

FOREIGN DIRECT INVESTMENT

chedet.co.cc

September 17, 2010

1. One reason advanced by the advocates of letting the Ringgit to be traded abroad is that it will encourage foreign direct investment.
2. There was a time when Malaysia practically pioneered encouragement for foreign direct investment. It was even before FDI became popular with many developing countries as a shortcut to economic growth. Malaysia wanted FDI for job-creating labour intensive industries because of the need to create employment opportunities for its workforce at that time. It was really not about growing the economy.
3. For Malaysia at that time, foregoing taxes and even local participation were not important. The Government did not rely on FDI to fill its treasury.
4. The policy of attracting FDI was so successful that it resolved the problem of unemployment until it created a problem of labour shortage. This led to an inflow of foreign workers and the expatriation of billions of Ringgit back to their countries. FDI no longer helped Malaysia's growth.
5. But being used to this easy approach we keep on inviting FDI believing that it would still help with our economy. But let us look at what really happens when there is foreign direct investment.
6. Most people think that there would be an inflow of capital. But actually only about 10 per cent of the capital needed was brought in. The rest is borrowed from local banks, preferably foreign owned banks. It is therefore Malaysian money that is invested.
7. Apart from tax exemption Malaysia also subsidised the operations of foreign owned companies through subsidised electricity, fuel and domestic transportation. Of course the Malaysian workers contribute through their cheap labour.
8. There is another type of FDI which is even less beneficial. This take the form of investments in the stock market. Usually the objective is not to benefit from profits and dividends but from capital gains.
9. When foreign investors buy Malaysian shares, the prices are likely to appreciate. Foreign institutional investors, especially pension funds can easily push up share prices with their repeated purchases.
10. When the prices are high enough the investors would dump the shares and collect capital gains. The local investors would lose money as prices depreciated.
11. During the financial crisis of 1997-98, foreign investors dumped their shares so as to quickly change the Ringgit into foreign (US) currency before further falls in the Ringgit would give them less foreign currency in exchange. This invariably caused a steep fall in the share prices and Stock Market Index with consequent losses by local investors.
12. The Malaysian Stock Exchange makes money from commissions on the sales and purchase of shares. Consequently they are happy with more selling and buying on the

Exchange. They therefore welcome foreign investors in the market. In fact they believe that if short selling is allowed they will make even more money. But these kinds of market activities do not benefit the nation.

13. FDI is double-edged and caution is needed when deciding on encouraging it. Today FDI is not coming into Malaysia because countries such as China, Vietnam, even Thailand and Indonesia offer lower cost of labour. Besides the economic recession in America and Europe mean less capital is available.

14. But what about the Ringgit? How will it affect the FDI? We need to know whether there was a lowering of FDI due to fixing the Ringgit exchange rate in 1998. If there was, was it directly due to the exchange control or other factors like increase in the cost of labour and competition with the above-mentioned low cost countries?

15. Actually when the Ringgit was fixed at RM3.80 to 1 US Dollar, the cost of investing in Malaysia was lower in terms of foreign currency. Now that the Ringgit has appreciated to RM3.20, the cost has appreciated. If we allow free trading of Ringgit abroad, two things can happen.

16. If the Ringgit strengthens then the cost of investment in Malaysia would increase, This would not facilitate foreign investments.

17. On the other hand the currency traders may once again cause the Ringgit to depreciate. This may result in increased FDI. But remember how we went into recession when our ringgit was devalued by foreign currency traders? Do we want to have that crisis again?

18. The present financial crisis in the world is due to the abuse of regulations in the financial market. No positive steps have been taken so far to regulate it. Certainly currency trading remains unregulated and selective.

19. The latest report says that every day currency trading is valued at four trillion dollars, equal to the total output of Germany in one year.

20. Whereas Germany's 4 trillion dollars yearly output creates millions of jobs, businesses big and small and much trade, the 4 trillion a day currency trade creates practically no jobs, businesses or trade. Of course the currency traders make tons of money. In the process we know that they can cause a repeat of the crisis faced by the world when they lose. Why should the world allow such greedy people to put the world at risk.

21. If we fully free our Ringgit the risk of being attacked by currency traders will once again be faced by us. Do we really want to have the financial crisis once again?

22. So I hope the Government will explain why it wants the Ringgit to be traded again. I hope it is not because we want to be good boys who will always do what we are told to do.

49 Comments

By anaconda on September 21, 2010 3:34 PM

Salam tuan.

"..Rakyat Thailand boleh beli kereta yang sama dengan kita tetapi dengan harga lebih murah RM30,000.00, ada ker itu masih dianggap sabagai cemburu atau cuba rosakan impian Tun ????..".

Wah..!! pandainya Alex berpidato. Cerita pasal agama pulak lagi. Persoalkan pulak Melayu beragama apa dan Nabi ajar apa. Hai Alex agama anda agama apa.? Kalau Budha, Hindu, Kristian dan sebagainya, adakah agama itu tidak melarang perbuatan tidak baik ini?.

Masaalahnya, orang Cina ada agama tapi tidak amal 100 peratus ajaran agama nya. Mereka anggap ajaran agama itu hanyalah satu cerita-cerita dongeng sahaja yang diamalkan turun-temurun hasil peninggalan datok nenek moyang mereka. Itu lah sebabnya orang Cina banyak melakukan perkara yang tak baik, seperti berjudi, minum arak, main perempuan, memberi dan menerima rasuah, melakukan kegiatan haram walaupun agama yang mereka anuti itu jelas ada melarangnya.

Kenapa beri orang rasuah kerana ada tujuan tertentu. Tidakah terfikir bahawa perbuatan memberi rasuah juga adalah salah dari segi etika dan dilarang oleh semua agama, tambahan jika perbuatan itu ada unsur-unsur berniat tidak baik, iaitu ada Undang di Sebalik Batu.??.

Jika dizaman keagungan Maharaja China yang pada masa itu amat tegas dan berkuasa, pihak yang memberi rasuah akan dikenakan hukuman yang amat berat oleh Maharaja. Tahukah Alex, jika orang seperti Alex memberi rasuah pada hari ini dinegeri China, kepala Alex akan hilang?. Itu lah hukuman berat yang akan dikenakan.

Tak usahlah Alex nak pertikaikan orang Melayu agama apa dan Nabi ajar apa. Cuba cermin diri dan lihat betul-betul tentang diri sendiri itu, adakah diri sendiri itu perfect seperti yang diajarkan oleh agama yang Alex anuti. Agama apa sekalipun melarang perbuatan tidak baik . Saya tak tahu lah sama ada Alex ini terdiri daripada orang yang tidak beragama(atheist). Pun begitu dari segi logiknya, setiap manusia itu masih tertakluk kepada etika dalam kehidupannya jika tanpa agama sekalipun.

Berkenaan Proton, nampak betul Alex ini seorang yang penipu, tidak jujur, kaki pengacau dan suka kondem orang lain. Mana ada kereta Proton baru satu bulan dibeli dah rosak dan berulang-ulang kerosakan. Kalau ada pun minor kes dan warranty nya lima tahun, bawa sajalah ke service centrenya untuk diperbetulkan. Mana-mana kereta pun termasuk buatan Jepun demikian juga. Misti ada minor kes yang perlu adjustment dan diperbetulkan.

Contohnya kawan saya yang baru beli Toyota Innova, dia baru pakai dua bulan getah tepi pada cermin tingkap telah tercabut. Tetapi itu tidak lah merupakan masalah besar. Bawa saja ke service centrenya dan mereka akan diperbetulkan. Malahan dia terpaksa menunggu terlalu lama dipusat service tersebut kerana mekaniknya terlalu slow.

Berkenaan cerita Alex bahawa mekanik dipusat service cakap negatif tentang Proton dan suruh bawa balik kereta tanpa berbuat apa-apa itu adalah cerita rekaan Alex sahaja. Mana mungkin pusat service itu tidak betulkan kerosakan jika ianya perlu diganti. Mungkin Alex pergi ke pusat service yang dikendalikan AGEN yang tidak ikhlas buat kerja untuk Proton kerana ada agenda dan niat lain. God only knows.

Jika demikian, aduan harus dibuat, agar Agen-agen tersebut di terminate kerana tidak cekap dan tidak boleh diharap dan amat merbahaya kepada Proton, kerana Talam Dua Muka.

Akhir sekali saya nak bagi tahu Alex, jika nak kereta harga murah boleh belilah kat Thailand atau kat Jepun lagi murah. Nampak betul Alex tak tahu polisi perniagaan antarabangsa. Tanyalah orang Jepun berapa harga kereta yang mereka beli kat Jepun. Tq Tun.

By checker on September 21, 2010 10:59 AM

Salam Tun & fellow respectable bloggers,

Dengan izin Tun, I wish to express my thought on the following bloggers:

1) Arugunasalam - you are only good in critising, nothing much too learn from you as Malay proverb say "pandai tak bolih di ikut, bodoh tak bolih di ajar" . You are nothing but anti-Mahathir and your comments are more inclined towards "Mahathir bashing". Once in a while, try to offer some of your thought so that we see what you really have in your "brain". Having no respect at all for Mahathir is refelecting your true personality, something hard to change.

2) Andrewtay - I also regard and group you in "Mahathir basher". I have thrown you some challengers as to show your standard of thinking compare with Mahathir. Show us your ideas so we can judge you, how good you are how respectable you can be.

So to both you in particular,

I am not interested to see WHO is talking but rather WHAT he is talking about. Therefore, it doesn't matters if you dislike Mahathir as a person but he has done more good to Malaysia than vice-versa. Credit should be given when it is due to whom it is due. He is not an angel but not an evil too. But Mahathir has contributed a lot for the well-being of the Malaysian. if Mahathir is such an evil person, he must be the better evil of all evils and where are you in the scale 1 to 10 ?

UNITY in this multi-racial, multi-regious & multi-cultures nation is the KEY required to create a true MALAYSIAN. Now I would like to hear your views on this. Maybe I/we can learn something from it. We await patiently for your word of wisdom. They fail us.

By HBT on September 20, 2010 10:34 PM

Good evening Ayahanda Tun;

Copy-paste from thestar online.....

1. Published: Monday September 20, 2010 MYT 7:56:00 PM
M'sia, S'pore to settle KTM land development charges in court

2. SINGAPORE (Bernama): Malaysia and Singapore have agreed to bring the outstanding issue on the development charges payable on Keretapi Tanah Melayu Berhad (KTMB) land in the city-state that will be jointly developed by both countries, to the international court for arbitration.

3. In a joint statement issued after Prime Minister Datuk Seri Najib Tun Razak met his Singapore counterpart Lee Hsien Loong at the Istana here, both leaders agreed to settle the issue amicably through arbitration under the auspices of the Permanent Court of Arbitration.

