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PM: Speculators destroy much wealth for small profits

A. Kadir Jasin in New York

PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday expressed hope that the losses suffered by Asia and the world as a result of the Asian financial crisis and the gains made by manipulators can one day be quantified.

He said currency traders destroyed much more of the Asian economy to make much less profits for themselves.

Citing the Malaysian experience, he said during the currency turmoil, the ringgit and the stock market lost an estimated US\$200 billion (RM760 billion).

"I doubt if the currency traders made more than US\$10 billion from their almost clandestine activities.

"The currency traders destroy much wealth in order to make relatively small profits for themselves."

Speaking at the opening of the inaugural meeting and roundtable of the Malaysia-US Business Council at the New York Palace Hotel, Dr Mahathir said:

"I hope one day someone honest would sit down to quantify the losses suffered by the countries of Asia and the world as a result of the abuse of the free market by the avaricious financial manipulators, and the profits they made."

Speaking on the subject "Malaysia and the United States in the new millennium - challenges and opportunities," he said when Malaysia was prosperous, it was a good market for the products of the world, including from the US.

"When you destroy your market you must lose in the end. That is what the currency traders and the short-term investors did to your market."

Dr Mahathir said the greatest need in the world today was understanding on the part of everyone.

Unrestrained and uncalled for criticisms of others would not contribute towards understanding each other.

The Prime Minister hoped the Malaysia-US Business Council would help foster understanding of each other. "I do think it will be good for business between Malaysians and Americans. It may even be good for Malaysia-US relations generally."

Dr Mahathir said although Malaysia was gearing for the new millennium and the information age, its business philosophy would remain orthodox. "We think that business should not be a zero-sum gain. We do not want to lose so that our partners will gain nor do we want to see our partners lose so we may gain.

"We believe in a quaint philosophy that we should not beggar our neighbours but rather prosper them. We believe that the more we help our partners to prosper, the more prosperous we will be."

He told the businessmen that Malaysia would continue to welcome and accommodate direct foreign investment, saying that when foreigners invested in Malaysia, even if it was merely to create jobs, the country becomes prosperous.

"Because we are prosperous we become a good market for the products of the country investing in our country, even for the products of the investing companies. Our prosperity is good for our partners and vice versa," he said.

It was for that reason, said the Prime Minister, Malaysia did not like

currency traders, adding that selective capital controls were implemented to stabilise and make business environment more predictable.

"You will find that doing business in Malaysia will no longer be a gamble, nor will you need hedging. It should keep your cost down and make budgeting easier," he said.

Major US corporations like Aetna International, American International Group, Salomon Smith Barney, Oracle Corporation, Starwood Capital Group, Hughes Communications, Boeing Company and Dow Chemical were among those represented at the meeting.

On the Malaysian side, representatives from Sapura Group of companies, YTL Corporation Bhd, Berjaya Group Bhd, Arab-Malaysian Banking Group, Multimedia Development Corporation Sdn Bhd and several others were present.