

30/09/1998

`We should not facilitate speculators'

MOST foreign investors are only keen to reap quick profits through currency and shares trading instead of using the opportunities given to them to invest in the country.

Prime Minister Datuk Seri Dr Mahathir Mohamad told the Dewan Rakyat yesterday Malaysia should not facilitate the speculators as trading in shares and currency did not benefit the country.

"While there is a need to instil confidence among foreign investors to continue investing in Malaysia, it must be noted that they do not have the genuine intention to take full advantage of the opportunities accorded to them.

"There is a need to preserve the confidence of foreign investors but only in ordinary investment and not trading of shares.

"The value of currency speculation is 20 times more than the ordinary currency trade which amounts to US\$20.3 trillion a day," he said when winding-up points raised by MPs during the debate to amend the Securities Industry (Central Depositories) Bill.

Dr Mahathir, who is also the First Finance Minister, also rejected the allegation by Singapore Prime Minister Goh Chok Tong that Malaysia wanted to impoverish the republic by coming out with the ruling on currency control.

"This is not true as Singapore is a rich country. What we want to do is to bring the wealth belonging to us back to our country," he said, adding that such moves had boosted the nation's reserves by RM1 billion to RM21 billion in three weeks.

Replying to a question by Dr Tan Seng Giaw (DAP-Kepong) if the Government had a true political aspiration to enforce the law, Dr Mahathir said the people need not be worried as "we will ensure that nobody will take advantage of the law to enrich themselves".

"Developed countries do not want to see us recover but instead subject us to various pressures by bringing down the value of our currency, share prices and credit ratings.

"By having many problems, they thought we will finally accept International Monetary Fund's assistance."

Dr Mahathir said although the pressures imposed on Malaysia was great, the country was still capable of preserving its economic independence.

"On the contrary, there is already a growing awareness in the world today that currency trading is not beneficial to anybody.

"They (the United States) are now willing to accept our criticism after a hedge fund in the country lost about US\$1 trillion.

"This has resulted in other hedge funds and banks in the US start incurring losses."

To a call by Abdul Hadi Awang (Pas-Marang) that the non-riba (usury-free) banking system might be a solution to revive the economy, Dr Mahathir added:

"Most commercial banks have introduced what they call Islamic windows as part of their banking products. However, we cannot abolish totally the conventional banking system as many people are still not well-versed with the Islamic banking system.

"We can go on expanding the Islamic banking system if the world acknowledges fully such system."

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