4. The statement said both countries had different views relating to the charges payable on the three parcels of Points of Agreement (POA) land in Tanjong Pagar, Kranji and Woodlands.
5. The three parcels of land are expected to be developed by a 60-40 joint-venture company, M-S Pte Ltd, to be set up between Malaysia's Khazanah Nasional Berhad and Singapore's Temasek Holdings Ltd.
6. Najib and Lee had further agreed to accept the arbitration award as final and binding.
7. It is understood that the development charges, which applied to any business that wants to develop any land in Singapore, will be significant if the three parcels of land are going to be developed.
8. The contention now is that based on the POA entered into, by both countries in 1990, the clause on who should pay the development charges was not clear enough.
9. Singapore interpreted that the company should pay for the development charges but Malaysia said there should be no cost at all.
10. However, Najib and Lee agreed that the arbitration would proceed on its own track, and should not affect the implementation of the POA and the other bilateral initiatives agreed upon, in their first meeting here on May 24, this year.
11. In that meeting, Malaysia agreed to move the KTMB Tanjong Pagar station to the Woodlands Train Checkpoint by July 1, next year, and the three parcels of land would be vested in M-S Pte Ltd for joint development and swapped with several pieces of land in Marina South and Ophir-Rochor.
12. Speaking at a joint press conference later with Lee, Najib said the issue was not a major problem but it was important for they wanted POA that would survive the test of time.
13. Najib said they wanted to make it a legally and politically correct agreement that would be accepted by both peoples of Malaysia and Singapore and their future generations.
14. "This agreement signifies the final chapter in the long-standing arrangement which started 20 years ago.
15. "We both are delighted and as well as relieved in a sense that we can put this behind us and move forward," Najib said.

Comment:

In order to avoid issues like Pulau Pancing Ikan conflicts of "Duri Dalam Daging" between China, Taiwan, Hongkong and Japan to be happened in future; this is the best way to go for Malaysia and Singapore to solve the development charges so that Malaysia under PM Najib, Malaysia will be able to be recognised as a country that truly practices Transparency; Accountability and Competency with Singapore Premier Mr Lee Hsien Loong.

Goodnight Ayahanda Tun.

By azfarhanif on September 20, 2010 8:16 PM

Salam/Peace

1. I agree with Dr. M that ensuring stability of the Ringgit would be better than floating it and giving opportunity for currency speculators to undeservedly profit from economic distortions. It is not required nor ethical as it distorts the value of everyone else's wealth. For the same reason, the governments of the world should also review fractional banking system as it replicates injecting fraudulent monies into circulation which distorts the value of stagnant cash.

2. We should not depend too much on foreign injections as we have rich men in the country that have resources to help kick-start progress towards becoming a high-income economy. We need them to be more entrepreneurial and risk-tolerant so that new business opportunities will be created.

3. To support the development, skilled labour is needed. As it is now, one of the writers highlighted that our current levels of education is very low. Therefore, governments and private institutions need to work together and must be willing to spend to create the skilled workforce.

4. I feel that private institutions and high net-worth individuals have not done enough to contribute towards creating the skilled workforce. This could be due to uncoordinated efforts, which could lead to waste or maybe they think it is not part of their responsibility to undertake such effort. And of course the government could always do more. The poorer classes are also at fault because they do not take the opportunities given to them to advance themselves. The problem of both this classes is the attitude they both have and the values they hold. The rich is unwilling to spend and the working class do not think that working hard is important.

5. It is interesting to note that industrialization in Western Europe succeeded because workers had a strong work ethic. Max Weber would call it 'the Protestant work ethic'. In general, protestants worked hard because they believe working hard would improve their social conditions and is required for them to attain salvation.

6. Malays are Muslims and we inherit the Quran from our parents. However we have been labeled as having poor work-ethic, unambitious and just plain lazy when we should be the opposite as we are supposed to be guided by the Quran. The Quran tells us to work hard and a criterion of being a good Muslim is to strive in the path of the Lord, expressed by the word 'Jahada'. One of the ways to strive in the path of the Lord is 'Amil al-SaliHat', which is 'doing good works' and to spend in God's way. So, we cannot blame God for not telling us what to do when He has made His orders clear in His book and indeed we have received the book of guidance. Prayer alone is not enough if we do not follow the Book in our daily 'secular' activities.

7. Perhaps the point I mentioned above is not emphasized enough as values Muslims should have. Perhaps there is a need to revamp religious education in schools and at home. Maybe more emphasis should be put on the values and philosophy taught by the Holy Book.

I believe that a good understanding of the Quran will help us develop the attitude to work hard and to always strive to improve our society, just like how the Reformation movement in Europe created a culture of hard-work.

8. Maybe Dr M could persuade the rich Malays in Malaysia to spend towards a more specific social goal. Maybe its time for them to give back to society after receiving much of the society's money. The odd donations for publicity is no longer enough. A concentrated effort is needed if

certain goals are to be achieved. Drop-outs should be given another chance to study. More community colleges needs to be established.

9. Thank you Dr M for your unwavering efforts for the nation. Physically, it seems that we have achieved something with all the tall buildings and infrastructure that we have. But our joy could be short-lived if we do not develop spiritually.

By kamal ahmad on September 20, 2010 11:18 AM

Just to inform you Ayahanda Tun, it appears your site has been lightly hacked through some third parties adverts. Access to chedet.co.cc via Google Chrome and Mozilla Firefox has been blocked. You may only gain access through Internet Explorer (IE) or Opera (non Google search engine).

Copy paste from web--

What is the current listing status for chedet.co.cc?

Site is listed as suspicious - visiting this web site may harm your computer. Part of this site was listed for suspicious activity 1 time(s) over the past 90 days.

What happened when Google visited this site?

Of the 39 pages we tested on the site over the past 90 days, 10 page(s) resulted in malicious software being downloaded and installed without user consent. The last time Google visited this site was on 2010-09-19, and the last time suspicious content was found on this site was on 2010-09-19.

Malicious software is hosted on 1 domain(s), including innity.net/.

1 domain(s) appear to be functioning as intermediaries for distributing malware to visitors of this site, including innity.com/. This site was hosted on 1 network(s) including AS2321613 (IWEB).

Has this site acted as an intermediary resulting in further distribution of malware?

Over the past 90 days, chedet.co.cc did not appear to function as an intermediary for the infection of any sites.

Has this site hosted malware?

No, this site has not hosted malicious software over the past 90 days.

How did this happen?

In some cases, third parties can add malicious code to legitimate sites, which would cause us to show the warning message.

Thank you for your attention Tun.

By nswamy on September 20, 2010 5:08 AM

financial crises 1999

Tun, remember the unorthodox style in which your "cabinet defeated" the so called Currency

Crises 1999. I am not so worried about the peg of riggit or so much how did you get billions back into the system . lets go back a bit . How did we land up in currency crises.

- 1) How many purpose built offices and buildings were they between 1996 and 1999? Millions
- 2) How many Non Repayable loans by banks? Billions

Need you dig further for any major WHOLE /WHIRLPOOL.

First the problem was created then solutions like

- 1) Peg the riggit
- 2) Get back the malaysian black money from abroad (this strategy includes offshore investments)
- 3) Mop up non repayment loan ie merge banks write of balance sheet, use dataharta /datamodal whitewash the the property market and non redeemable loan
- 4) Rescue a minister or prime minister son in the course of work - this is called bonus scheme

do you know why this was well marketed. A lot of the top business , top politicians and top civil servants were also in a rut, Best conspiracy...

the financial crises were created by patriotic top malaysian , Soros and others merely helped everyone in the whole i suggest.

Now lets go back to capital flight. Again this is primarily adoptiong non competative policies . otherwise why would Spore and Indonesia get more then us. you mean to say we have no competative edge against them like resources, so called malaysian a truly asian..

Dr M, you kept people long fooled. A lot of these financial matters are well documented ...So all you government apparatueses are now being thorn

the greatest fooling attempt was to retire a right time, hold some advisorial poistions, while badawi sleeping at the job would take flak for your doing and his. the crown najib, look whiter then white and pull najib's strings.

Unfortunately - only partly worked. Your ruse and contributions to problems were quite clear, could not be hidden and blamed on badawi. Najib listens to himself as much as he listens to all around - you are around ie some small portion

Difficult my friend - some of us want to respect you, age, contribution to industriliasing malaysia would be 2 reasons , but the more you speak the more respect ebbs away

By B0B on September 19, 2010 11:58 PM

MY DEAREST YAB TUN DR MAHATHIR & FAMILY

Radical changes in world politics leave Malaysia with a heightened responsibility to be, for the world, an example of a genuinely free, democratic, just and humane society. Subsequently, when bad men combine, the good must associate; else they will fall one by one, an unpitied sacrifice in a contemptible struggle.

Check it out!!!

<http://www.large-breast-implants.net/>

By kamal ahmad on September 19, 2010 5:54 PM

Sat, Sep 18, 2010 at 10:45 am

Dr M resists entry of more foreign assemblers .

KUALA LUMPUR: The Government should re-think allowing foreign carmakers to set up assembly plants in Malaysia as the move may not benefit the country, says Proton adviser Tun Dr Mahathir Mohamad.

"We cannot have access to these countries that want to invest in Malaysia as they imposed a lot of restrictions to the extent that we cannot invest there, but they can invest here."

The Malaysian Investment Development Authority (MIDA) said on Wednesday it was evaluating applications from five foreign carmakers keen to set up assembly plants in Malaysia to assemble cars below and above 1,800cc.

MIDA is expected to decide on the carmakers' entry in the next few months.

The agency said carmakers from India, China, Japan and South Korea had shown keen interest to manufacture hybrid and electric cars. With the revised National Automotive Policy, foreign carmakers can own manufacturing plants that produced luxury vehicles with an engine capacity above 1,800cc and costs more than RM150,000 a unit.

The Malaysian automotive industry is also seeing a surge in foreign interests this year, with two local firms - Naza Nasim Sdn Bhd and DRB-HICOM Bhd - securing production rights to brands such as Peugeot and Potenza.

Former prime minister Dr Mahathir also said the Government should ensure it does not get a raw deal when making deals with foreigners.

"When they don't open up but we open up, obviously we are not going to benefit from the deal," he told reporters after opening the First Sovereign Advisory Sdn Bhd, the first Islamic value-based financial advisory firm.

In a related development, Dr Mahathir said Proton was only keen to work with other companies and has no intention to merge with them as it was now on a sound financial footing.

"Financially Proton is okay," he told a media briefing here Friday.

Proton would be able to evaluate the value of its assets after a restructuring, he added.

<http://star-motoring.com/blog/permalink.asp?id=1530>

By sujini on September 19, 2010 5:36 PM

Salam Tun

Selamat Hari Raya Aidil Fitri kpd Tun sekeluarga.

