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Dr M: We'll stick to our way of handling the economy

PUTRAJAYA, Mon: Malaysia will stick to its own way of handling its economy, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said Malaysia is one of the few developing countries which are able to manage their economies well, taking into consideration the multi-racial framework of the country.

"We hope to retain our own way of handling our economy because it is designed for the good of Malaysia, especially for the multi-racial society," he told about 15 members of the Japanese National Press Club here.

The delegation, led by Miki Haruna of the Kyodo News Services, is here for an update on the progress of Malaysia's economic and political development.

Mahathir said currently Malaysia is recovering well from the regional economic and financial turmoil and will achieve a high rate of economic growth.

He said Malaysia's economic recovery is better than those that resorted to assistance from the International

Monetary Fund (IMF).

He said Malaysia rejected the IMF solution because it would have put the economy on a worse track, with high interest rates, surplus budget and bankruptcy cases for more companies.

Mahathir said the Malaysian stock market, which once lost about US\$200 billion in market capitalisation, is actually performing better than other regional markets.

He said the fixed exchange rate is doing well, without any negative implications on the country's economy.

To a question about the East Asia Economic Caucus and the East Asia Economic Group, Mahathir said it was mooted because Europe had grouped together as the European Union, as had the North American countries under the North American Free Trade Arrangement.

"It is not right that they should form big economies like that and not allow East Asian countries to come together, at least to discuss common problems and put up a common stand at international conferences," he said.