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Mahathir-D8

MAHATHIR SATISFIED WITH OUTCOME OF D-8 SUMMIT

By: Mikhail Raj

DHAKA, March 2 (Bernama) -- The group of eight Islamic developing countries (D-8) must follow through on projects identified at the two-day summit to live up to its billing of being a project-oriented grouping, said Datuk Seri Dr Mahathir Mohamad.

Expressing satisfaction with the outcome of the summit, the prime minister said D-8 countries should endeavour to be involved in Islamic insurance and reinsurance, a project coordinated by Malaysia.

"There has been progress made on projects identified since the last summit in June 1997 in Istanbul (and) I look forward to cooperating with other D-8 leaders towards this end," he told a news conference at the end of the summit which was opened Monday by Bangladeshi Prime Minister Sheikh Hasina Wajed.

The annual summit would from now be held every two years with Egypt hosting the next meet in Cairo in 2001.

At the news conference attended by over 100 journalists mainly from the Indian sub-continent and West Asia, Dr Mahathir was asked on a wide range of issues ranging from former Deputy Prime Minister Datuk Seri Anwar Ibrahim, currency controls and the number of times he had performed the haj.

Asked on the response to his letter recently to the leaders of the Group of Seven (G-7) industrialised countries, urging them to include developing countries on their proposal to set up a financial stabilisation forum, Dr Mahathir said: "There has been no response...they have completely ignored it (the letter)."

He said that developing countries, possibly through the Group of 15 developing countries, should have a say in the formulation of any new financial architecture.

Otherwise, he said, the interests of developing countries would not be taken into consideration "with the rules benefitting them and not us."

Any measures taken should be for the development of the whole world and not just the rich countries, he said.

On whether the ringgit pegged to the US dollar at RM3.80 was undervalued, he said the Malaysian currency was undervalued than that of some of its neighbouring countries.

"But there is no harm to Malaysia, it makes us more competitive. We feel that the current value is just right," he said.

Turning to criticism that Malaysia's selective exchange controls might only be beneficial in the short-term but could be harmful in the long run, Dr Mahathir cited China where its exchange controls had worked well for the country despite being in place for a long time.

Dr Mahathir said that with the controls, China developed very fast and very steadily. China was now facing problems not because of the controls but rather due to the devaluation of other regional currencies, he said.

This had somewhat affected its competitiveness but "China is in full control of its currency...it can devalue to be competitive but Beijing has pledged not to devalue the yuan," he said.

"Exchange controls can go on for a long period of time, there is no danger to the currency or the economy," he said.

Dr Mahathir said that the tiger economies of East Asia were now facing a depression with their currencies devalued significantly because of the lack of controls.

On a proposal for a single currency being mulled by Asean, he said unlike the euro, the grouping was discussing ways to use a common currency such as the yen in trade and not a single currency as Southeast Asian economies were very complex.

On suggestions that countries relatively unaffected by the currency crisis such as Singapore was due to their having transparency with little corruption, Dr Mahathir said it had nothing to do with transparency.

"If you have the money, they (currency speculators) will come and attack you. It has got nothing to do with being clean or not clean.

"Even Singapore has been attacked, whereby it is not as wealthy as before with the island republic's economy expected to post a contraction this year," he said.

Asked how many times he had performed the haj, Dr Mahathir said he had performed the pilgrimage once but has performed the umrah "very many times."

The prime minister also said that relations between Malaysia and Saudi Arabia were good with discussions on bilateral matters being held on an ongoing basis.

Asked whether he would retire from politics, Dr Mahathir said that he would not run away from the job he had to do, particularly in turning the economy around from the current slowdown.

"Like it or not, the prime minister has to do the job, but I will retire when the time comes," he said, drawing laughter from the press corps.

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