

Peg rethink possible

SUN, 12 JAN 2002

We may have to act if yen falls further against dollar, says PM

KUALA LUMPUR, Fri: Prime Minister Datuk Seri Dr Mahathir Mohamad said today further depreciation of the yen may force Malaysia to rethink its ringgit peg against the US dollar.

This is especially so if the yen drops to 140 against one US dollar.

Asked whether Japanese Prime Minister Junichiro Koizumi gave any assurance on the yen, Mahathir said: "He did not really give an assurance but he indicated that they will try to ensure the yen does not depreciate any further."

He was speaking at a press conference after launching the youth section of the Malay Chamber of Commerce Malaysia here.

He said Koizumi did point out that there was a time when the yen was 250 against one dollar. The yen is currently valued at 132 against the dollar.

Singapore group targeted
US servicemen: Page 5

Asked whether he is worried about the situation, he said: "If it goes down, I am worried because it may cause China to devalue its currency and will force us to rethink about our ringgit peg."

On another note, Mahathir said the proposal to set up the Asean-Japan University was made in view of the high cost of education in Japan.

"We send many students to Japan but the cost of education is very high," he said.

"Since the cost is too high, the number (of students) could not be increased and that is why I suggested the university be set up here so that the cost can be reduced."

He said there are many jobless Japanese mechanics and engineers today because of the country's economic slowdown and these people can be sent to Malaysia to teach in the university