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Mahathir-reality

ECONOMIC TURMOIL, DIRECT RESULT OF VIRTUAL REALITY, SAYS PM

KUALA LUMPUR, April 14 (Bernama) -- The current economic turmoil experienced by Asia today is a direct result of the application of virtual reality to business as well as making virtual business possible and real, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"Where before, we have to deal in real money, goods and services, today none of these are really necessary and there seems to be no limit to the amount of business that can be done and profits made," he said.

"Unfortunately, in the process, real money, real jobs and real business can be very badly damaged," Dr Mahathir said in his keynote address at the seminar and workshop on "Virtual Reality" organised by Universiti Malaysia Sarawak at Seri Kembangan near here.

Currency trading was a very good example of how "virtual money can be used for trading and considerable real profits or losses made," he said in apparent reference to Asian economies severely affected by speculative currency attacks.

"In currency trading, a trader can borrow millions of units of any currency without actually taking or handling the money (with) figures changing on the computer screen to show that the money has been borrowed," the prime minister said.

The trader then sells the currency by recording the transaction on computers and this change appears on the screen on all the computers in the trading room of banks and currency traders.

"Likewise, the trader can buy the currency without actually taking possession of the currency...only the figures on the computer screen change to record the transaction," the prime minister said.

With the rule of the game devised by the traders themselves, the currency depreciated upon every sale, said Dr Mahathir.

Dr Mahathir said in normal commodity trading, the price remained so long as there was a willing buyer and willing seller.

But currency traders dealing with virtual money were not constrained by the supply of the currency, he said.

"Since it is possible to sell the currency repeatedly, the figures on the screen will change and the currency devalues to any level desired," he said.

Dr Mahathir said vast sums of money could be borrowed, sold and bought without a single coin or note becoming involved or in other words, the money traded was virtual not real.

He said:"It is not surprising that in one day US\$1 trillion are traded, that is, about 20 times the trade in goods and services worldwide."

Dr Mahathir said although the trading was in virtual money the effect of devaluation was very real.

To date whole countries and regions have been impoverished due to currency trading and in some cases by 400 per cent, he said.

The prime minister said virtual reality, like other inventions by man, "could benefit human kind or can damage it."

"Whether it does one or the other would depend on the users, that is, the individual society or the state. There is a tendency for people to be carried away by new skills and powers that they developed," he added. --

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