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APEC-NEWS-MAHATHIR

DR M: APEC SUMMIT APPROPRIATE FORUM TO DISCUSS CURRENCY CRISIS

KUALA LUMPUR, Nov 14 (Bernama) -- Prime Minister Datuk Seri Mahathir Mohamad says the Apec Summit is an appropriate forum to discuss establishing a more orderly international financial regime which can rein in excessive currency speculation.

It is the right forum because some Apec economies had suffered badly from the regional currency crisis while others had gained from it, he said.

In an exclusive interview with Bernama TV, Dr Mahathir said Malaysia would take the opportunity to raise the currency crisis issue at every international forum.

"We cannot miss even one international forum and let it go without our bringing to their attention the problem raised by currency speculation."

Dr Mahathir said he would bring up the matter at this year's Apec Summit, which opens in Kuala Lumpur on Tuesday, since Apec economies accounted for a sizeable portion of the world's trade and investment flows.

However, he said getting a uniform viewpoint from among the many divergent member economies on the matter could prove to be quite difficult.

"That is why I am predicting a long time, maybe three to four years before they can make a decision," he said in reference to the time frame when the international community could come to agreement on an orderly financial regime.

"That is normal in international haggling like this. Some countries tend to gain, some countries tend to lose. So, to get agreement is going to be very difficult. So, until they are hit themselves and I'm quite sure over time, they are going to feel the bad effects of this currency speculation, and at that stage, I think they will be more willing to accept our views.

Dr Mahathir hoped that the Apec Summit could focus on the real reasons for the crisis, citing that currency traders were the cause of it because they devalued currencies on purpose although there were some who blamed the lack of transparency in some countries.

"There are some who fault the IMF (International Monetary Fund)," he added.

Asked whether there had been any progress in terms of economic integration since the last Apec Summit, he said there had not been much.

He said he tried to present Malaysia's view at the last summit in Vancouver but it did not find acceptance.

But now there were others who felt that what had been expounded by Malaysia held water in that currency markets were the cause of the problem, he said.

On the question of unrestrained liberalisation and their effects on East Asian economies, he said he would bring up the issue if he had a chance.

However, in view of the fact he is the chair of this year's summit, he could not possibly speak at length on the matter as he must give other leaders a chance to speak.

"However, we do feel that if liberalise too quickly before we are prepared, we will be saddled with major problems. For example, other people may want capital to be able to move freely without restrictions. When such capital comes, it is good. But when it is pulled out quickly like what happened recently, then the affected countries would face serious problems which are hard to overcome."

Touching on the Malaysian stance of being vocal in international fora, he said if Malaysia chose to keep quiet, then the others would continue to put pressure on the country.

"If we do not voice out, the others will continue with whatever plans they have without thinking about the adverse consequences on developing countries. We will continue to voice out. We cannot keep our mouths shut because if we were to do that, we would be victimised."

Dr Mahathir said other nations also shared the same views as Malaysia but their hands were often tied, especially if they were recipients of IMF aid.

"We are lucky because our economic situation is quite stable in that we do not have to get IMF aid. In view of the fact that we are not tied to the IMF, we are more free to speak out."

On why Malaysia has been getting a bad press from the foreign media, Dr Mahathir it was perhaps due to the fact that it (Malaysia) was too outspoken.

"We like to call a spade a spade. They (foreigners) are used to not being criticised but to criticising others. So, when they get a dose of the same medicine, they cannot take it, particularly as expressed through the media.

"So, they go all out because we think quite openly that the media is wrong. And their system is wrong and their financial regime is wrong. They don't like to be told that they are wrong. They like to tell others that others are wrong."

He said the foreign media had been unfair in their reporting because Malaysia was not a darling to them because of it being too outspoken.

Asked on the significance of Russia coming on aboard, he said, "Russia is a very big country. It is both Pacific and European."

Referring to the Early Voluntary Liberalisation Scheme under Apec where nine priority sectors have been identified for tariff reduction, he said it was important to remember the scheme was on a voluntary basis.

"Early voluntary. Those two words are very important. It means that you must make the your decision yourself if you are ready. If you are not ready, you can wait until the time comes for you to make the decision. But to say that because there is early voluntary liberalisation, therefore you must agree now, that is wrong. You can do it at your own pace depending upon your own country's situation."

Asked on attempts to politicise Apec, Dr Mahathir said it was unfortunate since Apec was all about economic co-operation.

The stress was on the economy, not politics, he said, adding if Apec economies were to debate on politics, no economic issues could be resolved.

"We want to forget about the political part of it. That can be discussed in other fora. But, Apec is a forum for economic co-operation."

Security, he said, should also not be a part of the Apec process.

On the question that some Apec leaders had been commenting on the dismissal of Datuk Seri Anwar Ibrahim although the Apec meeting was not on politics, Dr Mahathir said, "Well, I don't want to say anything except this is something that can be discussed in other forums but not at the Apec meeting. The Apec meeting is about economic affairs."

When asked about Australian Prime Minister John Howard's intention to raise the issue of Anwar in his bilateral meeting, Dr Mahathir said, "We wait and see if he does that. If I say what would be my response (now), I don't have talk to him anymore..."

Pressed to respond whether this was tantamount to interfering into Malaysia's internal affairs, he said, "Well, actually we can also raise issues about (Pauline) Hanson, about the treatment of the Aborigines and all that. But, that doesn't get us anywhere."

Dr Mahathir expressed the hope that the Apec summit in Kuala Lumpur would enable foreign leaders and journalists to have an opportunity to see for themselves the actual situation in the country.

But then he said some people would try to organise demonstrations in order to show that there was some truth in the bad reports that they had been making about Malaysia.

-- BERNAMA

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