

10 JUL 1998

Mahathir - Taiwan

MALAYSIA WILLING TO TRADE IN TAIWANESE CURRENCY

KUALA LUMPUR, July 10 (Bernama) -- Malaysia is willing to trade in Taiwanese currency to reduce the country's dependence on the US dollar in foreign trade, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said both governments had begun talks on using the ringgit and Taiwan dollar in their bilateral trade.

"It is a matter of setting up a clearing house and putting up the mechanisms which are not in place yet," he told a visiting group of 19 Taiwanese reporters representing nine newspapers and three television stations at the Prime Minister's Department here.

Dr Mahathir also explained why Malaysia had so far refused assistance from the International Monetary Fund (IMF) to solve Malaysia's economic problems.

He said the economies of countries which received IMF package like Indonesia, Thailand and South Korea were not better off than Malaysia which decided not to accept the IMF package.

"Why should we seek help from an organisation which really does not help and if we accept IMF package we would have to open up our market for the corporate giants from the Western countries and this would make our companies unable to compete in the open market," he said.

Dr Mahathir said for example, in the banking sector, the local banks would be swallowed up by giant banks like Citibank which had assets of US\$600 billion.

"So far we are able to resist the IMF..people still go shopping, business goes on as usual, development projects are still carried out and not a single bank was closed," he added.

Dr Mahathir also said that it was difficult to forecast when the economic turmoil would end because it was beyond the government's control and that was why Malaysia had stressed on the need to change the currency trading system.

"The problem is that we use too much of US dollars in conducting international trade although we do not have to do so as 70 per cent of Malaysia's trade is in US dollars although trading with U.S. only comprises 18 per cent of the country's overall trade," he said.

Dr Mahathir said things would be easier if Malaysia could trade in the currencies of the respective countries such as in yen with Japan and Taiwan dollar.

Dr Mahathir also said Taiwanese firms were expected to participate significantly in the setting up of Malaysia's Multimedia Super Corridor.

Dr Mahathir was also asked on the relationship between him and his deputy Datuk Seri Anwar Ibrahim.

"There is no difference between Anwar and myself.. we develop policies and make decisions together.. the only difference is that I am a bit outspoken and say nasty things while my deputy is soft spoken.

"There is no such thing as differences in opinion as portrayed by the Western media and both of us along with the the Minister of Special Functions Tun Daim Zainuddin make decisions together especially on economy," he added.

Dr Mahathir was also asked about his opinion on the Japan's economic problems.

He said the problem with Japan was the lack of confidence by the people on their government.

" Due to this, whatever the government does, the people are not trusting the government," he said.

Dr Mahathir said Japan should have a stronger government to solve its economic problems and since the Japanese government kept on changing after two to three years, there was no continuity in its programmes.

--BERNAMA

AKT