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## Currency controls dominate

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MALAYSIA'S handling of the economic crisis was the centrepiece of the fourth Langkawi International Dialogue (LID) which ended yesterday. Dedicated to the promotion of smart partnerships as an effective means to pursue economic prosperity, this year's LID focused on the 1997-98 Asian economic crisis and as a result took on the hues of a financial summit.

Participants from 38 countries gained first-hand insight into how Malaysia had addressed the challenges in its own way, including imposing selective foreign exchange controls which initially caused shockwaves around the world.

Leaders from African countries, many now facing external economic pressures not unlike what Malaysia faced 18 months ago, sought guidance from Malaysia.

Zimbabwe President Robert Mugabe hinted that his country was toying with currency controls and other measures that Malaysia has implemented.

At least two more African countries, Mozambique and Swaziland, have requested special briefings from what has come to be known as the Malaysian "expert team", comprising top officials from Bank Negara, the Securities Commission, Pengurusan Danaharta Nasional Bhd and Danamodal Nasional Bhd.

During the three-day dialogue, Malaysia had the numbers to show that its economy was indeed recovering from one of the worst economic recession since the country's Independence.

Share prices have tripled, the gross domestic product has improved on the back of expanding exports, foreign reserves have doubled at US\$31 billion, inflation slashed from 6.9 per cent to 2.9 per cent, and retrenchments slowed from 12,000 in 1998 to 2,500 in the first half of this year.

Prime Minister Datuk Seri Dr Mahathir Mohamed described this year's dialogue as a huge success.

In closing the final dialogue session yesterday, he reminded South countries that many more dangers lie ahead for small and poor nations, especially in a future where technology dominates.

However, by adopting smart partnerships they will be able to achieve much more than they would alone, Dr Mahathir said.

On being told that Asia's recovery might trigger a bumpy landing for the US economy, the Prime Minister said Asia is certainly not in favour of a zero-sum game.

The unique format of the Langkawi sessions, where participants sit at dinner tables and talk freely on the topic of the day, meant that there are no official pronouncements at the end of the discussions.

The loose structure ensured a free flow of ideas, but some participants wanted a little more structure.

They suggested that the organisers publish notes from the discussions so that participants can keep track of follow-ups.

A website on smart partnership was also proposed.

US economist Professor Tom DeGregori said the Langkawi dialogue had so much good ideas that a Langkawi Initiative should be included in the formulation of the new world financial order.

Securities Commission chairman Datuk Ali Abdul Kadir suggested that Group of Seven nations consult other nations before they get down to

working on a new global financial architecture.

On the last day of the dialogue, participants concurred that the best way to sustain economic well-being was education, political stability and cooperation among industry, government, workers and academics.

Mr Richard Ottaway, a British Member of Parliament, said knowledge-driven economies of the future demand smart partnerships from all parties.

Ghana vice-president John Atta-Mills said Malaysia's ability to emerge quickly from the economic crisis was made possible by its strong human resource base which is the product of a farsighted education policy.

Telekom Malaysia chief executive Datuk Wira Mohamad Said said his company's investments in Ghana Telecom were a prime example of a smart partnership.

He said since the two companies went into partnership, Ghana Telecom has raised its number of telephone lines from 64,000 lines in 1997 to 150,000 at present.

He said the company is on track to double the number of lines in the next two years and expects to reach 500,000 subscriber lines within five years.

Ghana Telecom director Joseph Amamoo said Malaysia's involvement in his country was a revelation.

He said when Ghana Telecom approached its suppliers to introduce itemised billing, the company was told that it would cost US\$400 million.

"However, after privatization, Telekom Malaysia said it could do it for US\$3 million and do it well," he told a press conference.

Amamoo said Malaysia is a good partner because while it is more technologically advanced than Ghana, "it is still a Third World country" and understands the needs of another third world country.

He said Malaysians took time to study the situation in Ghana and provided training for locals so that they can administer the telephone infrastructure without outside help.

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