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Japanese endorse forex controls (HL)

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PENANG, Tues. - Malaysia's foreign exchange control measures have been endorsed by top businessmen of Japan, the country's second largest contributor of foreign direct investments.

The endorsement came from a Keidanren delegation which stated that it would make known its official position at the Asia Pacific Economic Co-operation Business Summit in Kuala Lumpur from Nov 13 to 17. The Apec Summit will be from Nov 16 to 18.

The Keidanren or Federation of Economic and Business Associations is Japan's most powerful economic lobby group.

From 1993 to July this year, Japan has pumped in RM13.8 billion in FDI, making it the second biggest foreign long-term investor in Malaysia. American investors form the largest group with RM16 billion during the same period.

Keidanren's Strategic Planning and Policy chairman Datuk Hiroshi Maeda said: "We in Japan strongly support the currency control measures adopted by the Malaysian Government. Which is why we decided to send a mission to Kuala Lumpur to show our support for the measures at the Apec Summit next month.

"We appreciate very much Dr Mahathir's strong measures," he said, referring to Prime Minister Datuk Seri Dr Mahathir Mohamad.

Maeda said Keidanren believed that such strong measures were necessary to stabilise the economy. He said most of the major Japanese corporations supported the measures.

Maeda was speaking to the Press after a courtesy call on the Yang di-Pertua Negeri Tun Hamdan Sheikh Tahir at Seri Mutiara. Maeda was also here to receive the Darjah Setia Pangkuan Negeri award which carries the title "Datuk" from Hamdan in conjunction with his 77th birthday recently.

Accompanying Maeda, who is also Toray Industries Incorporated's executive counsellor, were Toray Pen-Group executive director Datuk O.K. Lee, Toray Industries chief representative in Malaysia, Tsuyoshi Watanabe, and director Motoo Yoshikawa.

Maeda said Keidanren fully understood the reason behind Malaysia's drastic economic measures.

On Bank Negara's move to control foreign exchange flows and to fix the ringgit's exchange rate to the US dollar at 3.8000 to block speculation, Maeda said Keidanren was against short-term speculation.

"We are clearly against this kind of move ... which is like gambling. Eventually, this kind of gambling will be zero kind of gain ... not creative at all.

"Stabilisation of the exchange rate is extremely important. In fact, it is particularly more important for our industries as we are more export-oriented."

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