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Dompok-Ringgit

MEASURES SHOW GOVERNMENT PROTECTING THE PEOPLE, SAYS DOMPOK

KOTA KINABALU, Sept 2 (Bernama) -- Sabah Chief Minister Tan Sri Bernard Dompok today said that the foreign exchange controls announced by Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday shows that the government is protecting the people.

"You can see that the government has a very clear role ahead of it, and that is to stabilise the currency, and get on with the production of goods and services to build up the economy again," he said after chairing a weekly cabinet meeting, here.

The tough measures announced by Dr Mahathir and the Bank Negara are something the people understand, and that the Sabah government is fully supportive of the measures, he said commenting on the tough measures taken.

Yesterday the Prime Minister, in a move to stabilise the ringgit and the local share market which had been under attack by foreign speculators, among others, announced ringgit held outside the country would not be legal tender one month from now.

Today Bank Negara pegged the ringgit at 3.80 to the U.S dollar as part of the drastic measures to insulate the economy from speculators.

Dompok also said the measures were expected as the ringgit continued to slide down while the stock market was not doing well.

"Of course there are the upside and downside aspects of these measures but if we look at the situation in the country today I think this is the course of actions that would have been expected over what had been developing in the last few weeks," he said.

Asked on criticisms that the measures would hurt the country's economy in the long term, including distracting investors from coming, Dompok said genuine long term investors would look for rate of return rather than immediate capital appreciation.

"I think serious long term investors would still be attracted to the obvious security we offer," he said.

-- BERNAMA

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