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Leaders also give approval

GOVERNMENT leaders yesterday welcomed the measures announced by Prime Minister Datuk Seri Dr Mahathir Mohamad and Bank Negara to check the depreciation of the ringgit, including a fixed exchange rate, curbs on trading of the ringgit and repatriating money overseas.

Transport Minister Datuk Seri Dr Ling Liong Sik said inputs from the business sector revealed that an important factor is a stable currency rate for business and trading.

"This move is to create such a stability and the business people we spoke to welcomed it," he told reporters after attending the weekly Cabinet meeting.

Deputy Transport Minister Datuk Wira Mohd Ali Rustam, giving his full support for the Government's measures, described it as a "practical move".

"We are still not too late to insulate our economy," he told reporters after attending a signing ceremony between Le Proton LIMA Sdn Bhd and Malaysia Airports Bhd, Malaysia Motor Sports Club, Competizione Sdn Bhd, Kenn Kenn Auto Accessories and Services Sdn Bhd, Two Wheels-Motor Racing Sdn Bhd, Sunway Lagoon Resort Hotel and Rainbird Sdn Bhd in Petaling Jaya.

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

Yesterday, Bank Negara pegged the ringgit at 3.80 to the US dollar as part of the drastic measures to insulate the economy from speculators.

Bernama reports: Johor Menteri Besar Datuk Abdul Ghani Othman said the ruling will not be a problem to more than 10,000 Malaysians in Johor working in Singapore.

He said they should not worry about the ruling which is meant for those with some RM17 billion deposited in the republic.

Abdul Ghani said Malaysian workers will need to exchange their foreign currency for the ringgit as soon as they re-enter the country.

He also said that the measures are timely as the ringgit is a frequent target of currency speculators.

"This will ensure that the ringgit will not be a commodity for trading or basis for speculative activities."

In Kota Baru, Kelantan Menteri Besar Datuk Nik Abdul Aziz Nik Mat described the foreign exchange curbs as an appropriate response to foreign pressure.

"We have been on the receiving end far too long. We shouldn't let this to continue without returning the pressure on them," he told reporters after the swearing-in of Tendong Assemblyman Husein Ahmad as the Kota Baru Municipal Council president.

Nik Aziz said a West Asian country once adopted similar measures to protect its economy.

Unlike Malaysia, the country concerned did not recall all its currency overseas. Instead it reprinted a totally new currency, rendering its old currency overseas useless.

In Ipoh, Perak Menteri Besar Tan Sri Ramli Ngah Talib said the measures would insulate the people against hardships resulting from the speculations on the ringgit.

"International trade needs currency but we don't want the ringgit to be traded merely to give profits to certain people at the expense of the

country and the people," he told reporters after receiving a call from Bosnian leaders and Members of Parliament at his office.

In Kuala Terengganu, Terengganu Menteri Besar Tan Sri Wan Mokhtar Ahmad said the time has come for Malaysians to sell off their assets overseas and bring back the money to help rehabilitate the country's economy.

Now is also a good time to buy shares as the prices are attractive, he told reporters after chairing the State Executive Council weekly meeting at Wisma Darul Iman.

Describing the measures as painful injections, bitter medicine and unpleasant dietary control, he said they "are needed to restore health in our economy".

"Currency exchange control measures imposed by Bank Negara are necessary to curb and counter speculative attacks on our ringgit and enable a moderate or lower interest rate policy to be implemented effectively," he said in a statement.

In Penang, Chief Minister Tan Sri Koh Tsu Koon said serious long term investors will welcome a stable currency and a stable economy which will enable them to make and implement long-term business plans and decisions.

"What is crucial is that we must continue to sustain and upgrade our overall competitiveness based on our political stability, good infrastructure, attractive incentives, efficient government machinery and above all the productivity and technical capability of our workforce," he said.

In Alor Star, Kedah Menteri Besar Tan Sri Sanusi Junid said the revolutionary measures will not erode confidence of investors in the country.

"With the latest move, we are in full control of the ringgit. It is a revolutionary move and we are proud of it," he told reporters after meeting Barisan Nasional members of the State Legislative Assembly to brief them on the measures.

Meanwhile, Sabah Chief Minister Tan Sri Bernard Dompok said the foreign exchange controls announced by Dr Mahathir 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.

Sarawak Deputy Chief Minister Datuk Dr George Chan said the Government's drastic action will not deter tourists or affect industrial development as there is mechanism to check on that.

Dr Chan, who is also State Finance and Public Utilities Minister, said in fact with the measures, it is easy for foreign businessmen to invest in the country.

He said with the value of the ringgit fixed at a certain level, it will be easier for the investors to plan their business.

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