

11/09/1999

DPM: Selective capital controls up for discussion at Apec summit

KUALA LUMPUR, Fri. - The success and effectiveness of the country's selective capital controls have caught the attention of Asia Pacific Economic Co-operation members, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said today.

Abdullah, who will be leaving for Auckland, New Zealand tonight to represent Prime Minister Datuk Seri Dr Mahathir Mohamad at the Apec summit, said Malaysia's capital controls would be discussed together with regional economic issues at the summit.

He was speaking to reporters after launching the National Language and Literature Month at Hotel Istana.

"We will have no problems explaining our economic recovery measures, including the imposition of selective capital controls to Apec members."

The International Monetary Fund Executive Board in its report issued in Washington on Wednesday had commended Malaysia for its effective economic recovery strategy.

The IMF said the country's capital control measures had silenced much of the initial criticism by producing more positive results than many observers had expected.

Abdullah said while he expected the East Timor issue to be one of the main topics at the summit, Malaysia would forge ahead to present its views and explanations on its economic recovery measures.

"Members will probably be pressed to discuss East Timor but Apec is an economic forum. Therefore, we will forge ahead with our views on economic matters."

Abdullah said Apec members who had faced economic problems followed the IMF approach but Malaysia decided not to adhere to conventional methods.

"The Government better understands the situation in its own country. It understands the need to create balanced development and to uphold policies like that of bringing economic progress to Bumiputeras. Therefore, it came up with its own measures to revive the economy.

"Globalisation, trade liberalisation and the opening up of the capital market cannot be expected to fully ensure economic progress without taking into account the level of economic progress in developing countries. We cannot, therefore, be forced to accept everything," he said.

He added that Malaysia would be bringing this up at the summit.

He said while there were Apec programmes on trade liberalisation to be introduced, their implementation should be based on ability of the countries concerned.

"It cannot be forced down or speeded up."

He said at the same time, there should be reforms in the global financial system.

"The IMF should give their attention to the need for reforms."

To a question, Abdullah said Malaysia would reject any attempt to use the World Trade Organisation as a platform to oppress developing countries.

"The WTO is not a platform to be used to oppress others. It is a collaborative forum to ensure the success of world trade."

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