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Mahathir-Capitalisation

MARKET CAPITALISATION RISES TO RM180 BILLION

HANOI, Dec 16 (Bernama) -- Malaysia's stock market capitalisation has increased to RM180 billion since the introduction of selective currency control measures three months ago, Prime Minister Datuk seri Dr Mahathir Mohamad said tonight.

He said since then, RM32 billion had flowed back into the country providing banks with more liquidity.

"The trade balance is now very much in our favour which up till now stands at RM44 billion," he said at a dinner in his honour organised by the Malaysian community here in conjunction with his attending the Sixth Asean Summit which ended here today.

He said most of the country's earnings came from its exports.

Dr Mahathir, who is also First Finance Minister, said Malaysia's foreign reserves now stood at US\$24 billion (US\$1=RM3.80) compared to US\$20 billion three months ago.

"We hope to maintain our trade balance so that we can have substantial reserves," he added.

He said all indicators were showing that the Malaysian economy was on the rebound since the government implemented the selective currency and capital control measures.

He also said the government was looking at ways to persuade foreign companies from taking their profits out of Malaysia after the one year deadline next September.

"If they take out the money, our reserves are going to be much less...so we hope to build a sufficient amount of reserves to support our currency," he said.

Dr Mahathir said Malaysian companies wishing to invest abroad should source funds from outside the country.

He said they should not source funds from Malaysian banks operating abroad.

He also reminded the Malaysian business community to be caring when investing in other countries and not only to be concerned about making profits.

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