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MAHATHIR-FOREIGN

MAHATHIR: ENOUGH MONEY TO CONVERT RINGGIT TO FOREIGN CURRENCIES

LANGKAWI, July 25 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad gave an assurance that the country has sufficient money to convert ringgit into foreign currencies should foreign shareholders take their money out of Malaysia.

"We have no problem at all if they take out the money, not all, as a lot will stay because of foreign funds still coming in," he said.

He said this during a dialogue session with a group of Korean press after witnessing the signing of a memorandum of understanding (MoU) between Tema Teladan Sdn Bhd, a subsidiary of Emkay Group, and Golden Life Resort Bhd.

The MoU was for the purchase of 220 units of bungalows, cottages and apartments at Langkawi Lagoon, here.

Responding to a question, Dr Mahathir said he did not think that there would be any sudden outflow of funds as most purchasers were locals.

The prime minister was also asked whether he was worried on the active selling that occurred on the Kuala Lumpur Stock Exchange (KLSE) on Friday which looked as though foreign shareholders were taking out funds ahead of Sept 1 when the one-year moratorium on portfolio funds ends.

"I am not worried as the Kuala Lumpur Composite Index (KLCI) was 260 points a few months ago and more than 800 points today.

"Naturally some correction had been made, naturally some profit taking took place and naturally the market was responding to the international situation and (international) stock markets."

He said they (foreign shareholders) could take their money out as the country has no problem with this situation.

On Friday, prices on the KLSE closed broadly lower across the board due to selling pressure brought about by the weaker regional bourses.

Values were weighted down, prompted by the steep fall on Wall Street overnight following the suggestion of another possible hike in interest rate by US federal Reserve chairman Alan Greenspan.

The KLCI came down by 21.43 points to close the week at 808.34.

A dealer had said that the market was on a healthy correction and that it was taking a breather after sharp gains in the last two weeks. --

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