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NEAC to check on outflow of money

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KUALA LUMPUR, Sat. - Datuk Seri Dr Mahathir Mohamad said the National Economic Action Council is looking into ways to prevent the outflow of funds and the reasons behind it.

The Prime Minister said the Government was keen to know how the money was being taken out and the steps needed to prevent further outflow.

"This transfer of funds will have a negative impact on the economy," he said at a Press conference after opening the Gerakan's 27th national delegates conference at Wisma PGRM today.

Dr Mahathir, who is NEAC chairman, was earlier asked what new measures were being taken by the NEAC in overcoming the economic problems.

The Prime Minister said it was found that the outflow of funds was still continuing, and the Government would like to know the reason behind this.

"I do not know the reason but in the end, it is we who are going to lose as the money will be used in currency trading, the very activity which has caused the ringgit to fall.

"So, the money we send out will depreciate because of us (our action). Actually, you are helping currency traders in depreciating the ringgit."

Asked whether the amount of funds deposited overseas was alarming and increasing, he said: "Well, it is depriving the people of a source of funds for their business. Yes, it is increasing. But sometimes they come back, sometimes it goes out."

On the effectiveness of the Government's call that money brought home from overseas would not be taxed, Dr Mahathir said some were still worried that the Inland Revenue Board would go after them.

He said the reason why the board needed to be informed was to avoid complications that might arise later.

"If later on these funds are used, let say, for their companies, the board might inquire on their origins. If they cannot provide proof and had not informed the board when the funds are brought in, the board might say that it is their income (from local operations) and has to be taxed."

Dr Mahathir was also asked on further action to be taken by the Government against those who accused it of practising nepotism, cronyism and favouritism.

"What we have done is to show there is no basis to these allegations by exposing who got all the benefits. It shows they (projects and shares) are not given exclusively to members of my family, those of the Deputy Prime Minister or to friends.

"Some of those who received them are people we don't know. Everybody gets a fair chance."

He added that no action would be taken against those championing the issue but they would be exposed as people with a political agenda favouring themselves rather than the nation.

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