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No cause for Malaysians to over-react

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THE Kuala Lumpur Stock Exchange (KLSE) had been in a mild funk for over a month now - consolidating, a chartist would say - or perhaps simply too preoccupied with 22 men chasing after a ball.

But Prime Minister Datuk Seri Dr Mahathir Mohamad's announcement that he was stepping down did not help sentiment any, despite a retraction soon after.

As such, the already bearish market's immediate reaction to the dramatic events at the weekend was not unexpected, with the benchmark KLSE Composite Index closing 2.3 per cent lower yesterday.

Some investors sold down their positions, obviously shaken and still unsure if the Prime Minister will stay after all.

The market - so often taken as a proxy of business sentiment, although not always accurate - definitely dislikes uncertainties.

Total turnover for the day was 243 million shares, twice that seen on Friday, but still lower than the bourse's three-month daily average of 311 million shares.

This means that while there was selling, it was not as widespread as one would expect given the circumstances.

Dr Mahathir's more than two decades of steering the nation through good and bad times, crises and achievements, have provided the nation with much-needed continuity and stability, and a firm footing in the fast changing world that is the envy of many.

But this has also put the country in danger of becoming overly dependent on him, if it is not already. Sentiments aside, it is a testimony to his leadership, vision and intellect that his announcement came as such a shock.

Indeed, for most Malaysians, it is unthinkable, especially when things are improving for him and the country after the recent years of political and economic chaos.

The reactions - from the full-page newspaper advertisements and the spontaneous mass appeal for him to reconsider his decision to the market pullback yesterday - clearly show that there is no lack of recognition of his role in putting Malaysia where it is today.

If anything they are a sneak preview of life after Dr Mahathir, which is a general sense of disbelief and concern.

People have come to be so comfortable with Dr Mahathir's leadership that they seem to forget to ponder what will happen when he eventually steps down.

It is an eventuality that the nation must accept and prepare for - like it or not life goes on.

What stands this country in good stead though is the fact that its achievements are the consequence of well-conceived policies, although it is Dr Mahathir's strong vision, personality and conviction that have helped bring them to fruition at a pace which we have grown accustomed, and taken for granted even.

Malaysia will continue to be pro-business and pro-foreign investment; the sanctity of contracts and agreements will be safeguarded; and the country will remain an active member of the international community.

The outlook for the economy will stay bright as political stability - the much-touted factor often repeated mantra-like by foreign investors - will be preserved.

The policymakers will as always be on top of things, and alert and agile in responding to new demands of a globalised world.

The business community meanwhile is on the way to regaining full vigour, emerging wiser and stronger from the regional financial crisis.

In the final analysis, Malaysians - be they individuals, corporations or organisations - have no cause to take to reading tea leaves and looking for confirmation of unfounded fears.

While the selling on the market is understandable, it is nevertheless an over-reaction, driven by sentiment rather than sense.

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