prime

Minister said

The governments of the affected countries have been accused of being not open, corrupt, given to crony capitalism, and other misdemeanours. "But these are the same governments which developed their economically-poor agrarian countries into economic tigers and dragons," he added.

"How is it that, suddenly, in the space of months, these governments by the same people with the same system and ap-

proach, could have destroyed their economies?" he said at a business luncheon and dialogue here hosted by Petronas.

Dr Mahathir said Malaysia had been financially emasculated to the extent that it was not only unable to venture abroad but was having difficulties even at home in trying to keep enterprises alive.

Dr Mahathir, who is on a three-day official visit to Mozambique, also said bilateral trade between Kuala Lumpur

and Maputo needed to be improved as it was on the decline.

From US\$4.07mil in 1995, the figure declined to US\$2.96mil in 1996 and, US\$1.74mil last year.

Last year, Malaysia's exports to Mozambique totalled US\$1.73mil, a decline of 0.8% compared with exports at US\$2.72mil in 1996, he added.

Malaysia's major export to Mozambique last year were vegetable oils and fats total-ling 63.8%, and natural rubber

and natural gums (28.7%). For the first five months of this year, export to Mozambique was worth US\$1.6mil.

Malaysian imports from Mozambique totalled US\$5,037 last year compared with US\$255,964 in 1996, mostly fruits and nuts.

Dr Mahathir said Malaysia and Mozambique had only a bilateral payment arrangement, signed in 1991, but he hoped two more agreements, on double taxation and investment

guarantee, would be signed soon.

In terms of investments, he said, several Malaysian companies had either invested in Mozambique or made known their intention of investing.

"Southern Bank Berhad through its subsidiary, Investimentos Association Limitada, a holding company incorporated in Mozambique, has acquired interest in Banco Astral, which is one of the leading banks in Mozambique," he said.

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