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Controls-Umno Youth

DR MAHATHIR PROVEN RIGHT, SAYS UMNO YOUTH

KUALA LUMPUR, Sept 9 (Bernama) -- The admission of the International Monetary Fund (IMF) that Malaysia's capital controls have brought good results is proof of the government's capability to manage the economy, Umno Youth International Affairs Council chairman Abdul Azim Zabidi said today.

"The prime minister has been right all the while in introducing capital controls (although) going against international economic orthodoxy," he told Bernama.

Abdul Azim, who is Bank Simpanan Nasional (BSN) chairman, said the IMF's thumbs up should also serve as a notice to the world to take seriously ideas forwarded by Malaysia such as the need to reform the international financial architecture.

In its annual review of world capital markets, the IMF said "nonstandard" methods like the Malaysian controls sometimes could be justified, especially for countries under the sort of pressure Malaysia faced during Asia's financial crisis.

It said the controls, which were introduced in September last year, had been applied in a flexible and pragmatic way.

Malaysia had triggered the wrath of the international financial community when the government introduced the capital controls and pegged the ringgit to the dollar in an effort to shield its markets from foreign speculators.

"We have been vindicated...the currency controls have helped us to overcome the economic difficulties," said Abdul Azim.

On the on-going Asia Pacific Economic Cooperation (Apec) ministerial meeting in Auckland, Abdul Azim regretted that it was being diverted to the issue of East Timor.

He said the forum should discuss issues on trade and economy like the international financial architecture.

The Apec ministerial meeting on trade issues was broken up just after an hour this morning for some of the ministers to attend a special meeting on East Timor.

-- BERNAMA

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