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Mahathir-IMF

NO PROGRESS BY IMF IN EFFORTS TO REGULATE CURRENCY TRADING, SAYS PM

JITRA, April 7 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the International Monetary Fund (IMF) has not shown any progress in efforts to regulate currency trading.

The prime minister said although the IMF had promised to study Malaysia's proposal on the matter, it had yet to make any suggestion.

"I don't know why...so long as the currency fluctuates, they (currency traders) will make profits," he told reporters after holding Aidiladha open house at Dewan Jitra, here.

He was asked to comment on the latest development in Malaysia's proposal to regulate currency trading following the financial crisis in the region since last July.

He said that if Malaysia's currency was stable, currency traders would not reap profits, and that was why they (currency traders) were not interested in restoring the ringgit's value.

Commenting on IMF deputy managing director Stanley Fischer's statement yesterday that the financial problem was over for most countries in the region, Dr Mahathir said the IMF had made statements before but what was important was whether or not those who managed currency funds would strengthen Malaysia's currency.

"Although the World Bank, IMF and all parties recognise our strong economic fundamentals the ringgit still depreciates," he said.

The prime minister said the currency traders had their own views (on the country's economic fundamentals) and were not swayed by statements from the World Bank or anybody.

Fischer said in Kuala Lumpur yesterday that there were signs of an economic recovery in Malaysia, Thailand, South Korea and the Philippines with the situation in these countries improving of late.

Asked on further measures to be taken by the government, he said: "I don't know what measures...we have done what we should but the ringgit is still weak."

The ringgit is worth about RM3.70 to US\$1 now compared with RM2.50 to the dollar before the financial crisis hit the country nine months ago.

Asked whether the government would help public-listed Wembley Industries Holdings Bhd which had been placed under receivership, he said: "If we do that, people will say it's a bailout."

Wembley, a construction-based company, was placed under receivership by PhileoAllied Bank (M) Bhd on March 30 following its failure to settle a RM125 million loan.

Kedah Menteri Besar Tan Sri Sanusi Junid and Perlis Menteri Besar Perlis Datuk Seri Shahidan Kassim were among those who attended the open house.

Dr Mahathir later visited the new site for Masjid Akar Peluru in Alor Setar.

-- BERNAMA

JM JK