

18 JUL 2000
RINGGIT-OPENING CORRECTION
MAJOR CURRENCIES OPEN MIXED AGAINST RINGGIT

KUALA LUMPUR, July 18 (Bernama) -- Major currencies opened mixed against the ringgit this morning on uncertainties over the dollar/yen movement overseas, dealers said.

Asian currencies were firmer against the ringgit. The Singapore dollar rose to 2.1736/1754 from 2.1726/1740 at yesterday's close while the yen firmed to 3.5106/5125 from 3.5099/5119.

However, European currencies were mostly higher in view of the weakening of the U.S dollar in Europe.

The deutschemark rose to 1.8164/8178 against the ringgit from 1.8251/8259 yesterday, pound sterling strengthened to 5.6730/6772 from 5.6872/6916 and the euro firmed to 3.5525/5554 from 3.5695/5710 previously.

In Tokyo, the U.S. dollar barely moved against the yen as it was quoted at at 108.04/07 at the market's opening from 108.15/18 yesterday.

Dealers are hoping for firmer market sentiment to push the dollar/yen to the nearest psychological barrier of the 109-yen level, said a trader.
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18 JUL 2000
MAHATHIR-PROTON
MAHATHIR EXPOSES MOVE BY GIANT AUTOMAKERS TO BUY PROTON

KUALA LUMPUR, July 18 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today disclosed that there are moves by giant automakers to control 100 percent of national carmaker Perusahaan Otomobil Nasional Bhd (Proton).

He said these foreign companies had claimed that they would be able to manufacture Proton cars at lower cost which would bring about benefits to the people if Proton were to be in their hands.

However, he said these efforts were actually part of their plans to have only five automotive firms from their countries controlling the global automobile market.

As such, he said small auto firms which competed with them would be destroyed by these giants when they failed to compete or were absorbed by these firms.

"We are concerned that if they were to acquire Proton, they would turn our factories into mere assembly plants for their cars and not for Proton or national cars like they had destroyed other auto companies which competed with them in efforts to control the global market," Dr Mahathir said.

The Prime Minister said this when replying to a supplementary question raised by Datuk Dr Fadzil Noor (PAS-Pendang) at the Dewan Rakyat here today as to whether other Asean countries had agreed with Malaysia's proposal to postpone the opening up of the automotive sector under the Asean free Trade Area (Afta) from 2003 to 2005.

As a result, he said that the government was careful in ensuring that the country was free from pressure from the International Monetary Fund (IMF) to open the domestic market.

"We will not allow Proton to be taken over by anybody and set up so as

to be forced to buy (foreign) cars assembled by us," he said.

On Malaysia's proposal to postpone the implementation of Afta, he said that all Asean countries agreed with it as they now realised that globalisation could have adverse effects on all Asean countries.

"When we accepted and signed the Afta agreement, all member countries did not understand the dangers of a borderless world," he said.

"Therefore, when Malaysia suggested the postponing of the Afta commitments, they all accepted, there were no objections from anybody," he said

While answering a supplementary question from Datuk Dr Jamaluddin Jarjis (BN-Rompin), Dr Mahathir expressed disappointment over the behaviour of several factions in the country that welcomed all sorts of accusations hurled by foreigners including that of practising cronyism and the saving of critical industries as politically motivated.

He said their actions were aimed towards failing the New Economic Policy that was intended to bring about a balance in the distribution of economic wealth to the Bumiputera community and the non-Bumiputera communities.

"It would be most unfortunate if we do not want to see any successful Bumiputera at all," he said, adding that the government would not be able to provide success for anyone then, as the successful person would be seen as a crony of the government.

"If that happens, then the NEP would not be successful and this would make the foreigners, who are not happy with the NEP that cuts into their economic opportunities, happy," he said.

The Prime Minister also said that globalisation without any limitations would expose the country to a new form of colonialisation through economic power that would ultimately move into control of the country and its politics.

"Globalisation opens many trade opportunities but it should be done carefully, taking into consideration, human values, the capacity of the developing countries as well as the social responsibility of the developed nations towards the less developed ones," he said.

He said this when answering a question from Wan Nik Wan Yussof (PAS-Bachok) on his statement at the Europe-Asia 2000 Business Summit that location was still relevant and that the human factor, human values, culture, loyalty and man's role could not be abandoned in the era of globalisation.

He said that globalisation as defined by the developed countries meant limitless trading without any regulation whatsoever.

They think that a country's location or business environment is no longer important including its people and their values, he said.

"What is solely important for them is the profit, without considering the effects on the people and their country," Dr Mahathir said.

Quoting an example, he said that when currency speculators attacked East Asia, only the financial gains had been important for them.

They never saw the sufferings of the people of those countries who had lost their jobs and were affected by famine, unrest and murders, he said.

"Instead, the governments of those countries were blamed for not opening their markets to trade without any controls," Dr. Mahathir said. --

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