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Currency controls will `draw genuine investors'

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PENANG, Sun. - The currency control measures imposed by the Government will not drive away genuine investors as alleged by some foreign critics.

Deputy Minister of Land and Co-operative Development Dr Goh Cheng Teik said currency controls would not bother genuine investors as they can obtain approval to repatriate their profits.

"Besides, a stable ringgit can help them plan their investments for the long-term," he said in a speech at the Thean Teik Estate and Bandar Farlim annual "Phor Thor" dinner at SRJK(C) Sin Kang tonight.

He was commenting on currency control measures unveiled by Prime Minister Datuk Seri Dr Mahathir Mohamad on Sept 2 which make the ringgit no longer legal tender outside the country after Sept 30 - a move that has drawn criticism by foreign critics who claim it has effectively taken Malaysia out from the global economy.

Citing the Chinese renminbi currency controls as a fine example, Goh said that genuine foreign investors had pumped in billions of dollars into China.

However, he said the private sector must respond fast to currency controls and other such remedies undertaken by the Government to rejuvenate the ailing economy.

"Since the Government cannot kick-start the economy on its own, the private sector especially local businessmen should seize opportunities quickly.

"The private sector can develop the manufacturing sector further, increase productivity of palm oil, rubber and other commodity crops, expand production and processing of food and build more affordable houses," he said.

With the return of ringgit deposits from abroad and injection of new capital by Danamodal, Goh said local banks should become more liquid and increase the availability of cheaper loans.

On a note of caution, Goh said although local businessmen can now have access to more credit with lower interest rates, they should not obtain loans for unproductive purposes but invest it in production of real goods.

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