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CABINET APPROVES NEAC AND ITS MEMBERSHIP, SAYS DR MAHATHIR

KUALA LUMPUR, Jan 8 (Bernama) -- The Cabinet has approved the setting of the National Economic Action Council (NEAC) and detailed its membership, Prime Minister Datuk Seri Dr Mahathir Mohamad, said here today.

The approval was made during the Cabinet's weekly meeting yesterday.

On the government side, the members will include ministers holding portfolios related to trade and economics, he told reporters after launching an Anti-Corruption Agency (ACA)-initiated campaign to consolidate integrity in the government machinery.

"So far, we have got only cabinet members who are going to be (NEAC) members, but others like representatives from various organisations, we will have to determine the actual people," he said.

He said the full list of members would be announced soon.

The NEAC was set up by the government to address the current economic crisis which was caused by the sharp depreciation of the ringgit.

It was previously announced that the Council would be chaired by Dr Mahathir, while economic adviser to the government, Tun Daim Zainuddin was appointed as its executive director.

Meanwhile, when asked whether the government intended to impose a control on foreign exchange trade following the drop of the ringgit to its lowest level recently, Dr Mahathir said for the moment the government did not have any plan to do so.

"If we say we are going to do that, it will results in loss of confidence.

"And when there is loss of confidence, it will results in the ringgit to further deteriorate," he said.

Today, the ringgit opened at 4.5800 to the US dollar compared with 4.5900 yesterday. Yesterday, Bank Negara intervened in the foreign exchange market to support the local unit.

Dr Mahathir said as trading of foreign exchange could not be controlled, Malaysia had to face the effects from foreign exchange trade.

"We do not have the power to determine the value of our currency. It is the market forces which determine it," he said.

"The position has been reversed. Now, market disciplines the government, not the government disciplines the market. Now, governments in East Asia are being disciplined," he said. -- BERNAMA

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