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MAHATHIR-POLICIES

MAHATHIR: AFFIRMATIVE ACTION POLICIES HAVE NOT AFFECTED INVESTMENTS

PUTRAJAYA, April 4 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that Malaysia will continue with its affirmative action policies as they have not affected investments in the country.

He said despite having such policies, Malaysia had grown much faster than other countries with only one ethnic group.

"So, this is not a factor," he said at a dialogue session here with a group of 20 foreign journalists who covered the extraordinary session of Islamic Conference foreign ministers meeting on terrorism which ended yesterday.

Dr Mahathir was asked whether Malaysia would consider relaxing some of the economic protection policies for the Malays in order to attract more foreign investments from Taiwan.

He said affirmative action measures were devised in favour of the people who were less able to compete economically than the rest.

"It is very essential because we want people to develop to the same level. We do not want one ethnic group moving very fast forward and becoming very, very rich while the others, very, very poor. When you have that, you are going to have the ingredients for an explosion," he said.

Some countries, he said, faced the problems of tension and fighting between the different races due to extreme disparities between them.

"When ethnicity is amplified by differences in economic well-being, then the situation becomes very unstable. So we will continue with our policies which have not affected investments in Malaysia," he said.

Dr Mahathir also spoke at length on globalisation, the effects of the financial crisis on the Malaysian economy and how the country took "unorthodox" measures to save itself.

The prime minister said he rejected the present interpretation of globalisation which focused only on the free movement of capital.

"What we want to see is a proper interpretation of globalisation and globalisation that is regulated. There is no reason why there should be anarchy with a globalisation that is not be regulated at all," he added.

To a question, Dr Mahathir expressed confidence that the "Asean plus three (Asean+3) would eventually evolve into the East Asia Economic Causus.

Asean+3 refers to the 10 countries of Southeast Asia as well as China, Japan and South Korea.

"As to China forming a free trade association with Asean, that is something that we have to discuss," he added.

Queried on whether Malaysia would be interested in concluding a free trade agreement with Taiwan, Dr Mahathir said Kuala Lumpur would examine anything that would be beneficial to this country and its partners.

He also said Malaysia accepted the fact that it had to compete with China.

"It's a big country, a very powerful economy and we'll try to find a niche for ourselves, and we hope we can still retain our competitiveness," he said.

Responding to a question on the possibility for the creation of an Islamic market, the prime minister said it was something that would be difficult to achieve if it involved all Islamic countries.

"But if you have the pairings up of different countries by having an arrangement for a mutual market, I think that is possible," he said.

He said while the "gold dinar" should be used for international trade,

the Islamic banking practices should also be used widely.

To another question, Dr Mahathir said there was a good possibility for closer economic relations between Malaysia and the Gulf countries. --

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