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Mahathir-Exchange

MALAYSIA'S FIXED EXCHANGE RATE TO STAY

KUALA LUMPUR, Dec 18 (Bernama) -- Malaysia's fixed exchange rate will stay unless "serious things" happen which force the rate to be changed, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"We can do that on our own, without anybody influencing us," he told reporters after briefing leaders of the Federal Land Development Authority (Felda) settlers here on the measures adopted by the government to revive the economy.

Dr Mahathir said Malaysia fixed the exchange rate as it provided certainty and the government's policy is to create an environment of certainty for businessmen to operate in.

He said Malaysia's capital control measures would stay as long as the international community allowed the destructive activity of speculators.

He said there were now many people who advocated control of capital and the hedge funds.

On foreign assistance, the Prime Minister said Malaysia will not borrow from other countries other than Japan.

He said Malaysia will look at the possibility of borrowing from international commercial banks and that it has not determined the amount required.

"We don't really need too much money. Japan has come out with some funds for us which is adequate," he said.

Malaysia secured RM2.41 billion in structured loans from Japan's Sumitomo Bank on Tuesday.

The loan is not part of the US\$30 billion Miyazawa initiative announced by Tokyo recently to help Asian economies affected by the economic crisis.

Dr Mahathir also said that Malaysia is leaving open its decision not to accept financial assistance from Singapore.

"At the moment, we don't need the money," he added. -- BERNAMA

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