1. Tajuk tampalan Tun nampaknya diulang lagi.

2. Adakah ini berikutan daripada wawancara PM dengan Martin Soong -CNBC tempoh hari?

3. Banyak perkara yang dibangkitkan oleh Martin Soong, dan memperdagangkan mata wang RM adalah salah satu soalan yang diajukan kpd PM kita.

4. Ayat Tun yang akhir sekali (no. 22) adalah punca kesemua masalah yang rakyat hadapi sekarang ini.

5. Saya ingin juga mengajukan beberapa soalan kpd Tun.

i. Adakah anak didik Tun (PM), akan melakar Peruntukan Perlembagaan yang baru?

ii. Adakah tindakan PM merobah kerajaan, "Government Transformation" satu cara yang terbaik menuju Wawasan 2020?

iii. Apakah ini yang Tun ilhamkan dalam Wawasan 2020; iaitu buang Perkara 153; buang DEB; memperjuangkan meritokrasi; memperjuangkan kesamarataan?

6. Nampaknya, Tun telah sekali lagi membuat pemilihan yang salah dengan memilih anak didik seperti Mohd Najib.

7. Rakyat mengharap kepada Mohd Najib agar memperjuangkan "Agama Bangsa dan Negara" nya sehingga ke nafas yang terakhir, namun ini hanyalah khayalan belaka.

8. Seperti ayat 22 Tun, PM akur kepada segolongan rakyat yang tidak suka melihat bangsa beliau maju serta mempersendakan ugama beliau; beliau mengagongkan orang berkulit putih dan pemimpin negara jiran yang bukan seagama.

9. Makanya saya akhiri dengan pepatah ini; walhasil balik asal, itu pasal tak hasil.

Terima kasih.

By AHMAD BADRI on September 19, 2010 3:06 PM

Dear Sir,

FDI was introduced at the right time and has done well to build up and expand the Malaysian economy. But times have changed, Malaysia is now far behind our once dirt poor neighbors, so you are right, we need an economic paradigm shift. Unfortunately, even though we have some smart and intelligent economists trying to turn things around, ultimately the decisions are made by not so smart politicians with the obvious agenda of staying in that or better position.

MYy suggestions to DS Najib and the cabinet members:

1. Let there be economic debates, and let the people give opinion. Scan and edit out any political agenda. As of now many people are reluctant to even speak out in the open for the reasons (1) afraid to be accused of being overly smart, (2) suspecting that many big decisions are still made by idiotic politicians, or their wives, (3) just dont want to speak out even though they are knowledgeable.

2. Pick up ideas from the economic debates, and put them into action. Some of the best ideas come from school children. Remember Singapura di langgar todak?

3. Let there be some actions please. As of now there's so much plannings - want to do this and that - but no action. Implement projects to develop the country, and not to show off when elections are coming. People are not dumb, they can think and analyse. Let the money go around into the country, let the people see the economy is not static or stagnant. Right now people are fed up. You know how many people put the Malaysian flag during the merdeka? Yes, very few. Why? We are not in the mood for celebrations when the economy is so sick.

4. During Tun's time, there were some mistakes made and learnt. Some selected or promising individuals were given big billion dollar projects in the expectation that they will understand Tun's ideas on economic sharing. But what happened in many cases was that foreign workers took home much of the project money, and so did foreign suppliers of machineries and stuff, not to mention greedy and crooked businessmen who enriched themselves and politicians making use of the RM6, 7, 8 for their own business concerns. We the people know who are these crooked and greedy and ungrateful people. The new admin should STOP patronising these individuals. Let there be new people. There are many unknown people who can do things more seriously and professionaly. Do not forget the lessons of MAS, UEM, Bakun, YTL and cash happy IPPs, and many more who, after being given billions of dollars of jobs were also rewarded with Datokship and Tansri ship. (Yes, Only in Malaysia).

4. What happened to this agriculture revitalisation? Another "hangat-hangat tahi ayam"? If you look at the import and export of agric products, you get really sick. Agriculture is still being sidelined. There was only one university of agriculture in Malaysia, that was changed to Putra. As a matter of fact, the bloke who run the university even wanted to close the agriculture faculty. Yes there were so many sick and really stupid people running the universities then. Please get back to the agiculture production. Get the right person to run the ministry.

5. Accept the fact racism exists, not just in Malaysia, but anywhere. Even people of similar skin color (Africa), same religion (Afghanistan) what more in this country with so many differences in race, religion, and even food we eat. In Malaysian business, racism thrives. Chinese owned big companies do take some non-Chinese, but dont hope so much. Usually it is not for their brains. Among us small timers, we dont even hope to get sizeable or any, contract from these rich towkeys, even though they have some nitwit Malay datok and tan sri as chairman. Tun has talked facts on racism, but of course the ungrateful ultra kiasu will label him as racist, so did Lee K. Yew. The fact is, racism is going to stay on in this country at least for another 100 years, I think. In the meantime, we, the Melayu small guys in business, if we dont get the government to assist us with projects, we have no choice but to migrate to another country than to suffer humiliation in our own motherland. At lease we can sell nasi lemak in a foreign country and earn some money to stay alive. In this country? The minister has to ask the opinion of his beloved wife first. Sorry, sometimes sarcasm is necessary.

By suhaimi on September 19, 2010 1:20 PM

Salam Tun,

This is interesting topic and i believed you've managed to break it down to understandable level to anybody on the street (i hope).

First of all, as a former student of finance, today, i believe currency trading should be banned simply because it doesn't carry any underlying value derived from commodity. Currency is a

medium of transaction. Of course, if anybody reads= finance or economy, the books or even the professors would tell you that currency itself is a commodity. It was created to pay for something using future income, in this case the country in question in come. It was used as tool in the US sometimes ago to grow the economy based on the earlier mentioned assumption. If one read black swan by Nasseem Taleb, one will see the point that nobody can predict the future with even gross accuracy, except if one is inspire to become a con-artist claiming otherwise.

Second, as a muslim, i totally reject this form of trade on the ground on religion in which has very strong basis to deny this. I will only be willing to do this if it does not require my own money...hehehe..just joking. In a sugar coated advice to friends, i have always say, it is not the knowledge but the discipline to control our animal instinct inside...the greed! is the problem and this behavior normally doesn't ends well.

Third, talking about growth and economic development, any country should choose at what level of "developed" it want to be at and for what reasons. These two must reflect and come back to the characteristics of the people of the land. The land here, majority muslim and bumiputera. This group of people demand for development is not the same with other people, not only in this country but also with people from other country. Our needs and wants are far less complicated (costly) compared to the rest. Going the same line of reasoning, excessive investment in property is not favorable either. In this age of internet, seriously place isn't the factor anymore, in the Malaysia context, we have enough.

Fourth, to TuaCheng, thousand of star students? man, you must be kidding! as a consultant and mensa member who has worked on numerous assignments with so called "thousands of star students"...seriously...the only thing is funny in your submission in this sphere is you, brother.

Fifth, if PM DS Najib seriously wants to engage the IMalaysia, please engage malay muslim intellectuals and professionals formerly sidelined by the politicians. They are in thousands and star students, and the best part is, they are here in the country. Those who have left, let them, the ones with have here are seriously under utilized. Change the style of politics, which is happening now, they thousands of formerly star students will help you unconditionally. This is because if the history can be any lesson to us, people like us, never leave. Those who pursue material beings, will to the opposite at will or even at the slightest whatever.

Lastly, economy is a dismal science, unlike exact science. It is always open to interpretation. In the case like this. We should just do what is good for us and stop listening to people who is following teachings without question in which sometimes they, themselves are not aware of future repercussions following things blindly.

I close with great admiration for your clear and intelligent insights and for being our role model. Wish you great health and may Allah bless you for we still need you.

Suhaimi Ariffin

By roodspion on September 19, 2010 12:50 PM

Dearest Tun,

Selamat Hari Raya Aidilfitri to you and family.

Your writings have educated us much and we thank you for sharing your knowledge, experience and wisdom with us. Surely we have derived the benefits of the internet by your blogging. Through your writings our understanding of the world we live in has improved tremendously in the last few years.

May Allah s.w.t. grant you and Tun Hasmah long and healthy life and to have a lucid mind and a generous heart to continue to share with us such invaluable insights.

Our doa for you always.

By jalil7 on September 19, 2010 4:23 AM

Dear Tun,

we are in the middle and just coming out of a stunted growth in almost all areas. freeing the ringgit would only allow the same instability that caused the chaos back into the system again. indeed it may be attractive to investors once ringgit is depreciated by forex players, but that, as you pointed out, does not help our economy.

we (at least me) no longer want FDI and FTZ as in the past where local participation is largely at production level only. at management, design and high technical expertise area, it is all foreign.

what i wish to see is the setting up of more foreign infrastructure or network of services enabling us to produce better and more cost effective goods for ourselves and for export. this means importing intelligent machines that we ourselves operate. this also means we are in control of the production and that we need to have a higher expertise group (than that previously required of the old FTZ & FDI).

In non labor intensive areas, this means mostly malaysian will be running the outfit, from management to sweeper. in high labor intensive ones, neighbouring labor force seems to be keen to work here. that is fine as long as we running the show. also, it is a matter of time before these countries see that it is best they attract their own people back, by bringing the factories back. if could do FDI/FTZ, so can they, and easier too, as we provided the model, the experience and the performance track record.

so i think we should progress and no longer be producing "as told" by foreigners. rather, we should be producing as we see it best for the market, and try to sell to foreigners, using previous experiences gained from the old FDI/FTZ era.

this is definitely a challenge, as it may be slightly difficult, but if we don't start now, it is not going to be any easier in future. we also need to find our niche, and by starting now we can find it sooner.

we had already started somewhat, naturally, but it is not formally pointed out and formally organised or planned. it just happened because it was the natural outcome of industrialization of the country. but it is important to formalise and structuralise it, into a useful element & strategy of national economics. otherwise we simply lose the benefit of our own hard work and experience.

ultimately the aim is to produce from local resources as many variety goods as we possibly can with as much quality so that we can be present in the world market as a producing country.

this idea has a little drawback in that it relies on sound local r&d and support, which at the moment is still cranking, trying to come alive. but one has to begin somewhere, so this lacking of efficient r&d & support should not be regarded as a reason to not start.

this also means that we should choose and pick FDIs that suits our current purpose now, (given that most factory workers are now foreign, hence more factories means only more foreign workers). by selecting the FDIs we can allow in the kind of investments that would produce opportunities more suited to us malaysians, rather than to foreign workers, of which there is probably enough now to form a small country.

