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Controls introduced after thorough study: Pak Lah

Kamarul Yunus

THE Government implemented the selective exchange rate controls after careful study and thorough discussions, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi says.

The measures were introduced to safeguard the interest of the people, he said at a dialogue with officers of agencies and departments under the Rural Development Ministry in Kuala Lumpur yesterday.

"This is not just the view of Prime Minister Datuk Seri Dr Mahathir Mohamad; it is also the Government's stand," Abdullah said.

He was responding to a participant from the Community Development Office (Kemas) who had asked about Malaysia's stand towards the International Monetary Fund (IMF) in the context of growing signs of economic recovery following the implementation of the selective controls in September last year.

"We did not seek assistance not because we hated the organisation or anybody from the IMF. The Prime Minister thought about it for a long time and the measures taken were also discussed by Cabinet ministers.

"Our views are that it is not practical to implement IMF's measures in this country as its prescriptions applied in other countries brought more damage than rectify the real problems," he said.

For example, Abdullah said, if Malaysia had subscribed to IMF's measures, one of the conditions was to increase interest rates which the Government rejected because this would cause hardship to local companies and banks.

"Local companies, especially the smaller ones, would have to close shop... major local companies would also suffer a similar fate as not one company can survive, especially when the country's currency was devalued by almost 60 per cent due to the regional economic problems.

"So, we have to cut the interest rate and since then, there seems to be improvement," he said.

Earlier in his opening remarks, Abdullah said the Barisan Nasional (BN) Government is not looking for popularity when it implements any measure or policy.

He said policies are implemented only after the Government has scrutinised them and is certain that they are for the good of the people and the nation although various groups within or outside the country might oppose the measures.

"The BN Government does not seek to be popular by making all kinds of promises which cannot be fulfilled," he said.

The two-thirds majority held by the BN Government gives it strength to act firmly when implementing moves that are deemed necessary in the national interest, Abdullah added.

On the role of Kemas supervisors, Abdullah said they should continue to explain on Government's action to the rural folks.

"Since they are at the frontline of rural development, they must make sure that the policies and measures taken by the Government are fully understood by the people.

"As public servants, they should have undivided support for the Government," he said.

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