

24 SEP 1998

Abdullah-Goh

MALAYSIA'S CAPITAL CONTROLS NO THREAT TO DEVELOPED NATIONS

By: Salmy Hashim

WASHINGTON, Sept 24 (Bernama) -- Foreign Minister Datuk Seri Abdullah Ahmad Badawi said Wednesday that developed countries should not look at Malaysia's recently-imposed capital controls as a threat to them.

"They should in fact be happy that the measures could bring about the desired results," he said in a telephone interview from New York.

Abdullah was asked to comment on Singapore prime minister Goh Chok Tong's statement here that Malaysia's imposition of capital controls was a dangerous example for other emerging nations embroiled in the global financial crisis.

Goh told the media this after a one-on-one meeting with President Bill Clinton at the White House here Wednesday.

"Malaysia started it ... there's a danger that ... others may follow suit if the Malaysian way of managing their economic problems succeed in the short-term," said Goh.

Abdullah said: "Developed countries should be mindful that if developing nations can effect recovery of their beleaguered economy they can function as partners in trade and economic cooperation which can benefit the industrialised world themselves."

On the other hand, developing nations indefinitely impoverished by prolonged economic turmoil would only be a burden to other countries, including the industrialised nations.

Abdullah, who is representing Malaysia at the current United Nations General Assembly, met Wednesday his counterparts from the G-8 and G-15 member countries also attending the assembly.

In his talks with them, several countries of the two groupings described Malaysia's measures in dealing with the financial crisis and "extraordinary and bold", he said

Abdullah said they wished Malaysia a successful implementation the measures for developing nations to emulate without having to rely on the World Bank or the International Monetary Fund (IMF) for help.

Abdullah said Malaysia's ways in dealing with the crisis could serve as alternative solutions to the flawed approaches taken the IMF.

Goh told reporters that he discussed Malaysia's capital controls and other related topics on the financial crisis at length with Clinton.

"The danger is if the short-term management of the problem becomes long-term," said Goh.

Goh was also asked on any imminent talk with his Malaysian counterpart Datuk Seri Dr Mahathir Mohamad on bilateral issues relating to currency and the No-Fly-Zone for Singapore's military aircraft over Malaysian airspace, among others.

He replied that there was no hurry to do so because of other pressing domestic problems being faced by Malaysia.

"A bilateral will be held at the right time," added Goh who is on a five-day working visit to Washington and New York until Saturday.

-- BERNAMA

sh rn