By eanisazman on September 19, 2010 1:20 AM

salam Tun and famliy and bloggers all,

Semoga Tun berbahgia dan diberkahi Rahmat Allah S.W.T. Its refreshing to jog our mind reading article from a great statesman and thinker like you. Thank you.

I don't think that it could be awfully diifcult to anyone even without finance background to agree that speculation is 'bad', 'risky', 'dangerous', etc. So i do not wish to elaborate more on speculation.

Well, if you could standardise the currencies, the world could reach its Utopia state. Not impossible but difficult due to greed and human desire. The first thing I was taught about economic equilibrium is that it is actually subjected to human desire itself. And human desire is actually infinity. Sorry guys, heaven is no place on earth.

To manage the obvious risk itself i.e. the currency speculation, you might want to encourage the 'Management' to introduce controls to prevent, minimise or transfer the risk. You can simply prevent the risk if you see that there is no need for you to trade your currency i.e. pegging. You can minimise it if you could convince your trading partner for a more stabil trading system i.e. the dinar emas concept or barter trade.

The world has gone through hundred of years for this and they have this texted. To me, Finance and Economy is just an easy stuff. But what makes it difficult is the human itself.

Why are we here? embrace the truth....the rest is all fun and games to me.

Selamat Hari Raya Maaf Zahir Batin

By sugar47 on September 19, 2010 12:47 AM

Complicated issue...BTW for those who want to blog professionally..with free top level domains (cth: www.nama.co.cc)
pergi jer..

<http://www.worait.co.cc/p/how-to-get-free-domain-ie.html>

By Nothing But Wind on September 19, 2010 12:40 AM

Dear Tun Dr M,

You are very correct in your statement that Foreign Direct Investment is not that important as it is portrayed by some. The FDI normally involve special privileges being accorded at the disadvantages of the host country. If at all there is any significant benefit from FDI, it would be only the employment opportunities for the locals. However, that too would be mainly unskilled and semi-skill manpower. The management comes from the home country or from any other countries. So it doesn't benefit us much.

What is more important is the Domestic Capital Investment. It is not bound by any unfair agreement and it would normally be of long term investment as compared to FDI.

We should also make sure that the resources such as Raw Materials, manpower and capital, all are able to be acquired locally. I feel, Malaysia has most of it except the for the unskilled labor.

Finally, I would say that the government should make DCI much more attractive enough so as to ensure that it will not be diluted and be invested out of the country. If this happens, then it would mean our economy is in jeopardy.

By B0B on September 19, 2010 12:03 AM

You did it again,MY DEAREST TUN.....

Undoubtedly I'm 100% agreed with your super thought....BTW,It certainly requires wisdom to understand wisdom: "the music is nothing if the audience is deaf". A man begins cutting his wisdom teeth the first time he bites off more than he can chew. A cardinal principle of Total Quality escapes too many managers: you cannot continuously improve interdependent systems and processes until you progressively perfect interdependent, interpersonal relationships.

Anyhow, pls checkout on my latest site..<http://www.large-breast-implants.net/>

By rarunasalam on September 18, 2010 10:30 PM

Tun M

I am no economist by education or training, but I think you're only telling part of the story here...

your point 13. FDI is double-edged and caution is needed when deciding on encouraging it. Today FDI is not coming into Malaysia because countries such as China, Vietnam, even Thailand and Indonesia offer lower cost of labour. Besides the economic recession in America and Europe mean less capital is available.

Malaysia was not able to compete with these countries because we have no real marketing vision...

Our political situation under your administration was we did not want to negotiate OR we wanted negotiations to only fall our way.

Our R&D situation under your administration was we wanted to create...just not create quality

Our commercial situation under your administration was let us muscle and set up 'protectionist' conditions, and ensure only our 'locally' produced goods would be purchased even though it costs lots of money and was substandard i.e. Proton

We only wanted to build tall buildings ...we didnt care if it made economic sense...

We can't compete with our closest neighbours on setting up a regionally superior education system, let alone try to compete at world scene.

We can't set up sustainable leadership succession plans yet expect people abroad to trust our country would be governed in a fair manner.

We encourage cronyism and nepotism...something that was strife during your administration.

And what do we get during the 22 years of your administration...lots of rhetorics...you didnt even believe 2020 would be worthwhile to be strived for, else you would have set it to be achieved in your lifetime. Why wait for 2020...is it because you can blame someone else for not making it...Blame is easy isnt it Tun?

And sir...on a segway, how much personal holding of USD did you move, before the pegging occured?

While it's all fine and nice to say you were the person on the white horse brandishing the sword and attacking all the unscrupulous people of dumping our ringgit causing our currency to nose-dive, I think we should investigate all those politicians in the know how much foreign currencies they hold and trade just before the crunch is announced.

Lets not be fools to think that the pegging you proposed was entirely done for the nations goodwill.

I am not suggesting that it wasnt well executed...I am merely suggesting it was too well executed...good to have some insider information would you agree Tun?

(Ravi)

By kamal ahmad on September 18, 2010 7:09 PM

Salam kasih dan salam hormat Ayahanda Tun.

Standing up to a bully probably won't change the bully much, but it would change you plenty. Tough choice to make and always easier said than done. We are moving into a new set of Foreign Direct Investment (FDI) I imagine. I guess too, it is correct to say that the state of future economy and political regimes of any nation would in some way be intertwined to the cycle of FDI it gets and the amount of debts the FDI brings about to them. An American company that

opens up business in Malaysia, proclaiming an investment of about USD1 billion but may in the end be borrowing more than half from local banks if not all of it. As in cases with such as India, FDI players have become dominant factors in determining the role and extent of press freedom in India today. In writings by Mary Ann Tétréault, she observes that democracy holds different values and trait in the passage of time. With this in mind she argues that democracy is a concept that “moves” in its definitions sometimes even akin to the old Greek Aristotelian ways. She sums up that democracy is not complete. It is a process that is evolving on all of us that practices it. At the end of it, I am left to wonder who she had meant by Aristotelian at large. She was off course referring to the State of Kuwait mostly in her writings, but one may also deduce that an Aristotelian At-Large that’s hiding behind the faces of FDI has go to be the greenbacks. I won’t go into Breton Woods and the IMF or the AIG and the folks at Goldman Sachs here, that’s too obvious. But even the smaller armies of FDI may deliver the same astonishing Aristotelian result as the bigger players if they deal with a government that is weak and fragile. Malaysia is fragile is so many ways post PRU12, and perhaps nothing much would change in the near future too. But let’s just change our lens into a political one; ever since 2008, Malays have been fighting each other. We fight with each other over everything. We use religion and racial cards to appear more righteous in peddling our cases across our arguments. In short, we have been reduced to being mere “re-actors”. That means, we just reacts to situations and circumstances that has been thrown at us mostly from PAP, DAP and MCA. Let’s look back a bit too: Lesen Judi Bolasepak, DEB, Article 153, Perlembagaan – so on and so forth. If we spent a good time fighting with each other than who is controlling the game – I mean who makes these issues? Vincent Tan is no Malay. Kit Siang and LKY is no kampong Malay the last time I check. Well, these are the people who have been making actions for Malays to re-act upon. Indirectly, we have already lost our political standings as we have come to know. Who owns the Malay today? Who owns economy? Tell me, could the Malays in South Africa (our good friends the good Cape Malays) be making large FDIs? I do not think so. So who makes the FDI? It is the other players. The white people, the Arabs, the Indians and the Asians. If a government relies too much on FDI inputs, then inadvertently (or other wise) they may one day be owned by these FDI players. When that happens, the FDI players would make inroads into local politics and policies. They would have lobbyist working the ground, and corruptions and back-door frauds would simply take on a new meaning for all of us. The Malays won’t have the cash power to compete on such levels of corruptions (I would rather call it service fee). FDI is power, FDI may eventually end up a bully, FDI is weapon and in the end, FDI would buy out democracy. After all, democracy is not yet complete and chances are it won’t ever get completed by what I’m reading. The nation needs FDI, but FDI coupled to several other instruments, may be dangerous to us in the end. Thus, we must not again give them those instruments to harm us with.

But I won’t worry too much about it Tun, you’ll have your strong say again post PRU13 – just keep at it as you are now. Look at Australia; may the best horse trader win the day. Apart from that, its time to de-tox the lemang and rendang at the KLCC jogging tracks. That’s your signature Tun, a beautiful place indeed. Many thanks to HBT for the kind festive wishes and I am terribly sorry I missed them earlier. Raya rush you know. Thanks Tun.

By andrewtay on September 18, 2010 5:34 PM

Dear Mahathir

Your views of FDI is one which the National Economic Advisory Council disapprove. In their recommendation to the Najib administration, the people making the recommendation are made out of 6 Malays, 3 Chinese and 1 Indian. I didn't note much of the significance of these numbers until I realised that it reflects the racial ratio of the 3 major races in Malaysia. Okay, I guess it's fair enough.

I scheme through the proposal as it would inevitably affect us in the near future. I'm pretty sure you have read it already or have someone to read it for you.

It pretty much states that Malaysia is in deepening crisis. It is slowly losing its recognition in the eyes of the world because of bad racial publicity (which I'm pretty sure your policies are to be blamed).

The NEM will affect all walks of life and it will also change the social and political arena in this country (when the word political is involved, the Malays are going to be worried thus I am not convinced that Najib is going to implement the originally proposed plan, maybe he will implement a watered down version to stop the Malays from crying)

Okay back to NEM

HISTORY

The NEAC with all its wisdom is in the opinion that Malaysia is in the middle income trap. They acknowledge that since the 97 economic crisis, Malaysia was unable to achieve its strong growth before the crisis happened.

Malaysia was only second to China in terms of economic growth before the crisis happened at an average rate of 9% annually. But lately, Malaysia is content that it hits 5% and sometimes barely makes it. (so it now takes us 20 years to double our economy instead of 10 years) shocking hey?

Malaysia had no problem achieving success of transforming into a middle income economy under Mr Mahathir. NEAC did not give much credit to you. I guess it was because that the Malaysian economy at that time was market driven. In that sense, they concluded that Malaysia was at the right place at the right time. Demands for electronic components and natural resources was high. Also, there was not a lot of competition at your time. All you need to do was to create better infrastructures and implement policies which facilitate our high revving economy at that time which I can do too if given the chance.

A bit of Mahathir bashing

So please don't take so much credit in Malaysia's success. I always thought your words are likened to that of a Communist leader. The grass is always greener in your world. No mention was made of any of your mistakes. You are like God to some only because they never open their minds to the fact that humans do make mistakes. Only when you acknowledge those mistakes, you gain respect. Something that I will never have for you.

Anyway, back to the NEM before I get carried away bashing you senselessly.

