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Mahathir - ringgit

GOVT NO LONGER CONCERNED OVER RINGGIT FLUCTUATIONS, SAYS MAHATHIR

SEPANG, June 8 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said the government is no longer concerned about the fluctuations of the ringgit against the US dollar because the country is moving towards conducting barter trade.

"What we want to do is to get away from the value of the ringgit and this can be done easily by conducting trade on a countertrade basis or through practical bartering," he said.

"We are not very concerned anymore," he said when asked to comment on the ringgit's further decline against the greenback this morning when the local unit went below the RM4.00 mark to RM4.15 against the dollar.

At the close today, the ringgit ended at 3.9950/005 to the greenback against 3.9700/900 on Friday.

Malaysia is expected to conduct trade through the countertrade or barter trade system in an effort to reduce dependence on foreign currency usage, especially the US dollar.

Responding to queries by newsmen after inspecting the KL International Airport (KLIA) here, Dr Mahathir said even before this, the ringgit went down to RM4.80 at one time, then recovered before it slid again.

"This is a play which we have no control of," he said, adding that the government would be working out how much the country was exporting and how much it was importing in terms of goods.

"The value of goods does not appreciate or depreciate whether the ringgit changes in value," Dr Mahathir said.

Citing an example, he said the value of a computer costing US\$700 and a tonne of palm oil costing the same would be unchanged even if the ringgit went up or down.

"When the ringgit depreciates or appreciates, it is US\$700, so it makes no difference anyway," he said.

The move towards countertrade could happen sooner as Primary Industries Minister Datuk Seri Dr Lim Keng Yaik last Friday revealed that China had proposed to sell two million tonnes of corn as animal feed in return for 300,000 tonnes of palm oil from Malaysia under a countertrade arrangement.

-- BERNAMA

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