

06 mar 2000

Mahathir-Fund

ASIAN REGIONAL FUND CAN HELP RESOLVE FINANCIAL PROBLEMS, SAYS MAHATHIR

KUALA LUMPUR, March 6 (Bernama) -- An Asian Regional Fund, which should be subscribed to by all countries according to their ability, can help countries facing real financial problems, said Prime Minister Datuk Seri Dr Mahathir Mohamad.

He said a country's financial problems could be due to bad management, too much foreign borrowing or poor performance by the world's economy which had affected exports.

"At that stage, the fund can come in and fund managers can advise on how to resolve the problem.

"The advice should not be standard like that offered by the International Monetary Fund (IMF)," said the Prime Minister in an article for the March edition of Mainichi Shimbun, a Japanese newspaper group.

Expressing support for a regional fund, he said "we have the capacity to do that. We have enough experience. We can prevent countries from going under".

Dr Mahathir added that the failure of any country in the region could affect the entire region and "we must come to the rescue immediately".

"We must recognise the signs of impending recession and try to prevent it.

"There are sufficient indicators to help us foresee economic downturns and we should have our own people interacting together. Then it will work," he said.

The Prime Minister also said the fund should not be closely associated with Japan and should be located in another country.

"That way, people will not say it is a Japanese fund but a regional fund. If the fund is located in a developing country, it will help the economic development of that country.

"The fund will draw a lot of activities, including a lot of visitors to the country," he added.

Dr Mahathir was also quoted as saying in the article that such a regional fund would not affect the IMF or the World Bank.

After all, he said the Asian Development Bank and other regional development banks had not affected the World Bank.

"The idea that there should be only one fund for the whole world is without any sound basis.

"If there is enough money available, we can have several funds.

"Such funds should be used to help countries in financial trouble and should not be for promoting any country's political agenda," he added.

Meanwhile, on globalisation, Dr Mahathir said it should not be used as an excuse to do away with national economic activities.

He said the rich world would one day force the national stock exchanges to close down and replace them with one stock exchange based in Wall Street.

Internet stock trading had shown that this was possible, he said, adding that every business activity would be controlled by very powerful companies that were in turn controlled by the rich.

Saying that people were not ready to accept the ideas which were being pushed by the World Trade Organisation (WTO), he added that the practice of holding a meeting that was not open but was confined to a few countries was objectionable.

"We believe that globalisation should be reinterpreted. Why is

globalisation confined only to the flows of money and the rights of companies to operate worldwide without restriction?

"Why are these companies merging and acquiring other corporations and becoming so huge that it looks like the world will only have a small number of companies and there will be oligopolies in all industries and businesses?" he questioned.

-- BERNAMA

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