FDI AND HIGH INCOME

NEAC believes that in order to achieve economic greatness, Malaysia has to change its policies which includes removing the bumi quota (end of the world for Malays? Probably not) Please be reminded that 6 of the 10 people making up the council are Malays (the smart ones). They have set their minds to understand that in the future, Malaysia with its current racist politics might jeopardise itself aka self-detrimental.

They also believe that in the near future Malaysia, albeit its modern infrastructure, will be unable to fully utilise its infrastructure because there is not enough FDI influx into the country. FDI is important because Malaysia doesn't have the capital/money to develop new high value industries, which was one of the important method to jump start our economy to a high income economy. Say if we have alot of engineers, but the government has no money in their coffers, how are we going to build industries? We will be like Russia in the late 80's and early 90s. Full of good engineers but no money to create jobs and industries.

I totally agree with that. An source of capital income would be much appreciated.

SKILLED WORKFORCE

Another worrying thing is that we lack a skilled workforce. Despite the government rhetorics in regards to the modern facilities we have in our local universities, only 80% of our workforce receive education only up to SPM. I guess its embarrassing to let that out of the mainstream news hey?

Therefore only 20% of the workforce including myself is highly skilled. Which brings about another problem. Im not in Malaysia. Im earning super big bucks overseas at such a tender age. The NEM addresses the immediate need to bring back people like me. Awww, so sweet. But people like me not go back to Malaysia until the situation there improves. I am worth a lot, strictly speaking. I am a human capital. So they want to rope me back. We'll see how it goes in the future.

So despites Mr Mahathir's opposition to both High Income and FDI policies, it has more benefits to the country to propel itself to a develop country. Both will insure that every Malaysian, regardless of their race, will have a job that pays handsomely. With high income, we have a higher purchasing power. With that, we will be able get imported food cheaper. And locally produced food may also be cheaper because with our awesome high income, we can pay for cheap labour because our purchasing power is high, therefore purchasing labour cheaply.

With that said, we have more choices. Because we have high purchasing power, you can buy cars that you cant previously dream of having. You can eat Angus beef instead of lousy Malaysian beef. You will enjoy more with your money. Going to thailand for "happy endings" instead of Petaling Street. Wad up!

With everyone so rich, why do we need to fight over race issue and whatnot. That is what poor country does. Seriously. In Australia, no one cares bout race issues. Everyone is just Australian. As long as you pay your taxes, everyone enjoys the same benefit as the person beside you.

CONCLUSION

NEM is an eye opener. Its good to see that the government is attempting to address our dire economic state. We dont want to be like Indononesia and the Pinoys, they have to export their manpower abroad. So sad and so...third world. I dont want to see Ahmad and Abu working in China in the near future as waiters. I want to see Ahmad and Abu working alongside me and earning 6 digits per annum. Wad up!

<http://www.neac.gov.my/content/download-option-new-economic-model-malaysia-2010> (it might take awhile to download if you have crappy Malaysian internet)

Read and download it. Understand their reasonings. Im not bias because even before iv read this, i advocate for FDI, high income, high value industries and a watered down form of equal rights. You can read my previous postings in this website to ascertain my authenticity.

Remember, there wont be a Malaysia if we are poor. We will be like Bangaldesh, Pakistan and Africa. No one care for them because they are poor and disgusting. Who cares if they are dying. The less people in this world, the better. Right? NO. Because if that shit happens to Malaysia, i want people to help us.

Message to Mr Mahathir

And Mr Mahathir, no offence, stop playing with people's head and start throwing your support a richer Malaysia vision. Instead of bashing your own people aka the non-bumis, we should bash countries like Thailand or Indonesia. its not like you will get to live any longer. So create a new legacy for yourself.

ME IN A HURRY FOR A WONDERFUL NIGHTOUT

Again, i would be very surprise if this was posted. Okay gotta to now and starting destroying my liver. Ciao!

By Idea on September 18, 2010 1:26 PM

Dear Tun,

Thank you for such a good explanation and point of view. I agree with you. Some people blindly juggle with economic tools just like some opposition leaders juggle with certain issues. Many times, I find these hustles nonsensical.

I will try to write more.

By ekompute on September 18, 2010 12:14 PM

QUOTE: There was a time when Malaysia practically pioneered encouragement for foreign direct investment.

Why did we pioneered foreign direct investment when we are trying to increase the bumiputera share of the economy? Weren't we sabotaging the NEP at that time? And are we to say that more than 10% of the capital needed was brought in at that time, as compared to now and that the rest was not borrowed from local banks?

Check our hearts. Maybe it's just a case of preferring to have a foreigner to invest in our country, rather than allowing our own locally born non-Malays to do so! We grab foreigners with open arms and open legs, while tying the hands and legs of some of our own citizens. And we call Islam our official religion... nay, even an Islamic state! What is a Muslim after all, if one ignores the Prophet's Last Sermon?

By HBT on September 18, 2010 11:55 AM

Ayahanda Tun,

A. Just because of RM1.04 million contract between Mr Tee Boon Hock and Mr Ronnie Liu, DAP 200 members fly chairs at DAP meeting.

B. They are definitely not fit to be Tongsan Taiko aka Bruce Lee in Malaysia because money to them is everything because of famous OBC's perspective on Chinese Cultures and Traditions, and this statement proves once again in Malaysia

- i. One Chinese One Dragon; Four Chinese One Worm
- ii. One Japanese One Worm; Four Japanese One Dragon
- iii. One Malaysian One Worm; Four Malaysians One Agong??

C. Sigh; Wen can they learn PhD in Jiabao neh??

D. From NTV 7, Chinese news at 9:30pm, in order not to jeopardise the diplomatic relationship between Japan and China due to HOT SELLING NEWS (junk news ballooned by states' media in China), Beijing Central Government may allow open demonstration for Chinese to release their anger and frustration over the captured of Chinese Captain by the Japanese Authority in Pulau Pancing Ikan. Remarks: To Chinese, (not OBC), this pulau belongs to China, to Japanese, this pulau belongs to Japan.

E. Will the Chinese Government allow this open demonstration due to media pressure?

F. Let us wait what the Chinese and Japanese Authorities will act on this issue in order for our 1 Malaysia Government to understand what is Malaysian Malaysia CAT system without long-term holistic strategy base on gut is about when comes to Foreign Diplomacy in Selangor.

G. DAP practices CAT system, today DAP fly chairs in Selangor.

H. Hot News update from The Star:-

- 1. Saturday September 18, 2010
Chairs fly at DAP meeting

By A. LETCHUMANAN
letchu@thestar.com.my

2. PETALING JAYA: The Klang DAP division's Socialist Youth (DAPSY) meeting turned ugly when some members became embroiled in a heated exchange, which led to chairs being thrown.
3. The fracas forced the meeting at Dewan Bandaran JKPP Pandamaran to be cancelled some 90 minutes after it started at 8.30pm yesterday. The scheduled election was also called off.
4. Sources said the situation became tense due to the presence of more than 200 members who were either aligned with Selangor state executive councillor Ronnie Liu or recently sacked former Klang Municipal councillor Tee Boon Hock.
5. The DAP had sacked Tee for allegedly misusing a Selangor exco member's letterhead.
6. He had appealed against the sacking but the DAP central executive committee upheld the decision.
7. The committee, which was chaired by Cheras MP Tan Kok Wai, also gave Liu a "severe reprimand" over the letterhead controversy.
8. For the election yesterday, Klang youth chief Lim Lip Suan was supposed to face a challenge from Lee Foo How, a supporter of Tee.
9. Sources said minor arguments between supporters of Liu and Tee marred the meeting from the start. About 45 minutes later, voices were raised and the arguments became more heated.
10. Lim confirmed that the meeting was postponed but said it was because the membership list had not been updated. He refused to comment on the fracas.
11. A pleasant day Ayahanda Tun. Hot Selling News like this can jeopardise FDI into Malaysia holistically due political power struggling; and it has nothing to do with Chinese Singaporeans. Malaysia is about National Security, Economic and Socio Issues that will encourage healthy FDI in the Country through a Window of 1Malaysia!

By aragorn on September 18, 2010 11:42 AM

Assalamu`alaikum Tun,

Bless to Allah for giving us His wisdom through you Sir.

Thank you for watching over us.

It seems to me that the current government has a weak mind.

'The Captain' seems to have no mind of his own. Always tend to sway to what others want him to do. People pleasing attitude is a sure main ingredient for disaster.

May Allah Bless you Always my dear Tun. Amin

By amin tan on September 18, 2010 6:59 AM

Dear Tun,

We must support our Prime Minister, Datuk Seri Najib Tun Razak. I find him to be cautious, sincere, thoughtful, reflective, intelligent, observant and sensible. Like every loyal and grateful

Malaysians, we wish and long for the nostalgia of the economic boom prior to the 1997 crisis. Najib may be attempting to bring the era of unprecedented prosperity back into his reign. During that time of prosperity, share market was booming, income was good for the people, banks were making money. At this point in time our economy is sluggish, dull and the future looks bleak. We have to do something to jolt it, leap frog it, jump start it so that it won't go into recession. Recession would be painful, sad, tragic and unnecessary due to unemployment, business failures, insolvency, bankruptcy and rampant crimes and instability in the society. Najib is trying to prevent the stagnation and recession in the economy from taking place. I am sure the currency speculators won't immediately target us and corner us the moment we enter the market. Surely they would groom us and pamper us first for a few years before they slaughter us for their dinner. By then, we should be vigilant and we can always do as Tun did, capital control. After all Tun has set a precedent and we know there is a cure for such a crisis.

However, we are grateful that Tun cautioned Najib to be careful. I am sure Najib listens to your advice. Najib is trying his best not to make mistakes and be careful. By and large, Najib is a good Prime Minister as of now unless he makes mistakes by offending the people and causes hardship by increasing the price of petrol and toll like his predecessor.

amin tan

By capello08 on September 18, 2010 4:28 AM

When we look into economics, finance or international business to consider any impact, we should consider some basic principles of trade:

1. Trade should be based on real commodities or activities
2. Commodities and activities should be something that add value to the lives of human beings
3. The market of trading artificial commodities such as trading of currencies (and even certain shares trades) are bound to fail sooner or later. Academically, this is called bubble burst.

In addition, there are other factors to consider:

- a) Trading of artificial commodities will only benefit bigger economies in the long term. They control the market and may get some of the exchanges for free. For example, the US government can just print/ create monies without affecting their forex, and hence exchange real commodities such as agriculture products from other countries virtually for free. 3rd world countries and many other nations are practically financing the people in the United States due to the inflated forex. \$1 is probably worth RM0.50 but we are 'forced' to accept the value at RM3 or more..
- b) Even in Islamic and sharia principles, trading without real value of activities or commodities are considered riba as the transactions are likely to be lopsided.

