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Mahathir-Market

MALAYSIA PROPOSES SPECIFIC MARKET FOR CURRENCY TRADING

KUALA LUMPUR, Oct 8 (Bernama) -- Malaysia, which has been given the responsibility by the International Monetary Fund (IMF) and the World Bank to handle efforts to come up with regulations for currency trading, will propose that a specific market be set up for currency trading.

Prime Minister Datuk Seri Dr Mahathir Mohamad said today the establishment of a specific market for currency trading was very important because the method used now was not transparent and was open to abuse for the purpose of manipulation and speculation.

"We know that all trading have specific markets. There is a place to sell shares as well as commodities, there is a place to sell anything and traders must be registered.

"But we find that in currency trading there is no specific market and we do not know who is trading," he said when questioned by reporters at the Parliament House foyer, here.

Of late, Dr Mahathir had been vocal on the need for control and transparency in currency trading because the absence of such elements had caused the currencies of weak nations to be easy prey to manipulators and and speculators for profits.

The prime minister said the trust bestowed by the IMF and the World Bank was a shot in the arm for Malaysia in its fight to ensure a more transparent currency trading which is devoid of manipulation.

He said Deputy Prime Minister Datuk Seri Anwar Ibrahim, who is also Finance Minister, was tasked with coming with the proposals, including regulations deemed able to curb manipulative and speculative activities in currency trading.

"One of his proposals is sure to be that we must have a specific market where these currency traders can register themselves and get a seat number. If they want to trade they go there and we know who is trading, where the money comes from, how much credit they get from the bank.

"We must know all this because only then can we trade. Here, we trade with someone we do not know, he disappears just like that, like a ghost, then it is difficult," he said when asked what form the specific market suggested should take.

He said the fact that the currency trading practised now was completely hidden was acknowledged by the money traders themselves.

"Even today, if we read in the Business Times, one of the currency traders boasted that they (currency traders) cannot be tracked (cannot be detected) anywhere because they act in secrecy," he said.

The prime minister said this admission by the currency traders clearly contradicted international financier George Soros's statement that his fight was to ensure that the objective of an open society was achieved.

Dr Mahathir said that if it was true that Soros's struggle was to see an open society, the U.S.-based financier should not have involved himself in currency trading that is so hidden.

"But what sort of hidden trading is this when we hear Soros saying that he fights for an open society but is himself involved in a trading that is hidden, completely hidden.

"No one can see, no one can know whom. So it appears there is double standards. For others it must be open, for him (Soros) it must be closed.

-- BERNAMA

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