

Malaysia expects to use gold dinar by mid-2003

By B.K. SIDHU

MALAYSIA expects to use the gold dinar for external trade with participating Islamic countries by the middle of next year, according to the prime minister's special adviser (economics) Tan Sri Nor Mohamed Yakcop.

He said that the mechanics for using the gold dinar were being put in place and Malaysia was ready to move ahead to implement it.

"We have talked to other Islamic countries," Nor Mohamed said when asked which other Islamic country would use the gold dinar as a mode of payment for goods and services.

He, however, declined to reveal the countries that Malaysia was in talks with.

Nor Mohamed told reporters this after delivering his keynote address at a conference on *Stable and just global monetary system - viability of the Islamic dinar* in Kuala Lumpur yesterday.

Prime Minister Datuk Seri Dr Mahathir Mohamad had recently mooted the idea of a gold payment system to settle bilateral and multi-lateral trades among countries and thereby eliminated foreign exchange risk.

With this, gold will be used as a medium of exchange and as a unit of account instead of the national currencies.

Mahathir, who visited several countries within the Arab world this year, had earlier said that those countries had responded enthusiastically to the plan.

Addressing the conference earlier, Nor Mohamed said that the dinar would not replace domestic currencies of the participating Islamic countries as it was a neutral currency, which would not be owned by any particular nation.

Meanwhile, the two-day conference organised by the International Islamic University of Malaysia has attracted about 300 local and foreign participants.

Among others, the plenary sessions cover topics such as *Gold dinar, paper currency and monetary stability: An Islamic view; The modus operandi of the Islamic dinar system; Euro & gold dinar: A comparative study of currency unions; The value and stability of gold dinar and its accounting implications: An empirical study; and Application of the existing laws and regulations in Malaysia relating to the usage and implementation of dinar.*