In the absence of gold standards, trading of currencies are always not fair and expose risk of manipulation and attack, as you rightly pointed out, Tun.

By CommonerNinetyNine on September 18, 2010 3:50 AM

some so called leaders, would be willing to exchange anything for retaining in or getting more power.

these "leeches" has no sense for big picture but narrow selfish personal agendas.

we have read in history that as long as they could continue enjoy life, they would even surrender the sovereignty to the colonies.

they are incapable of doing the "ground" work, from their wealthy background, must be too arrogant to entertain requests for them to take effort to feel and work with the "ground".

wandering around few hours once in a quarter can settle problems? they must be better than harry potter then!

they like employing another type of "leeches" to do their work, who are willing to do anything to suck up and selling government and public resources. both of these are made in "heaven", one like ass-kissers, the other like kissing-asses.

when they cannot differentiate between running a company and a country, what is bold and prudent, when is free or "chained", when to play safe and when to play right, i see nothing can be expected out of them.

may be this is the nature of society, there can never be continuous prosperity, when it is peak, it will fall, every civilizations in history failed to defy this fate. i see human nature play a major factor in such falls rather than technical insufficiency.

By Jeffry Suresh Abdullah on September 18, 2010 3:15 AM

Assalamualaikum to ever young couples,Dr.Mahathir & Dr.Siti Hasmah,
I'm your loving Aloq Staq boy.

"1 MALAYSIA & 1 FINGER LIFTING"!

1.Sir, seriously you should advise Najib & whole government machineries to stop going around and lifting '1 finger' around.

People really look like clowns with thier "1 finger lifting" & thier "senyum kambing".

2.It is very disgusting and uncivilised to see "1 finger lifting" around, while more fingers pointing "downward".

The fingers itself shows the campaign towards "downward and failing direction".

3.It is more or less same, as a saying; "While you pointing your 1 finger to others,the other of your 4 fingers pointing towards yourselves".

That means we are the real "weakest link".

So basically, we should not mess around with fingers.

4.I'm glad I did not see you lifting your '1 finger' around as you are a wise man ever.

5.Najib should seriously look for other replacement campaign & effective delivery system.

CHEERS...

By kamaliuk1973 on September 18, 2010 1:15 AM

Dear Tun,

The reason the Government wants the Ringgit to be traded again is so that the Prime Minister's merchant banker brother can speculate on (or against?) the Ringgit!

Kamali Ibrahim

By Oracle on September 18, 2010 12:42 AM

Brilliant Tun! please continue to guide us; thank you.

By Rimba Emas on September 18, 2010 12:31 AM

SALAM BUAT TUN BERDUA MOGA DIRAHMATI ALLAH S.W.T.

1) PAKAR YANG DITUGASKAN SEKARANG SUDAH LUPA BAHAWA DASAR FDI DAHULU BOLEH TERJEJAS KALAU KADAR RINGGIT SEKARANG DIRENDAHKAN PADA KADAR 1DOLLAR AMERIKA.PENYANGGAK MATA WANG AKAN MENGAMBIL KESEMPATAN WALAUPUN SERENDAH 10 SEN.

2) PAKAR PERLU TELITI PENERANGAN TUN BAHAWA PADA AWALNYA TUJUAN TUN MEMBAWA PELABOR DAHULU IALAH UNTUK MEMBERI PELUANG PEKERJAAN DAN INI BERJAYA KERANA KITA BUKAN NEGARA PENCIPTA TEKNOLOGI.

3) MALANGNYA DASAR KITA IALAH UNTUK MENARIK SEBERAPA RAMAI PELABOR KE NEGARA KITA TAMPAMEMPEDULI ATAU SOAL KENAPA PELABOR INI HENDAK MELABOR DINEGARA KITA DARI MEMBINA DI DALAM NEGARA MEREKA SENDIRI.

4) KITA PERLU INGAT PELABOR LUAR INI SELALUNYA AKAN MENGEMBANGKAN SAYAPNYA BILA RAKYATNYA MENOLAK UNTUK BEKERJA BIDANG BERKENAAN ATAU KERJA-KERJA KOLAR RENDAH.(ATAU BIDANG TUGAS BERKUMPULAN YANG TERPERINCI)

5) APABILA PEKERJA KITA TIDAK BERSEDIA DENGAN BUDAYA KERJA YANG DIPEKENALKAN SEPERTI NEGARA JEPUN MAKA SUDAH BERLAKU KEKURANGAN PEKERJA (BAHAGIAN PRODUKSI) MAKA PEKERJA ASING DIBAWA MASUK.

6) MALAH SUDAH NAMPAK JELAS PENGUSAHA TEMPATAN JUGA MENGGUNAKAN PEKERJA ASING INI UNTUK KERJA-KERJA YANG LARI DARI NORMAL KEPERLUAN SEORANG MANUSIA SEPERTI KERJA ANJAL YANG MEMERLUKAN KEKUATAN MENTAL DAN FIZIKAL.

7) CUBA BAYANGKAN TUN BOLEHKAH SESEORANG ITU BERTAHAN KERJA ITU SEUMUR HIDUP TERUTAMA KERJA DENGAN KATA-KATA FALSAFAH JEPUN TIDAK DIBERI KEMUDAHAN. CONTOH ADA BAHAGIAN PRODUKSI TIDAK DIBERI KERUSI ALASAN PEKERJA AKAN BEKERJA LEBIH KUAT.

8) MALAH KINI TIMBUL BERBAGAI CARA PERANGAI TANGKAI JERING DENGAN SISTEM GAJI KONTRAK (ADA KERJA ADA GAJI).BUKAN ORANG MALAYSIA MALAS BEKERJA ATAU LEMAK SEPERTI YANG DIWAR-WARKAN TETAPI MEMPERSOALKAN GOLONGAN PELABOR BEGINIKAH YANG MENDAPAT TEMPAT DALAM DASAR FDI ?

9) KURANGNYA KEMASUKAN FDI SEKARANG KERANA TIGA SEBAB IAITU KRISIS DI NEGARA EROPAH DAN AMERIKA SYARIKAT JUGA FDI KE NEGARA KOS LEBIH MURAH. TETAPI TUN KATA KITA SEKARANG TIDAKLAH BANYAK KEUNTUNGAN DARI SEGI WANG MASUK SEBALIKNYA LEBIH BANYAK WANG KELUAR NEGARA.

10) JADI FOLMULANYA MENARIK FDI BUKANNYA MENGGURANGKAN KADAR RINGGIT KITA SEKARANG SEBALIKNYA KEMUDAHAN LAIN SEPERTI MENYEDIAKAN JANAKUASA MURAH TENAGA , RANGKAIAN KOMUNIKASI CANGIH SEPERTI DI KOREA ATAU MEMILIH FDI BARU YANG PERLU MENGIKUT FALSAFAH BUDAYA KERJA AGAMA NEGARA KITA IAITU ISLAM YANG TIDAK MEMAKSA SEBALIKNYA MEMBERI BANGSA CINA DAN INDIA MENGAMALKAN AGAMA MASING-MASING.

WALLAHU'ALAM

By zack58 on September 17, 2010 9:54 PM

Assalamualaikum Tun.

The difference between you and those after you is that you really care about all segments of Malaysians. On the other hand, they are more focus (unconsciously maybe) on businesses of the rich.

Stay healthy Tun, we still need to prick your brain.

By andrewtay on September 17, 2010 9:51 PM

Maybe the ringgit is trading again because the government's foreign reserves are dwindling.

By Halim on September 17, 2010 8:09 PM

saya bersetuju dengan tun yang malaysia sayangi,

krisis kewangan pada penghujung 90-an telah membawa seribu pengajaran yang tidak boleh kita lupakan.

Nilai ringgit jatuh teruk menyebabkan ramai orang kehilangan pekerjaan.

Jika negara mengalami krisis ewangan sekali lagi,adakah kaedah menambat ringgit akan berkesan sekali lagi???

Oleh itu,saya merasakan kita tidak harus mengambil risiko...

By orang kampung on September 17, 2010 7:33 PM

Salam Tun yang di hormati,

1. Matawang sesuatu negara naik dan turun nilai mengikut keadaan kekukuhan ekonomi negara tersebut.

2. Sekarang banyak pula disebabkan oleh "speculator" matawang. Jika di lihat dengan teliti, mereka kan menilai matawang mengikut keadaan ekonomi negara tersebut juga.

3. Negara Jepun dan China mengekalkan nilai matawang yang rendah berbanding USD untuk mengekalkan nilai barangan eksport mereka.
4. Jepun dengan Bank of Japan berusaha keras untuk mengekalkan nilai yen rendah berbanding USD dengan "intervenue" pasaran matawang.
5. Negara China telah di minta oleh Amerika Syarikat dan Eropah agar menilai semula Yuan / Rehminbi kerana dilihat nilai nya rendah berbanding ekonomi China.
6. Malaysia dengan bangganya mengumumkan ekonominya baik apabila nilai Ringgit naik berbanding USD.
7. Malaysia, seperti Jepun dan China, merupakan negara peng eksport, tapi berbeza pendapat tentang nilai matawang masing-masing.

By TuaCheng on September 17, 2010 7:03 PM

Interesting topic Mr.Mahathir, it was liken by you, that FDI is not so helpful but more damaging.

But maybe just to share SGD is 1.40 to 1USD, yet they get higher FDI's than Malaysia, eventhough they are more costlier than us.

Maybe, lack of good & capable talent in Malaysia answers this. Afterall we are exporting thousands of star students there.

Back to the point, only certain percentage FDI are actually brought in and the rest is foreign bank.

But never forget, while during the period of 1988 to 1996, the ruling coalition is practically on landslide victory while riding on the economic boom.

Per your saying below:

11. During the financial crisis of 1997-98, foreign investors dumped their shares so as to quickly change the Ringgit into foreign (US) currency before further falls in the Ringgit would give them less foreign currency in exchange. This invariably caused a steep fall in the share prices and Stock Market Index with consequent losses by local investors.

12. The Malaysian Stock Exchange makes money from commissions or the sales and purchase of shares. Consequently they are happy with more selling and buying on the Exchange. They therefore welcome foreign investors in the market. In fact they believe that if short selling is allowed they will make even more money. But these kinds of market activities do not benefit the nation.

But just wondering, along HK, Korea, Singapore, Thailand, Indonesia, the least active equity/stock market and the least invested portfolio is now Malaysia thanks towards the pegging.

I don't agree to peg, as long the nation reserves of gold & greenbag is strong.

It is shows, during 97-98, the National Bank get themselves too involves to fighting the depreciation of MYR.

This argues back to your statement, against opening MYR trading again. At one time, MYR fell to 4.50 to 1USD, you as the PM then shall be cheering as this is all out great for investments since it is state Vietnam/China & Indonesia were cheap, then why peg to 3.80.

