

Malaysia's choke hold
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Malaysia suffered a black eye when an opposition leader, Anwar Ibrahim, appeared in court earlier this week sporting bruises and welts -- but that's nothing compared with the economic asphyxiation it's about to suffer. Currency controls opposed by Anwar came into effect Thursday, clamping down hard on the movement of capital, forbidding currency trading and fixing the ringgit's exchange rate. "Prime Minister Mahathir has effectively pulled his country out of the international economy," says TIME business reporter Bernard Baumohl. "By sharply limiting outflows of capital, Malaysia has scared away long-term investors whose capital is crucial to the building of infrastructure."

The political turmoil that has accompanied Anwar's arrest will further deter foreign investors. The opposition leader returns to court Monday to face new charges of sexual misconduct, while police are also considering sedition charges against his wife, Wan Azizah, who has begun to take the reins of the fledgling opposition movement. Mahathir won't find it quite as easy, however, to deal with the dissent of the world market.

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