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Wolfensohn impressed with our remarkable recovery

WORLD Bank president James D. Wolfensohn has congratulated the Malaysian Government for the country's "remarkable" economic progress following the region's economic and financial crisis.

This endorsement, from an international body which had at one time criticised Malaysia's unorthodox measures in dealing with the crisis, was expressed to Second Finance Minister Datuk Mustapa Mohamed during a half-hour closed-door meeting in Langkawi yesterday.

Speaking to reporters later, Wolfensohn said he told Mustapa that he was impressed with Malaysia's economic progress.

"Obviously it has done very well," he said.

Wolfensohn was in Langkawi to attend the two-day Asia Pacific Economic Cooperation (Apec) Finance Ministers Meeting which begins today.

Besides the World Bank, other heads of international financial institutions attending the meeting are International Monetary Fund (IMF) managing director Michel Camdessus and Asian Development Bank president Tadao Chino.

"I was able to congratulate the minister for the progress that has been made in this country. I am delighted to see that so many of the statistics have improved, and they have moved so much better," Wolfensohn said.

After contracting 6.7 per cent last year, Malaysia's economy is expected to grow by 1 per cent this year and 5 per cent in 2000. Some international analysts have projected that gross domestic product growth in 1999 may even reach 3 per cent.

Malaysia imposed currency exchange rate controls in September 1998 to prevent speculation of the ringgit and volatile short-term capital flows. One of the measures, a one-year holding period for foreign portfolio investments, was recently relaxed and replaced with a graduated exit levy beginning February 15.

Despite criticism from most of the international community, the measures were able to protect the economy from further attacks by currency speculators and risk of further capital flight.

As recent statistics have indicated, Malaysian businesses have since improved, foreign investments are still coming in, and investor confidence is returning to the stock market.

Asked whether the World Bank will extend more loans to Malaysia, Wolfensohn said, although the bank is ready to help, it feels that Malaysia does not need its financial assistance.

"You are raising so much extra money yourself, I don't think you will need it. We are ready to be as supportive as the (Malaysian) Government wants," he said.

Meanwhile, asked about his meeting with Keadilan president Datin Seri Dr Wan Azizah Wan Ismail, Wolfensohn said it was a private meeting and had nothing to do with politics.

"She and her husband have been friends for many years. So I had a private meeting with her to see how she was. There was no politics or intrusion. Since she is a friend, my wife and I thought it would be nice to see her. I am sure you would have done the same thing," he said.

Asked whether it was appropriate for him to meet Dr Wan Azizah now that she leads an opposition political party, Wolfensohn said he has no idea what her political motives are or her party, and is interested only in her as a person.

On whether this was a form of interference in Malaysia's domestic affairs, he said:

"Not at all. The minister had said that any Malaysian citizen is free to see anybody. That is one of the great features of your country ... it is freedom. I just saw an old friend and I am very proud that I did."

Bernama reports: IMF managing director Michel Camdessus is unable to meet Prime Minister Datuk Seri Dr Mahathir Mohamad due to tight schedules. Second Finance Minister Datuk Mustapa Mohamed said Camdessus has shown interest to meet Dr Mahathir and the latter has given a time but the IMF chief was not able to agree to the time proposed by the Prime Minister's Office.

"As you know, the PM is still in Sabah and his schedule is very busy while Camdessus will be presenting a paper in Langkawi tomorrow morning," he told a press conference on the eve of the sixth Apec Financial Ministers' Meeting in Langkawi yesterday.

Camdessus is scheduled to arrive in Langkawi today to attend the Langkawi meeting.

Answering a question on whether Dr Mahathir has refused to meet Camdessus, Mustapa said the meeting could not take place due to the tight schedule.

Commenting on a meeting between Wolfensohn and Dr Wan Azizah at the Kuala Lumpur International Airport on Thursday, Mustapa said "any Malaysian could meet anybody".

"We don't have any restriction on Malaysians wanting to meet anyone either another Malaysian or foreigner. We believe Malaysians are rational and can think for themselves on what is good or bad for the country," he said.

However, he said generally Malaysia, like other countries, do not like foreigners to interfere in its internal affairs.

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