FYI, China were afraid of depreciation of Yuan, as they hold one of the biggest reserves of USD & GOLD.

I would conclude, not only does the currency play an impact on investments. Administrative efficiency, corruption free and quality education that attracts respective industries foreign investments.

It depends on the junk like Proton, even Mitsubishi ended the relationship.

By shamsol on September 17, 2010 6:19 PM

salam dan selamat hari raya buat ayah tun,

saya lebih suka cara ayah tun semasa jadi menteri kewangan dulu... saya rasa amat bersyukur atas ilham yang telah Allah SWT kurniakan semasa krisis kewangan 10 lebih tahun dulu melanda asia... saya harap trend tersebut dapat dikekalkan...

By RajaChulan on September 17, 2010 6:01 PM

Dear Tun,

On this matter, I fully support your view. I think the Government and PM Najib must be very careful when advised by vested interest economist and half-baked advisers. Understanding of World macro-economics and more importantly basic common sense must be carefully considered. In today's chaotic and unregulated financial world, it would be better to stay insulated than standing naked (exposed) especially when we are a small nation with weak financial clout.

By FXSpec on September 17, 2010 4:36 PM

Salam Tun,

As you said economic growth due to FDI was merely coincidental, it was wooed primarily to drive up and generate employments. This was consistent with Malaysia's labour being low-cost and plentiful then. However, once FDI was recognised as also a primary generator of growth, the emerging markets began their love affair with it and consequently if a nation fails to generate adequate FDI or it falls short compared to its peers it becomes the butts of condemnations from economists/pseudoeconomists local and international. So, it is with Malaysia today. Let them be. We should not easily lose the plot given the barrage of criticisms.

We should be more selective in attracting the type of FDI that we want. It should be a tool for achieving our own economic objectives rather than be a blind follower of FDI-chasers. The FDI we should go after must be those investments in fields which make full use of our skilled knowledge workers, more technology-intensive and stay the course to grow with the country rather than be up and away the moment they used up their initial exemptions, tax-breaks and privileges and saw greener grasses in lawns elsewhere.

Again, as you said: even with FDI announced in the billions, the only new money available is only say 10% of those, the rest being locally raised. There's not much point then in spending time and money going overseas looking for them. We should just concentrate in facilitating local investors making them more sophisticated, more efficient and effective. They could even bring in money from abroad by borrowing offshore.

From the point of view of a forex speculator working the markets from Malaysia, the tradeability of the RM does not make much difference. This is simply because his target currency pairs are the historically highly traded and more volatile currencies which invariably include more often than not the US\$ (86.3% of total daily transactions - as of April 2007); Euro (37%); Yen (17%); Sterling (15%) and maybe a few others. Even Sing\$ was involved in only 1.2% in daily transactions (still ranked 13 in the most traded currency index). What's percentage of daily transactions then could involve the RM once it's freely traded? I would say pretty minimal immediately, but over the long term, who knows.

As it goes, forex speculations is not more dangerous to the economy than to the speculator himself. It's the forex manipulators we must be vigilant against and upon whom the full force of the law be brought to bear.

By parameswara 2 on September 17, 2010 3:58 PM

Dearest Tun

1-Now I can understand why Najib seem to be gaining more and more face everyday.. figuring whether or not to trade the ringgit does require a lot of head scratching..

2-For a simple layman like me it's sap sap suey ..if we don't need the FDIs then don't free the ringgit. We don't have to worry of the currency speculators attacking our economy again. So we can also maintain our NEP forever..

3-But that would be wishful thinking. FDIs will always be required unless we don't mind lagging behind Thailand, Indonesia and Vietnam soon after coming this far and setting the leadership.

4-Maybe we should be selective and identify those that will come in spite of our currency regime. They come because this is the place to be and hence not an option. If they don't come they will lose, that's all... That sort of enticement.. Is there such an opportunity? If no then we just got to discover or create such opportunities. Do our govt have think-tanks?

5-Tourism sector-with 23 mio tourist already making us the 2nd most visited country in Asia after China. This now we are getting is only brought in by the mainly KL-Genting-Melaka sector. The other Malaysia are still well kept secrets. Remember our immediate 500 mio market in the surrounding SEA and 2.3 bio China and India. At the moment almost 11 mio tourist are actually our repeat tourists from our rich neighbor Singapore. So the Govt is being realistic with the 36 mio tourist target by 2020..

6- Network marketing businesses. Malaysia is the perfect NM centre being in the heart of Asia and populated by the three major races of Asia.. Any product acceptable to Malaysians will be marketable to the whole of Asia and the World. And for distribution we have all the perfect Human materials and we are also very strategic.. NM is predicted to be the 21st century new civilization (I have been saying this umpteen times in this blog already) Make it very very easy and attractive for them to come invest here at whatever costs..

7-We must think out of the box.. that's what the bosses always say..

Thanks Tun

By nazrimalik on September 17, 2010 3:46 PM

I agree with Tun one hundred percent! I hope the PM knows what he is doing. Some people do things just to benefit themselves. I hope DS Najib is not one of them.

By sugar47 on September 17, 2010 3:16 PM

It's a complicated world... also check out my listings at <http://www.worait.co.cc> TQS. Sugar Lee.

By HBT on September 17, 2010 2:26 PM

Selamat tengahari Ayahanda Tun,

Pasaran pertukaran asing

Dari Wikipedia Bahasa Melayu, ensiklopedia bebas.

(Dilencongkan dari Forex)

Lompat ke: [pandu arah](#), [gelintar](#)

Forex singkatan kepada Foreign Exchange, iaitu perdagangan tukaran matawang asing. Ia juga dikenali dengan nama FX. Forex sebuah entity kewangan yang terbesar di dunia dengan transaksi melebihi \$1.95 trillion sehari!!. Forex melibatkan transaksi dimana kita membeli satu matawang dan menjual satu matawang yang lain. Matawang (currency pair) ini ditransaksikan melalui broker dalam bentuk pair (pasangan) sebagai contoh British Pound dengan US Dollar (GBP/USD).

Pertukaran asing (foreign exchange atau forex) berlaku apabila suatu mata wang ditukar kepada mata wang lain. Ia merupakan suatu jenis perdagangan/transaksi aktiviti jual beli mata wang antara negara yang melibatkan pasar-pasar mata wang utama di dunia selama yang berlangsung secara 24 jam secara berterusan. Merupakan pasar terbesar dunia di mana ia melibatkan transaksi wang sebesar \$2 trilion pada hari pasaran dibuka.

Mata wang terbahagi kepada 2 iaitu Utama dan Kecil (minor). Utama ialah mata wang paling kerap diperdagangkan iaitu USD, EUR, GBP, CHF, JPY, AUD dan CAD. Kecil adalah mata wang selain mata wang utama iaitu NZD dan SGD yang turut diniagakan tetapi tidak secara besar-besaran.

Di dalam pasaran pertukaran asing, mata wang diniagakan secara berpasangan. Ia diniagakan secara berpasangan kerana dalam perdagangan mestilah ada beli dan jual. Sebagai contoh pasangan matawang EUR/USD jika membeli pasangan ini bermakna kita membeli EUR (Euro) dan jual USD (dolar AS).

Forex merupakan satu pelaburan yang paling popular kerana pulangan keuntungannya yang tinggi. Keuntungan boleh mencapai sehingga 100% dalam masa beberapa hari. Akibat pergerakan yang cepat tersebut, tidak dinafikan forex juga berisiko tinggi untuk rugi apabila anda tidak mempunyai pengetahuan yang cukup.

Isi kandungan

[sorok]

- 1 Sejarah

o 1.1 ISTILAH-ISTILAH FOREX

- 2 Kekeliruan di antara pertukaran asing dan skim cepat kaya
- 3 Pautan luar

[sunting] Sejarah

Sejak zaman dahulu, manusia telah melakukan perdagangan dengan sekelilingnya untuk berbagai alasan dengan cara sistem barter. Seiring dengan perkembangannya jaman dan peradaban sistem barter ini gugur kerana mempunyai banyak kelemahan sehingga ditemukan sistem – sistem pembayaran yang baru yang sampai pada akhirnya dengan menggunakan uang sebagai alat pertukaran dan pembayaran. Sistem pembayaran dengan menggunakan uang juga mempunyai kelemahan untuk bertransaksi dengan suatu negara yang memiliki jenis mata uang yang berbeda.

Keperluan akan nilai tukar timbul kerana mata wang suatu negara biasanya tidak diterima sebagai media atau alat tukar di negara lain. Hubungan perdagangan antarabangsa menimbulkan adanya permintaan dan penawaran terhadap beberapa mata wang. Perkara ini kemudian menyebabkan perkembangan pada bursa pertukaran mata uang asing, sehingga diperlukan pengatur untuk berjuta-juta transaksi permintaan dan penawaran yang terjadi setiap hari, yang menuju pada penentu nilai tukar mata wang asing.

Sejarah pertukaran/perdagangan mata wang dapat dikatakan seusia wang itu sendiri dan baru mendapat perhatian yang serius oleh banyak negara pada dekad terakhir ini. Kalau ditinjau pada dekad standard emas (1880 – pecahnya PD I), pada masa tersebut wang dijamin oleh emas tulin (murni) yang merupakan standard negara tersebut. Defisit neraca pembayaran akan ditutup dengan transfer emas, hingga mengakibatkan money supply menurun dan harga di luar negeri seakan naik, sehingga hal ini akan meningkatkan ekspor sampai defisit hilang, demikian sebaliknya. Dengan demikian, nilai mata wang relatif stabil.

Sampai Perang Dunia I, piawai emas memungkinkan tercapainya tingkat koreksi yang tinggi terhadap neraca pembayaran. Tetapi, tidak demikian pada saat peperangan, kemungkinan besar kerana tumbuhnya syarikat-syarikat perdagangan dan perusahaan-perusahaan besar, adanya jaminan upah dan harga sehingga tidak mudah menurunkan kecenderungan tersebut, yang berdampak berkurangnya lapangan pekerjaan. Karena membengkaknya pengangguran pada awal 1930-an, piawai emas tidak dipakai lagi.

Setelah perang dunia selesai dan kemelesetan ekonomi dunia pada tahun 1930an, dunia menginginkan suatu kestabilan ekonomi yang lebih baik. Sehingga Pada tanggal 22 Juli 1944, atas prakarsa dari Amerika Serikat, diadakan suatu persidangan kewangan antarabangsa yang dikenali dengan : “The Bretton Woods Conference“, yang dihadiri 44 negara. Usul yang diajukan oleh delegasi Amerika Serikat (White Plan) menyusun rencana-rencana dasar yang disetujui.

