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Dr M: Meeting a success, forum still relevant

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DATUK Seri Dr Mahathir Mohamad said the sixth Asia-Pacific Economic Leaders Meeting, which ended yesterday, was successful and that the forum was still relevant.

However, the Prime Minister said its decision-making power should not be misconstrued as one which covered the whole world.

Elaborating on the reasons for deferring the discussions on strengthening international financial systems to the Group of 22, Dr Mahathir said Apec could only take concrete measures on issues affecting it alone.

"But here we are dealing with something which involves all the countries of the world. Apec cannot just decide on something and get the rest of the world to accept Apec's decision," he told a Press conference as chairman of the Apec meeting at the end of the two-day leaders' meeting.

Dr Mahathir said the leaders admitted that there was an urgent need to review currency trading.

"In fact, the discussions on the currency trading took up most of the time during the morning session and practically everyone said it was urgent.

"But urgent is one thing and getting things moving in the international community is another. I have always said that the international community is ponderous. They don't move fast enough. I think the way we moved was considered very speedy by comparison to the normal speed of international decision-making."

Dr Mahathir fielded many questions from both local and foreign journalists, ranging from Malaysia's currency exchange rate control measures to the detention of former Deputy Prime Minister Datuk Seri Anwar Ibrahim.

On the currency exchange rate control measures, the Prime Minister said they were not only justified but necessary. "Because during the two months that we have implemented the limited capital controls, we have seen our reserves increase by US\$4 billion (RM15.2 billion), which is about a 30 per cent increase in the total reserves.

"Our trade balance is very much in our favour, liquidity has increased, interest rates have gone down, business has improved and sales of car and houses have gone up."

Dr Mahathir said all these indicated that the Malaysian economy was improving.

He said he had explained the exchange rate control measures to the leaders whom he met during his bilateral talks. However, he said, this did not mean that Malaysia did not believe in liberalisation, as reaffirmed by all leaders in the declaration.

"We have not cut ourselves from the rest of the world. We have not isolated ourselves. We are still part of the world economy."

The Government's decision to impose the controls was only to stop currency traders from dealing with the ringgit, he added.

To a question on how the review on the activities of rating agencies could contribute to sustainable capital growth, Dr Mahathir said they should be made more responsible and should confine their ratings to institutions which they were asked to rate.

"This kind of general rating, that does not take into consideration many positive factors, is not helping anyone."

Dr Mahathir said several leaders mentioned that the foreign media was short on facts and was more concerned with propagating their own viewpoints.

On whether Asean was united in the Apec leaders' meeting, Dr Mahathir said they agreed that there should be some regulation on currency trading to curb excessive short-term capital flows which affected them.

Dr Mahathir said the Asia-Pacific region was still an attractive area for investment because most Asian governments had identified their weaknesses and had taken remedial measures.

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