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Mahathir - fund

GOVT DOES EVERYTHING TO WOO FOREIGN FUNDS, SAYS MAHATHIR

KUALA TERENGGANU, June 12 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said the government has taken various measures to get foreign funds to return to Malaysia but the fund managers still seemed not fully convinced to come.

"I would like to know what else do we have to do. We've done a lot... we've sent various signals but they don't seem to be convinced," he said.

"We're at wits end as what to do next to convince these market forces whereas in the past without us doing anything they would still come," said Dr Mahathir at a press conference at the Terengganu Menteri Besar's official residence here.

Reporters asked him to comment on United States ambassador John R. Malott's statement that Malaysia would have to send the right signals to foreign fund managers if it wanted to win back foreign capital.

According to Malott, Malaysia's recent statement that foreign investors were bent on "colonising" the country following the ringgit's depreciation and stock market slump would drive away foreign investors.

Asked whether the depreciating yen was benefiting Malaysia, Dr Mahathir said it brought both advantages as well as disadvantages.

The yen's depreciation made Japanese goods cheaper and Malaysia could buy plenty of goods from Japan for re-export.

"For example PROTON buys a lot of items from Japan, with a drop in the value of yen, Japanese goods become cheaper and our cars will be cheaper and we can export a bit more," he said.

However, the prime minister, said the price of the national car in the local market could not be lowered as the yen's depreciation was only temporary.

On retrenchment of workers because of the current economic problems, Dr Mahathir said Malaysians should be grateful that jobs were still aplenty, exceeding the number of local workers available so much so the country had to recruit foreign labour.

He said in most cases it was the foreign workers that were retrenched and the local ones, if they had to be laid off, have alternative jobs offered to them.

Presently there were two million foreign workers in Malaysia and if there were less jobs available for locals, these guest labour would have to be repatriated, he said.

Dr Mahathir said Malaysian workers, however, could not afford to be choosy and should be willing to accept alternative jobs at different locations.

"There are those who refuse to move away from their home, their state, their birthplace. If this is the attitude, obviously there are no jobs around," he said.

Earlier, speaking over a luncheon with 1,000 community leaders and department heads, among others, at the same venue, Dr Mahathir said market forces or the neo-capitalists could devalue a country's currency the moment a government ceased to enjoy their confidence.

"We're told to send signals as to how we are going about doing things we're instructed to do... they want us to remove all restrictions so that their big banks, big manufacturers can enter the country, take over all our companies and control our economy," he said.

Dr Mahathir said some countries had had to change leaders because of

pressures from the market forces or neo-capitalists.

"They want to control the world. But this they will deny, their propaganda machine will deny, but believe me this is their plan," he said.

He said the market forces or neo-capitalists have funds up to trillions of ringgit which could be manipulated to cause currencies to depreciate or appreciate at their whim and fancy.

-- BERNAMA

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