

23 NOV 1999

Mahathir-Economy

M'SIAN ECONOMY TO BE MORE STABLE IN THE FUTURE, SAYS MAHATHIR

PUTRAJAYA, Nov 23 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamed said today that the Malaysian economy is expected to be more stable in the future and less likely to undergo "the kind of difficulties that we had from 1997 to 1998".

Speaking at a joint news conference here with Chinese Premier Zhu Rongji after the signing of a set of agreements to enhance bilateral ties, he said most of the countries in the region had recovered.

"Their growth next year is bound to be higher than their growth this year," he said.

However, Dr Mahathir said their growth would not reach the same level as before the crisis.

He said that it would be some time for the countries to achieve the same level of growth they enjoyed before the economic crisis.

"On the other hand, we have to be very careful because the forces which forced our economy to collapse in 1997 are still there and they may launch another attack," he said.

In the case of Malaysia, he said, "we have insulated our currency which is no longer subject to manipulation by foreign speculators".

Meanwhile, Zhu said that during Dr Mahathir's visit to China in August this year, the latter had forwarded many suggestions to enhance bilateral economic co-operation and trade.

"Today, we have already signed several documents...more are in the pipeline. In the future, I am sure we will continue this good momentum of development in trade ties and economic and political co-operation and also in the international fora," he said.

Zhu said during the regional financial crisis, Malaysians were united and had made concerted efforts to overcome their difficulties.

Lauding Malaysians for having achieved rapid economic recovery, he said: "I would like to extend our congratulations to the people of Malaysia".

When asked on the East Asian Monetary Fund mooted by Dr Mahathir, Zhu said China had always been very supportive of the idea.

"But of course the final outcome would still depend on detailed consultations and exchange of views among the parties concerned," he said.

Briefing the press later, Foreign Minister Datuk Syed Hamid said Malaysia had requested for more landing rights in China particularly to Kunming as it was opening a consulate office in Shanghai as well as in Kunming early next year.

He also said that China was keen to invest in several projects in Malaysia such as in the railway sector and power plants.

China will encourage its high-tech industries to participate in the Multimedia Super Corridor (MSC).

"Trade relations with China is growing rapidly but mostly through third countries. We want more direct trade," he said.

Malaysia is also looking for investment opportunities in China such in the monorail system.

On the banking agreement which would pave the way for the opening up of the banks' branches in each other's countries, Syed Hamid said Bank Negara and the People's Bank of China would be discussing the details.

"The idea is to promote greater financial cooperation between the two countries but the details would be announced later by the relevant

authorities.

"I think that will be one of the things that will definitely happen," he said.

The minister said that Malaysia would also like to make it easier for visitors from China to come to Malaysia, for instance, by granting visas for longer periods.

On its part, he said, he hoped China would be able to be more flexible regarding exit visas for its citizens as Malaysians could visit China without the need for any exit visas.

"China has agreed to all our requests to encourage the free movement of our two peoples," he said.

-- BERNAMA

GM/SHY MR RM