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EU-Currency

SINGLE EURO CURRENCY CAN CURB SPECULATION, SAYS EU TEAM

KUALA LUMPUR, Jan 19 (Bernama) -- A visiting group of European Union (EU) parliamentarians has expressed confidence that the proposed introduction of a single European currency next year will help curb excessive currency speculations.

They were confident that a single currency in Europe could lead to a more orderly currency market, Deputy Finance Minister Datuk Dr Affifuddin Omar said after an hour-long meeting with the MPs here today.

He said it was the view of the MPs that speculative attacks on currencies, like those which hit Southeast Asia from last July, could be brought under better control with Europe having a single currency.

The MPs, led by Dr Gunther Rinsche, chairman of European Parliament's Asean Delegation, also voiced support for Prime Minister Datuk Seri Dr Mahathir Mohamad's suggestions for more regulations and transparency in currency trading, said Dr Affifuddin.

"I am surprised by the support from the European parliamentarians on the Prime Minister's suggestions for a more transparent and regulated currency trading and hedge funding," Dr Affifuddin told reporters at Parliament House.

They were also of the view that the loss of confidence among investors about Malaysia arising from the contagion effects of the currency crisis was due to misinformation of the country's economic standing.

"They will go back and try to correct the wrong impressions. For example on the strength of Malaysia's economy because they agree that Malaysia should not be lumped in the same group as its neighbours as Malaysia has its own strength," he said.

Dr Affifuddin said the MPs also recognised the vast potentials for investment by European companies despite Malaysia's economic woes if Malaysian companies could seize the opportunities.

Earlier, the 11-man delegation called on Dewan Rakyat Speaker Tan Sri Zahir Ismail at his office. -- BERNAMA

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