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`We'll handle economy our way'

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

Dr Mahathir said Malaysia was one of the few among developing countries which was able to manage its economy well, taking into consideration the multi-racial framework of the country.

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

The delegation, led by Mikio Haruna of the Kyodo News Services, is here to see Malaysia's economic and political development.

Dr Mahathir said Malaysia was recovering well from the regional economic and financial turmoil and would achieve a high rate of economic growth.

"We are at the moment doing very well. The recovery is well and real. We should be able to progress with high growth rate even though we cannot guarantee some catastrophe will not occur if the world economy suffers," he said.

As such, Dr Mahathir said Malaysia's economic recovery was much better compared to those countries which resorted to the International Monetary Fund aid.

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

Dr Mahathir said the Malaysian stock market, which once lost about US\$200 billion (RM760 billion) in market capitalisation, was performing better than other regional markets.

"Actually Malaysia's share market has performed much better than all other East Asian markets, but it has not recovered fully yet."

Dr Mahathir said the fixed exchange rate was doing well without any negative implications on the country's economy.

"At the moment the fixed exchange rate is not doing us any harm, not doing any harm to investors in Malaysia or any harm to our international trade. So we don't see why we should change it." On a question about the East Asia Economic Caucus and the East Asia Economic Group, Dr Mahathir said the idea 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 in international conferences," Dr Mahathir said.

He said it was not possible for small countries or even Asean to make an impact on areas such a new financial architecture without being together with the three East Asian countries to balance the strength of the European countries.

He said in the early stages of industrialisation, Malaysia had given priority to creating jobs but now that this target had been achieved, the country was shifting to high-tech industries and no longer concentrated on labour-based industries.

"We welcome the movement of these labour-based industries to other countries because we want our people to earn more money doing highly technical work and the foreign workers also do not have to come to our

country," he said.

On China, Dr Mahathir said it would emerge as a big economic power in this part of the world and no one could stop it from growing into an economic power as its people were hardworking and had the skills.

"Therefore, East Asia must take its place as an economic region which is on par with Europe and the United States," he said.

Dr Mahathir was also asked about Datuk Seri Anwar Ibrahim and religious extremism in the country.

The Prime Minister explained that his former deputy was not sacked because of differences in political or economic issues.

"He was removed because his moral behaviour is not acceptable and a person like that cannot succeed me as the Prime Minister," he said.

"I now find that he (Anwar) has managed to build up support for himself and not for the party (when Anwar was in Umno) and was making use of all kinds of lies to try and bring down the Government.

"Of course he made use of religion and racialism in order to bring down the Government.

"Unfortunately, some people believed him and that is why we lost the recent election (Lunas by-election)," he said.

Dr Mahathir said he had no power to release Anwar, who is serving jail sentences for corruption and sodomy.

"Now I have been asked to release him. I have no authority to release him. The only thing he can do is to appeal against his sentence in the court and if he fails, then he can appeal to the King who may pardon him or let him serve the sentence," said Dr Mahathir. - Bernama

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