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REACTION-CLEARING HOUSE

PRIVATE SECTOR WELCOMES TRADE CLEARING HOUSE PROPOSAL

KUALA LUMPUR, July 23 (Bernama) -- Company directors and traders have welcomed the establishment of a clearing house by Bank Negara Malaysia to facilitate trade settlement but many traders said they should be given ample time to get used to the new facility.

Most corporate figures when met after a dialogue between the Prime Minister and Malaysian companies involved in trading and export here today, felt that the setting up of a trade clearing house is a practical strategy to reduce the outflow or inflow of foreign currencies, especially the U.S. dollar.

This, they said, would help ease the volatile pressure on the ringgit and contribute towards the stability of the ringgit.

Bank Negara is soon expected to briefly explain the functions of the clearing house, which will settle the bilateral payments between countries or settlement of accounts between two countries using their own currencies or other currencies which had been determined.

The clearing house will work to clear all net settlements of trade between Malaysians and its trading partners. It will clear payment to countries where local traders have imported or accept payment from importing countries.

Kumpulan Guthrie's chief executive Datuk Mohd Khalid Ibrahim felt that it would take six to 12 months for the clearing house to be implemented and fully utilised by traders.

Shaifubahrim Saleh, the chairman of Association of the Computer Industry Malaysia (Pikom), hailed the new trade settlement system and said he would discuss with his association's members on how they could synergise and assist the government.

Another dialogue participant who did not want to disclose his name said Prime Minister Datuk Seri Dr Mahathir Mohamad had given a "clearer direction" to local exporters on how they could play their role in supporting the country's economy.

He said Dr Mahathir had stressed to them the usage of local ports as well as trading with regional currencies instead of the US dollar.

"He explained what the government is doing at the moment, including measures to revive the country's economy," he said. -- BERNAMA

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