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Anwar-Measures

ANWAR HOPES CAPITAL CONTROL MEASURES WILL WORK

KUALA LUMPUR, Sept 5 (Bernama) -- Datuk Seri Anwar Ibrahim said today he hopes the capital controls and fixed exchange rate announced on Tuesday will work and help to revive the country's economy.

"As a Malaysian and a former member of the Cabinet, I really wish that the move announced on Sept 1 would work in the interests of our economy and in the interests of our people," said Anwar, who was removed as Deputy Prime Minister and Finance Minister on Wednesday.

He said this to reporters at his home here when asked whether Prime Minister Datuk Seri Dr Mahathir Mohamad's move to introduce capital and foreign exchange controls to curb speculation in the ringgit would work.

Anwar said he shared Dr Mahathir's concern about the flaws in the international financial system including currency speculation.

"I agree with him in some of his concerns on the flaws of the international system and he is correct at that," he said.

He said he differed from some members of the government in that while criticising the international financial system and currency traders, he also argued for adjustments and correcting the excesses within the country and not always blame others.

Asked about the failure of International Monetary Fund-style austerity programmes in the country introduced when he was finance minister, Anwar said the they were not necessarily IMF-styled.

Citing examples, he said Malaysia disagreed with IMF's prescription for further rises in interest rate and for a balanced budget.

He said although he chaired the IMF/World Bank Development Committee, he did not represent IMF and the World Bank but the finance ministers of the two agencies.

"We recommended a reform of the international financial architecture, we proposed that the IMF conduct a study on movement of hedge funds because currency trade, movement of hedge funds and short term capital flows have a negative impact on domestic economies particularly those in transition.

"I certainly have to take part in the responsibility in terms of the problem in trying to address the economic mess that we are in now...but there are no simple answers," he said.

-- BERNAMA

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