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Critics of controls now proved wrong

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FOREIGN journalists and local reporters working for foreign media organisations have seldom been sparing in their criticism of Malaysia's handling of the regional economic crisis.

And when selective capital control measures were introduced in September last year, they joined the chorus of international analysts and local invertibrates in singing a requiem for the country's economy.

At best, they were willing to give the policy only a slim chance of succeeding. At worst, they saw it as a move to cut Malaysia adrift from the global economy.

But five months into the controls, some positive signs of recovery have emerged, and where difficulties are still being experienced, hopes for finding solutions are much better.

With a steadier ringgit, cheaper cost of funds and the easing of credit, managing businesses has become more feasible.

This is beginning to be acknowledged by some foreign analysts and media commentators who, until a few months ago, were still insisting that Malaysia should submit to International Monetary Fund intervention like Thailand, Indonesia and South Korea.

It is not surprising that the Prime Minister is the target of their hate campaign.

Datuk Seri Dr Mahathir Mohamad should be more than aware that this is the price he has to pay for not being always nice to the ladies and gentlemen of the foreign Press, especially when his ousted former deputy made it his priority to be friendly with them and even treated them more favourably than local journalists.

But even so, the anti-Mahathir views are gradually changing. Malaysia has not only not gone the Indonesian way economically, more importantly it has not gone the Indonesian way politically where the much touted reformasi has degenerated into the burning of mosques and churches, the raping of Chinese women and the looting of shops.

The Time magazine in its Feb 1 issue said Dr Mahathir's "daring experiment" in imposing capital controls had fared better than predicted by many experts.

The problem with these so-called experts is their lack of understanding of the situation in Malaysia and the rest of Southeast Asia. As such, they spend most of their time pontificating when they should be elucidating.

The Time said even investment bankers, among the first casualties of the controls, were taking another look at Malaysia.

These comments were made before the Government announced the measures to tackle foreign portfolio capital which was required by the controls to remain in the country for at least 12 months from last Sept 1.