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PM: RINGGIT'S FALL DUE TO DLR, NOT BECAUSE OF US THREATS ON PETRONAS

KUALA LUMPUR, Oct 31 (Bernama) -- The ringgit's sharp fall against the US dollar yesterday was not due to the US threat to take action against Petronas' investment in Iran, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said it was the dollar that had gone up due to anticipation that President Bill Clinton would be re-elected in the November elections in the US.

The ringgit opened today at 2.5295/05 to the US dollar from 2.5235/40 due to bullish demand for the greenback. It dropped about 8.0 percent yesterday.

Even the Japanese yen depreciated against the US dollar, Dr Mahathir told a press conference after opening Tenaga Nasional Bhd's new office "Bangunan Penjanaan" here.

On Petronas' investment in Iran and the US threat to take action against it, Dr Mahathir reiterated: "We are a sovereign nation... we will not submit to US dictation."

The US has threatened to impose sanctions under the Iran-Libya Sanctions Act on non-US firms that invest US\$40 million (RM100 million) or more a year in the oil and gas sectors of the two Middle Eastern countries.

Petronas has a 30 percent stake in the Sirri A and E fields in Iran which have recoverable reserves of 600 million barrels. The total investment required to develop the two oil fields was US\$600 million (RM1.5 billion). -- BERNAMA

AD LDB