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MAHATHIR-IMF/BM

DR MAHATHIR DENIES CAPITAL CONTROLS NOT SUITABLE FOR LONG TERM

KUCHING, Oct 6 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today refuted the perception by International Monetary Fund (IMF) that Malaysia's capital control measures were not suitable for long term.

"How would they know...who did it in the long term?...China has done it ages ago, I see that China is the most successful compared with other east Asian countries," he said at a press conference before returning to Kuala Lumpur after a one-day visit here.

Dr Mahathir was asked to comment on a statement by an IMF official who yesterday claimed that although controls on capital movement had never been effective for the long term, they are suitable in certain situations.

He said South Korea, Indonesia and Thailand which received IMF's aid are expected to experience more economic contraction compared with those countries which did not receive aid, and are practising methods set by the IMF.

"So in truth, IMF did not really know the effects of the move taken by the organisation itself," he added.

Dr Mahathir said the government would take the necessary action against any parties which attempted to hinder the government's effort in reviving the economy.

On the possibility that certain APEC (Asia-Pacific Economic Cooperation) leaders boycotting the APEC meeting in Kuala Lumpur next month, he said he would not comment on it.

He said he had once boycotted the APEC leaders' conference in Seattle: "so if people do not want to come here, I can't force them to come."

Dr Mahathir said as far as he was concerned he was not going to shift the venue of the meeting although it was up to the other leaders to decide.

-- BERNAMA

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