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PM: Let's get true picture of `recovering economies'

PRIME Minister Datuk Seri Dr Mahathir Mohamad called for a clearer picture of the situation in economies said to be recovering from the economic crisis.

Citing the case of Thailand, he said an article in an international magazine differed from the International Monetary Fund's description of the situation in that country.

"I would like to know whether there is true recovery. An article in Time or Newsweek magazine about Thailand seems to be very different than the picture painted by the IMF. So we want to know exactly what is happening.

"I believe unemployment is still very high, a lot of projects cannot take off and a lot of buildings are empty. Let's have a true picture so we can make a comparison between those which are supposedly recovering and what is happening in Malaysia," Dr Mahathir said.

He was speaking in an interview aired yesterday on CNBC's Asia Wrap. Interviewer Rico Huzon suggested that economies that had their currency appreciate 20 to 40 per cent did not impose exchange controls and asked whether an economy could have a strong currency without control measures.

When asked if the economy had bottomed out as exports had increased by 16 per cent, foreign reserves had risen to US\$30 billion (RM114 billion) and GDP expected to grow to one per cent, Dr Mahathir said: "I think it has bottomed out. All these indications show that the economy has bottomed out."

Dr Mahathir said the selective exchange controls imposed by the Government would be lifted when the world's financial regime was changed for the better.

He said under the present financial regime it was still possible for speculators to ruin economies.

The Prime Minister also refuted allegations that the selective controls drove away investors.

In fact, he added, genuine long-term and short-term foreign investors were still coming in.

He said Malaysia did not like to change the value of the currency frequently because it would be disruptive to businesses and people would find it difficult to plan their budget for the future.

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