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Mahathir-Ringgit

BUY FROM COUNTRIES WHOSE CURRENCIES HAVE LOWER VALUE THAN RINGGIT

TAWAU, Sept 21 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia will have to buy goods from countries whose currencies have a lower value than the ringgit rather than from countries whose currencies have become expensive.

Malaysia should export to countries where the ringgit had become cheaper to them vis-a-vis their own currencies as they now had to pay less for Malaysian goods, he said.

He said following the fall in the value of the ringgit caused by speculative attacks, Malaysian manufacturers should step up exports as this would benefit the country.

"Following the decline in the value of the ringgit, we should reduce purchases from countries whose currencies had gone up in value such as the United States or from sources whose sales are in US dollars," he said when opening the Shan-shui Golf and Country Club, here.

"To buy from Indonesia is cheap as the value of its currency had also gone down," Dr Mahathir said.

"We should however sell in currencies whose value have gone up as we can get more ringgit in exchange for our goods," he said.

"If for instance previously we sell for US\$10, we received RM25, now we can get RM30," he said.

"We have to be smart in this matter of trading, if we are not efficient, we will lose out," he said.

The ringgit is not cheap vis-a-vis the German mark whose value had also dipped or with the rupiah or baht, he said.

The Prime Minister said the country's tourist industry could also benefit from the cheaper ringgit.

"Our services and goods will be cheaper to tourists from countries whose currencies have gone up in value and so more tourists will come," he said.

The Prime Minister said Malaysia could see a large inflow of tourists to its resorts particularly from countries with currency value higher than the ringgit.

"When they come over here and spend we will get more foreign exchange," he said.

However resort operators should not overcharge as this would prevent tourists from coming to Malaysia.

The Prime Minister also expressed his gratitude that he was able to land in Tawau safely from Hong Kong despite the haze cover.

"I am happy to have reached Tawau safely. I was told that the haze throughout the country has become worse again and airports have been closed. I am grateful to be able to land in Tawau safely."

Speaking to reporters after opening the Sabah Progressive Party congress here, Dr Mahathir said, "We are working out a new strategy for the country in order to overcome this currency fluctuation and the fall in the share market."

He urged everyone including political organisations such as the Barisan Nasional to fully support the government's measures.

Dr Mahathir said Malaysia should reduce transactions in the United States dollar and turn its focus on purchases from countries who conduct business in other currencies.

However, he explained that the move was not aimed at the United States

Government but only against its currency.

To a question as to why the government was not using the RM60 billion fund to defend the value of the ringgit, he said the government was using it but was not making any announcement as it would upset many groups. --

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