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PM urges Europe to back EMF (HL)

Baidura Ahmad in Singapore

DATUK Seri Dr Mahathir Mohamad yesterday sought European support for a regional alternative to the International Monetary Fund at the East Asian Economic Summit.

Calling it the "East-Asian Monetary Fund", he said it should be a flexible and compact regional funding organisation with no "pre-conceived ideas on what should and should not be done".

The Prime Minister was addressing more than 700 participants at the summit organised by the World Economic Forum, a Switzerland-based foundation that gathers mostly European administrators, thinkers and businessmen.

Dr Mahathir said the EMF could "deeply and constantly engage in East Asian monetary co-operation and problems on a daily basis as opposed to a once-a-decade-when-crisis-strikes basis".

"Had such an EMF existed, I believe that the East Asian currency crisis of 1997/98 would not have occurred, would not have endured and would not have gone to such ridiculous depths," said Dr Mahathir, who is on a flying visit to Singapore.

Asked to elaborate on the mechanism of the proposed EMF, the Prime Minister said the most important factor would be its flexibility.

"Countries or economies should not be given subtle threats (like) 'If you want my money, you must do this, this and this', without taking into consideration the local situation," he added.

When an enthusiastic member of the floor suggested that the EMF be expanded to include all of Asia, Dr Mahathir said for the organisation to work, it should start "where we can really begin work. Also because progress is already happening in East Asia".

Earlier, in a speech peppered with no less than 10 "please", Dr Mahathir again asked everyone to understand the Malaysian way of doing things.

Among other things, he said: "Please do not assume that we in Asia are always stupid. I must admit that many of us are indeed stupid. If I were to list all the stupid things I have done, it would take all day.

"But please, give us a little credit ... please don't be angry with us ... please do not intimidate ... please give us the right to self-determination."

Dr Mahathir reiterated that Malaysia had achieved similar results as other crisis-hit economies without the "wholesale slaughter" of local businessmen and without blood on the streets or political turmoil.

In saying this, he quipped: "Vice-Presidential encouragement notwithstanding", in apparent reference to US Vice-President Al Gore's speech at the Asia Pacific Economic Co-operation leaders summit in Kuala Lumpur last year where he supported street demonstrators by calling them "brave people".

Dr Mahathir said Malaysia achieved this without having to auction off "precious corporations" to foreigners at fire-sale prices.

"I do apologise to all bargain-hunters and fire-sale shoppers," he said to applause and laughter from the audience which included decision-makers from established banks and global companies.

Malaysia, he said, believed that becoming new and inefficient venturers into business was more honourable than becoming highly-paid servants of powerful, huge, foreign-owned conglomerates.

"Misguided national pride perhaps, but we would rather be misguided than

be properly guided as the servants of others," Dr Mahathir said.

During the dialogue after his speech, he was also asked by WEF founder and president Klaus Schwab on the characteristics of a good leader.

"You cannot achieve sustainable growth without having sustainable leadership. Of course, if the leader is bad, you throw him out. But if he is good like me, you should keep him," he added in jest to, again, laughter and applause.

On the future, Dr Mahathir said the next 10 years would be a time to re-make ourselves yet again.

On the consolidation of the banking sector, he said Malaysia was not backing away from the move to merge all the 58 banking institutions into six core banking groups.

Dr Mahathir had raised eyebrows when he recently described six as an arbitrary number for core banking groups, which indicated it could be expanded. "We had to jolt them into talking seriously about consolidating. Now that they have had the shock, we can go back to being flexible," he said.

WEF was started as an informal gathering of Europe's top businessmen in 1971. The driving force of WEF is its membership of 1,000 global companies.

Its annual meeting is held early each year in Davos, Switzerland.

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