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`E-dinar may replace US dollar'

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THE Islamic dinar in an electronic form may well replace the US dollar as the main currency of the world in less than five years as its gains in popularity and usage, claims its promoter.

E-dinar, which is an exchange system enabling the use of gold as money, has come to be used by more than 200,000 people in 160 countries worldwide, including the United States, since it was introduced three years ago through the website www.e-dinar.com.

"Since we launched e-dinar we have been having about 300 new account holders every day," said e-dinar.com founder and president, Prof Umar Ibrahim Vadillo.

He added that e-dinar.com had received 20,000 hits since Prime Minister Datuk Seri Dr Mahathir Mohammad recently said the Malaysian Government was studying how to adopt its usage.

Umar said the dinar is gaining popularity as gold as a commodity has been able to maintain stable value for 400 years.

"Gold cannot be inflated by printing more of it.

"It cannot be devalued by government decree, and unlike paper currency, it is an asset which does not depend upon anybody's promise to pay," he added.

Umar was speaking at a Press conference in Penang yesterday with Muslim scholar Shaykh Abdalqadir as-Sufi.

The latter is widely known for his relentless efforts to establish the Islamic currency.

Shaykh Abdalqadir had earlier delivered a talk on The return of Fiscal Islam at Universiti Sains Malaysia's International Public Lecture series.

Among those in the audience were Penang Yang di-Pertua Negeri Tun Abdul Rahman Abbas and his consort Toh Puan Majimor Shariff, former Kedah Menteri Besar Tan Sri Sanusi Junid and USM Vice-Chancellor Prof Datuk Dzulkifli Abdul Razak.

Umar said the Islamic monetary system using the gold dinar with a specific weight of 22k gold equivalent to 4.25gm and the Islamic dirham with a specific weight of pure silver equivalent to 3gm had been established by Caliph Umar Ibnu Khattab about 1,400 years ago.

"The dinar can be used to save because they are wealth in themselves, or used to buy and sell since they are a legitimate medium of exchange.

"They should also be used to pay zakat (tithe) and dowry as they are requisite within Islamic Law," he added.

Shaykh Abdalqadir concurred, saying zakat cannot be paid with a promise of payment as with promissory notes.

"Zakat can only be paid with tangible merchandise, called ain in Arabic.

"It cannot be paid with a promise to pay or a debt, called dayn in Arabic," he said.

"From the beginning, the zakat was paid with dinars and dirhams. Most significant is that the payment of zakat was never allowed in paper money during all the Ottoman period right until the fall of the Caliphate," he added.

Shaykh Abdalqadir added that the United States Government was well aware of the true value of gold.

He added that this was why it imported and bought as much as it could get, but did not allow anyone to export gold.