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Wolfensohn rules out aid discussion (HL)

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THE World Bank has ruled out the need to discuss financial aid for Malaysia to deal with the impact of the region's financial turmoil. Its president, Mr James Wolfensohn, said Malaysia is "not one of the countries I'm deeply concerned with now".

Wolfensohn, who arrived in Kuala Lumpur yesterday, said "No" when asked if he expected to discuss World Bank loans for Malaysia during his two-day visit.

"Obviously we are prepared at any time to talk to the Government here should they need (loans), but that is not the objective of the mission," he told reporters upon arrival at the Sultan Abdul Aziz Shah International Airport.

Instead, Wolfensohn said, he expects to gauge the impact of the turmoil on the country's poor people and seek the advice of Prime Minister Datuk Seri Dr Mahathir Mohamad and his deputy and Finance Minister Datuk Seri Anwar Ibrahim.

After his meeting with Anwar last night, Wolfensohn described Malaysia's poverty record as exemplary. "Malaysia is really a case study in excellent implementation. (The World Bank) has done over the years 99 projects with Malaysia... with great effectiveness.

"It's been a great success story between the World Bank and an effective Government... The bank feels not only proud, I think we can learn a lot from what the (Malaysian) Government has done," he said.

Anwar said: "The World Bank is supportive of the Government's view on poverty eradication."

Wolfensohn meets Dr Mahathir today.

The World Bank chief had flown in from Singapore after visiting Thailand. He will visit Indonesia, the Philippines and South Korea later this week.

Before leaving Singapore for Kuala Lumpur, Wolfensohn gave the thumbs-up to the programmes undertaken by Malaysia to deal with the country's current financial and economic problems, saying they have been "effective".

"Malaysia has got the capacity to deal with the crisis," he said, adding that Malaysia was "not one of the countries I'm deeply concerned about now", Bernama quoted him as saying.

He also told the press conference in Singapore that Malaysia, which did not seek International Monetary Fund assistance, is effective in its economic management.

In putting in its own programmes, Malaysia has also reassured concerned investors by putting off big projects, Wolfensohn said.

He added that in previous meetings with the Malaysian leaders some three months ago, he had the impression that Malaysia could control the situation.

Wolfensohn's statement was made as Asian stock markets roared into the Year of the Tiger with evidence that foreign confidence in the region was returning.

Asian currencies were also stronger, firming or consolidating at higher levels.

Asked if the worst was over, Wolfensohn said nobody could tell but that the steps taken by the various countries concerned "have diminished the chance of further eruptions".

At the Kuala Lumpur airport press conference, the World Bank chief outlined the objectives of his mission to the Asian countries.

"There is no standard topic of discussion. The bank is doing two things - to look at the stability of the financial system and how we may assist the Government's wishes on issues of corporate law... and supervision of banking sectors.

"The other very important matter is the question of the impact of the crisis on the poor people.

"There is a very strong social agenda - how to get people back to work, how to reverse the impact of financial crisis on the most vulnerable people such as the children and elderly," Wolfensohn said.

Meanwhile, when asked if his meeting with Dr Mahathir would touch on currency trading restrictions, Wolfensohn said: "I will be very surprised if he does not raise it."

The World Bank has pledged up to US\$16 billion to financial bailout packages for Thailand, Indonesia and South Korea since July last year when regional currencies started plummeting against the US dollar.

Since the World Bank was set up in 1944 at the Bretton Woods Conference, its mission has been to lend to the poorest countries to help them catch up with the global economy.

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