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AFFIFUDDIN-KLSE

KLSE'S IMPROVEMENT DUE TO EXCHANGE CONTROLS, SAYS DR AFFIFUDDIN

KUALA LUMPUR, Nov 14 (Bernama) -- The exchange control measures introduced by the government recently had managed to spur trading on the Kuala Lumpur Stock Exchange (KLSE), deputy finance minister Datuk Dr Affiduddin Omar said today.

"On Sept 1, this year the Composite Index, (the KLSE's benchmark) was at 273 points, an 11-year low, but today On Nov 14, it surged to 483 points, which is an increase of over 200 points in 40 days," he told reporters at the graduation ceremony of RIIAM's (Research Institute of Investment Analysts Malaysia) Diploma in Investment Analysis programme here.

He added that it is hope the recent improvement in the KLSE's trading would continue and that a firmer index would be reached soon.

Prime Minister Datuk Seri Dr Mahathir Mohamad had said that the exchange controls is for stabilising the ringgit so that other economic activities would be more predictable and planning could be done properly.

Asked when the measures would be lifted, Dr. Affifuddin said: "At present we are not going to unpeg the ringgit, we will continue pegging it."

The ringgit is pegged at RM3.80 to a US dollar.

"As has been said by the prime minister, the exchange controls will be taken out as and when the international community have done some actions towards regulating the short-term capital flow and adopt new architecture for financial market," he added.

On the recent smuggling of the ringgit to Singapore, he said the situation was not that serious although there were some arrests made by the Customs Department.

He said in his opinion, the smuggling was done by those who wanted to make profits by selling the ringgit in Singapore at a lower rate than in Johor, as there is a demand for the ringgit by Singaporeans.

There are a lot of Singaporeans who do their shopping in Johor Baharu and other towns in Johor because most of the daily needs in Malaysia are far cheaper than in Singapore, he added.

Earlier in his speech, Dr Affifuddin said the current economic turmoil is a painful and expensive lessons for all Malaysians.

He said graduates of the investment analysis were in fact watching economic history unfolding in front of them, which is yet to be found in any textbooks.

"So use your analytical skills and knowledge to unravel and understand this intriguing mystery. Learn from it as much as you can and turn it into a winning game," Dr Affifuddin told the graduates. -- BERNAMA

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