Dalam persidangan tersebut, diciptakan suatu system pertukaran mata wang tetap yang disebut dengan “Fixed Exchange Rate System“, yang mempunyai beberapa persamaan dengan standard emas, di mana memuat ketentuan :

1. Tiap negara menetapkan nilai tukarnya terhadap mata wang USD;
2. Amerika menetapkan nilai USD terhadap emas (USD 35/ounce);

3. Amerika akan menjual emas dengan harga tetap kepada pemegang resmi dari mata wang USD;

4. Perubahan nilai tukar mata wang terhadap USD tidak boleh melebihi 1%, bila terpaksa boleh sampai max 10%.

Sejak itu negara – negara di dunia serta Amerika mulai tumbuh dengan pesat dan dua tahun setelah persidangan tersebut, didirikan lembaga kewangan antarabangsa & Bank Dunia yang kita kenal saat ini dengan IMF (International Monetary Fund) dan World Bank, untuk mengawasi sistem tersebut.

Kemudian perubahan terjadi di Amerika, Pada periode tahun 1960-an, defisit neraca pembayaran Amerika memaksa negara tersebut melepaskan cadangan emasnya sebesar USD 18 billion kerana Perancis menukarkan USD-nya dengan emas dan dilanjutkan pada periode tahun 1970-an, Amerika kembali harus melepaskan cadangan emasnya sebesar USD 11 billion. Buruknya perekonomian Amerika pada waktu itu menyebabkan masyarakat dunia kurang percaya terhadap USD. Dan di negara yang memiliki mata uang yang kuat kerana memiliki cadangan emas yang cukup seperti Swiss dan Jerman, mereka menukarkan USD-nya dengan mata wang mereka iaitu CHF dan MDK. Hal ini menyebabkan hutang jangka pendek yang hampir jatuh tempo di Amerika mencapai hampir dua kali cadangan emasnya.

Sistem Bretton Wood hanya mampu bertahan hampir mencapai 30 tahun, pada tanggal 15 Ogos 1971, Presiden Nixon mengumumkan perubahan system nilai tukar untuk USD dengan membiarkan nilai tukarnya terapung (Floating Exchange Rate System), hal ini ditegaskan kembali dalam suatu persidangan di Washington pada tanggal 17-18 Desember 1971 (SMITHSONIAN CONFERENCE), dari sinilah lahirnya nilai tukaran terapung dan berlaku sampai dengan sekarang.

Setelah Presiden Nixon menetapkan nilai terapung untuk mata wang USD, banyak negara yang memutuskan untuk mengapungkan nilai tukarnya, seperti : Jerman, Inggris, Belanda, bahkan Jepun dan tahun – tahun berikutnya banyak negara di dunia yang membiarkan nilai wangnya terapung sesuai dengan mekanisme pasar, iaitu kekuatan permintaan dan penawaran.

[sunting] ISTILAH-ISTILAH FOREX

Quote Kadar matawang yang terdiri daripada 2 nilai iaitu Bid (harga jual pada dealer) dan Ask (harga beli dari dealer). Nilai Bid selalunya lebih kecil daripada Ask. Perbezaan / selisih harga antara Bid dan Ask ini dinamakan Spread. Biasanya kita pilih Spread yang lebih kecil kerana ini lebih menguntungkan kita (trader). Marketiva menggunakan Bid/Offer.

Pip (point) Setiap pergerakan naik atau turun dikira sebagai unit pip atau point (bagi Marketiva). Misalnya sekiranya kita menggunakan 50.00USD sebagai modal untuk membeli pair EUR/USD, maka setiap satu pip yang diperolehi membawa nilai 0.50USD. Sekiranya satu posisi trade yang kita lakukan memperolehi keuntungan 10 pips, maka nilai keuntungan dalam unit USD ialah 5.00USD.

Posisi Long (Buy) Ini adalah posisi trader membeli suatu matawang pada harga tertentu, bertujuan untuk menjualnya kembali pada harga yang lebih tinggi. Kerana itu, trader mendapat keuntungan dari nilai pasaran yang naik.

Posisi Short (Sell) Ini adalah posisi trader menjual suatu matawang pada harga tertentu dengan tujuan membelinya kembali pada harga yang lebih rendah bagi mengaut keuntungan. Kerana itu, trader mendapat keuntungan ketika nilai pasaran menurun.

High, Low, Open & Close High - rekod harga tertinggi pada hari itu dari mula open hingga sekarang (semasa) Low - rekod harga terendah pada hari itu dari mula open hingga sekarang (semasa) Open - harga permulaan trade pada hari itu Close - harga penutup trade pada hari itu

Market Order Bermaksud, membeli pada harga (ask/offer) semasa pada saat itu juga (real time); atau menjual pada harga (bid) semasa pada saat itu juga. Misalnya, ketika itu EUR/USD menunjukkan 1.3554/1.3557 (ask/bid) dan anda meletakkan posisi BUY ketika itu, maka posisi anda akan tertera pada paparan trading anda pada harga 1.3555. Ketika ini anda boleh setkan Target Profit (TP) sebanyak 8 pips lebih tinggi (1.3563) dan anda mengaut 8 pips keuntungan. Begitulah sebaliknya.

Stop Order / Limit Order Buy limit kalau anda hendak price itu turun dahulu beberapa pips baru anda buy. Buy stop kalau anda hendak price itu naik dahulu beberapa pips baru anda buy Sell limit kalau anda hendak price itu naik dahulu baru anda sell. Sell stop kalau anda hendak price itu turun dahulu beberapa pips baru anda sell.

Available Margin Jumlah bersih baki yang masih ada dalam akaun anda yang boleh diniagakan setelah jumlah modal ditambah untung (-rugi). Available Margin = Equity (modal) - Used Margin + Profit(-loss)

[sunting] Kekeliruan di antara pertukaran asing dan skim cepat kaya

Skim cepat kaya yang menjanjikan pulangan yang lumayan, gemar menyatakan keuntungan urusan mereka dijana daripada aktiviti bermain pertukaran asing. Aktiviti skim cepat kaya sebenarnya cumalah permainan Sistem Ponzi. Disebabkan skim penipuan kerap menggunakan nama pertukaran asing dan juga ciri-ciri semulajadi pasaran pertukaran asing yang menang berisiko tinggi sehingga kerap merugikan individu terlibat dan juga negara, maka Bank Negara Malaysia tidak mengeluarkan sebarang lesen untuk bermain pertukaran asing. Bank Negara Malaysia menetapkan hanya bank-bank sahaja dibenarkan melakukan aktiviti pertukaran asing. Pelabur individu pula masih dibenarkan bermain pertukaran asing jika syarikat broker tersebut tidak bertapak di dalam negara. Oleh itu pelabur Malaysia kerap bermain pertukaran asing secara dalam talian yang disediakan oleh syarikat broker dari negara luar.

[sunting] Pautan luar

- Benchmark Currency Rates dari Bloomberg
- CFTC Commission Advisory Perlindungan Penipuan Pengguna.
- Federal Reserve daily update
- Federal Reserve Bank of New York Bahan berkait pertukaran matawang asing.
- Financial Times - currency market data
- Bank Negara Malaysia

Komen:

Reminbi/Yuan, Yen, RM, Rupiah, are rising due to floating system. When comes to a stage, Central Banks may exercise Exchange Control depending on her economy base on legalised

supply and legalised demand. (Remaks: Buat Kutu to accumulate money base on friendship and trust is not a legalised and skilled form of money supply. Chinese has their own kutu too, but we banned it because many of the leaders who hold the kutu ran away, used up the money by saying sorry, missing, etc.)

When RM rises 13 years high at RM3.20 from RM3.80, today Petronas has made a Forex/FX (revenue/anticipated revenue/saving for future/recover losess of Forex from past) of 60% by buying the share of BP for US\$363 millions (it was not RM).

Example:

Petronas bought BP share value of x units is US\$100 millions

A. Petronas bought BP in 2004 at RM3.80

Total = US\$100 millions x RM3.80 = RM380 millions

B. Petronas bought this shares in 2010 at RM3.20

Total = US\$100 millions x RM3.20 = RM320 millions

Forex in terms of saving/revenue: RM80 millions (60%) and will be reflected in Profit and Lost and Kunci Kira-Kira.

When come to people like me; when I need cash urgently for greater purpose; I will sell my unit trusts. If I need cash for paying housing instalment; I sell my gold necklace gifted by my husband.

Today, FDI can be in many forms. FDI can create dividens to be paid in 5 years. FDI can be used to build railway or infrastructure to save interest rate compounded; FDI can be created to buy houses and shops; create jobs; create future anticipated loses or gains; etc.

I believe PM has and his Pemandu team have think and analyze carefully for greater purpose. Wikipedia pun boleh di"translate"-kan dalam Bahasa Malaysia. Forex is also a constant battleship; what to do; that's life due to universal human-intelligence of globalisation.

Good day Ayahanda Tun.

By Alan on September 17, 2010 1:51 PM

Tun,

I think the important thing here is 'can we have tighter regulations' to ensure our currency is minimised? These are big currency traders and if that is the name of the game, we shld face them head on but at our terms. We cannot hide or run away everytime when it is liberalised? We ought to learn and improve on it by improvising. Can we do tht?

By pakbelalang on September 17, 2010 12:09 PM

Dear Tun,

Very good analysis. Only experience people like you can see the situation objectively. This is what I called WISDOM. So the government must be wise enough to make good decisions so that our country will continue to progress and achieve our goal to become a developed country by 2020.

I think we must continue to support Najib. The less distraction the better for him to be able to make things happen. At least Najib is much better than Pak Lah, to have better chance for this country to move forward and progress. He has made every effort to be creative and innovative in his policies. Whether it will be succesful or otherwise depends on the people perception of his policies. If the people continue to be negative on everthing he does and keep on harping on racial issues then it won't do any good for the country and the welfare of the people. We all will be losers.

By razin on September 17, 2010 12:03 PM

Dear Tun,

I fully agree with u. Under the current economic environments, I am looking forward what the economists would want to say. Let us hear from them and we deliberate.

By khairi ali on September 17, 2010 11:57 AM

Salam Tun, may be Malaysian economy has been subdued, or to be more nice, compromised, with the 'real and tangible' holder of the economy. After all the NEM most suited these real and tangible holder. Thus, we can see the progress of our economy.

By Praxis on September 17, 2010 11:12 AM

Point 22 above correct. I believe your methods effective in checking speculation, at least in our case.

By pak jack on September 17, 2010 11:02 AM

SAlam Ayahanda Tun,
really impressive comments. ALL THIS WHILE, i was wondering the equation for cheap labours, ringgit valued & FDI and developed countries.
you really broke the dead lock in my BRAIN.!

tq.

Source: <http://chedet.co.cc/chedetblog/2010/09/foreign-direct-investment.html>