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Mahathir-Currencies

THAILAND ASKS FOR SOONER USE OF OWN CURRENCIES FOR TRADE

PUTRAJAYA, Sept 8 (Bernama) -- The Prime Minister Datuk Seri Dr Mahathir Mohamad said his visiting Thai counterpart Thaksin Shinawatra has requested that both Malaysia and Thailand expedite the use of each other's currency, the ringgit and the baht, for trade between them instead of the United States dollar as presently.

He said Thaksin conveyed the request during their talks at Dr Mahathir's official residence here today.

"He (Thaksin) urges that trade between Malaysia and Thailand be done in each other's currency," Dr Mahathir told reporters after receiving Thaksin who arrived today for a one-day visit.

Malaysia and Thailand on July 27 this year signed a memorandum of understanding directing their central banks -- Bank Negara Malaysia and the Bank of Thailand -- to sign a bilateral payment arrangement (BPA) by end of August.

To expedite the arrangement, trading for 14 Malaysian products and 20 items from Thailand will be done in ringgit or baht by the end of September.

The BPA agreement was the first signed between the two Asean trading nations and entailed their central banks to provide credit facilities in both currencies.

Both prime ministers also discussed the RM3-billion Trans Thai-Malaysia Gas Pipeline project to supply gas from southern Thailand to peninsular Malaysia and on this Dr Mahathir said Thaksin also asked for it to be accelerated.

"No mention of when it should start, he just wants it expedited. This he himself shall decide so that it can be carried out," Dr Mahathir said.

The project, a 50-50 joint venture between Malaysia's Petronas and the Petroleum Authority of Thailand, was also discussed by the two leaders when Thaksin visited Malaysia in April this year.

Petronas was originally scheduled to take delivery of the gas from the first phase of production as from July 2002.

However, a delay in securing approval for the project's environmental impact assessment report to enable construction, caused the gas delivery date to be deferred.

Today's talks also discussed Malaysia's deferred inclusion of completely-built-up (CBU) and completely-Kocked-down (CKD) vehicles in the Common Effective Preferential Tariff (CEPT) scheme of the Asean Free Trade Area till 2005, Dr Mahathir said.

He said their talks on this issue centred on the latest development following Malaysia's deferred inclusion of 218 CKD and CBU automotive products since it needed to first itemise them in detail before accepting the scheme.

The CEPT scheme, a mechanism for the implementation of AFTA -- a single regional market for the 10-nation regional grouping -- was scheduled to be operational in 2003.

-- BERNAMA

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