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Malaysia-Vision

MALAYSIA TO ACHIEVE VISION 2020 TARGET, SAYS DR MAHATHIR

KUALA LUMPUR, Nov 10 (Bernama) -- Malaysia can achieve its target of becoming a developed country by 2020, although there may be a slight delay in view of the current economic crisis, said Prime Minister Datuk Seri Dr Mahathir Mohamad.

This is because the country's economy was expected to grow at a rate of seven percent throughout the 30 years but since it was able to achieve more than seven percent growth in the first nine years or so, it could still make up to the target, he added.

Dr Mahathir said this in a live interview with Cable News Network (CNN)'s Business Asia segment tonight.

To a question on the current currency crisis, the prime minister reiterated that the devaluation of the ringgit by currency traders was the cause of Malaysia's economic problem.

He also said although the government admitted that it had made mistakes, that did not amount to the collapse of the economy.

"If it is our fault, it (the crisis) would have happened long ago," he said.

On whether former Deputy Prime Minister Datuk Seri Anwar Ibrahim should be given some credit for Malaysia's past successes, he said Anwar had done some good work but there were occasions when he could not agree with Anwar's views.

For example, he said Anwar wanted to apply International Monetary Fund (IMF) strategy for Malaysia which the government had allowed until it showed that the strategy was going to damage Malaysia's economy. Then Anwar accepted the view that the country should get away from the IMF.

On suggestions that the IMF package worked well for Thailand, he said "well that is something we can study together but other people had other opinions".

Responding to questions on exchange control measures, he said the failure of the international community to come out with regulations in currency trading would prolong Malaysia's imposition of currency controls.

Dr Mahathir said he expected the world to realise that the kind of anarchy in world financial regime could not be allowed (to go on) for much longer.

"Once they have put some regulations in place and we would not be threatened again by currency traders, then we would be able to drop these controls," he said.

However, he added, the international community does not work fast and it will take three to four years for them to make a decision.

On criticism that the measures taken by Malaysia were thinly veiled attempts to protect rich Malaysians, the prime minister said no matter what Malaysia did or did not do, the critics had already formed their opinions.

Dr Mahathir maintained that the measures imposed by Malaysia were meant to help its people and the steps taken had shown results.

This was evident from the increase in the country's foreign reserves by US\$4 billion since the controls were implemented in September and the rise in the sale of houses and vehicles.

The stock market had improved while distressed banks were also relieved of the burden of non-performing loans (NPLs) which were currently shrinking.

To a question whether big corporations should be allowed to fail, Dr

Mahathir said these corporations did not belong to one or two persons but to the whole nation.

Should these corporations be allowed to fail, a lot of people would suffer, he said.

"As much as when LTCM failed, a lot of people stepped in to (its) rescue. It's not even a company which is public-limited but just investments by rich people and yet they rescue it," he added.

Long Term Credit Management (LTCM) is a US-based hedge fund.

As for the merger of Malaysian banks into eight giant banking entities, he said Malaysia had always welcomed foreign ownership in banks as was witnessed in the case of Standard & Chartered Bank, CitiBank and Hong Kong Bank which were operating in the country.

"To say that Malaysia has never entertained foreign participation is not quite right, but we need to have some banks which are owned by Malaysians," he added.

-- BERNAMA

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