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Dr M: We'll do what's needed to revive economy

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PRIME Minister Datuk Seri Dr Mahathir Mohamad said yesterday the Government will undertake whatever it takes to revive the country's economy.

"We will study whatever we have to do and whatever we need to do to revive the economy. We cannot just sit by ... and leave it to others," he told reporters after officiating at the Registrar of Companies (ROC)'s centennial celebrations in Kuala Lumpur.

Dr Mahathir said outside parties do not share the same problems which Malaysia is experiencing which have been triggered by the economic turmoil.

"Others do not have our problems at heart. We feel the impact ...," the Prime Minister said, adding that these others are actually profiting at Malaysia's expense. "So why should they help us end the turmoil?" he queried.

Asked whether present developments in the financial sector imply that the Government is relaxing its monetary policy, Dr Mahathir replied, "We have to do something. We cannot just sit by and let others dictate terms to us or benefit from our own economic problems.

"We have to resolve the problems. Since others cannot resolve them for us, we have to resolve them ourselves," he said.

To a question on achieving a stable exchange rate for the country, Dr Mahathir said it is difficult for Malaysia to achieve this as external factors tend to influence exchange rates.

"We cannot achieve a stable exchange rate because even if we behave ourselves ... anything that the Japanese or South Koreans or Indonesians do will still affect our exchange rate.

"So how do we tell them? Please don't do anything because we want to achieve a stable exchange rate?" he asked.

Dr Mahathir also reiterated that Malaysia welcomes genuine investors who are looking for long-term business opportunities and willing to pump in capital into the country.

"If they want to come in merely to push up prices of local shares and then to dump them, we do not think we need to go through that again just because they want to make a profit.

"We have always welcomed foreign investments. If they want to invest in producing something for export, they are always welcome. In fact, we were among the first to do so."

Dr Mahathir said however, Malaysia can do without the short-term investors who manipulate prices of local shares - pushing them up until they have no relation with the companies and then dumping them for quick profits.

Dr Mahathir also spoke of the Malaysia-Singapore Water Supply Agreement and said that both countries have agreed in principle on the pact.

"We just could not reach agreement on the details. In principle, we have already reached an agreement," he said.

The Prime Minister said Malaysia has assured Singapore it will continue to supply the republic with water.

"But there must be conditions to the supply of water. As you know even between states in Malaysia, it is so difficult to resolve the problems of water supply from one state to another," he added.

The existing Water Supply Agreement between Malaysia and Singapore will

expire in 2061 and Singapore is seeking negotiations for a new agreement to begin immediately.

However, Malaysia feels that a new agreement should only be negotiated closer to the date of expiry of the current agreement. Malaysia has, however, assured Singapore that it will not stop water supply after 2061.

Dr Mahathir said the point of agreements and treaties that are related to the water supply pact between Malaysia and Singapore are two different matters.

"The points of agreements have not yet been ratified. We cannot simply ratify them at Cabinet levels.

"This involves bilateral relations ... we cannot just change treaties without reference to the Parliament," he added.

Under the present agreement, Singapore draws around 1,527 billion litres of untreated water daily at a cost of three sen per 4,540 litres.

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