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Mahathir-LID

OPPOSITION NOT BELIEVING RECOVERY IS REAL, SAYS PM

LANGKAWI, July 26 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has chided the opposition for emulating western sceptics who believe that the Malaysian economic recovery is not real.

He said that these people already have a mindset that the recovery was more imaginary although "we have all the figures to show a recovery is actually taking place".

For instance, he said that Malaysia's foreign exchange reserves had risen by 50 per cent from US\$20 billion to US\$31 billion, able to finance seven months of retained imports.

"Such a sharp rise has never happened before," he said.

"Our recovery is very real indeed," he said when moderating a panel discussion at the second day of the Langkawi International Dialogue, here, today.

Dr Mahathir said: "Ask any Malaysian and he will say that he feels the economic recovery is very real indeed."

The prime minister also said that the opposition and the sceptics could be thinking that "we are selling virtual cars and the people are eating imaginary food".

Responding to remarks by Prof Thomas Gregory, an economist with the University of Houston in Texas, that the United States gained when the Asian economies suffered from the economic crisis and that when the latter recovers, it would be at the expense of Washington, Dr Mahathir said: "Malaysia likes to see the continued prosperity of the United States since our economic fortunes are linked closely with that of the US economy.

"If the US economy goes down, we will also suffer because we produce practically all the microchips needed by the industries in the US," he said

"I call this a zero sum game, that we benefit at their expense and vice versa.

"What we would like to see is for both sides to prosper through smart partnership," the prime minister said at the discussion attended by some 300 participants from 38 countries including eight heads of government.

"Even the new world financial architecture being promoted by Malaysia...everyone should gain from it, not one side gaining and the other side losing," he said.

He said the currency crisis led to 40 years of hard work in East Asia being destroyed simply by devaluation, which was why "we need to ask ourselves whether we need currency trading other than to buy goods and services".

"If the currency speculators did not see an opportunity, they would not have attacked us, it is not because of bad governance," he said.

"They did not go to the countries some of which were actually worse off as far as economic development was concerned, but they resorted to the old maxim that if you want to rob, find somebody rich enough," he said.

-- BERNAMA

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