

01 NOV 2002

MAHATHIR-COINS & NOTES

NEED TO DEVELOP SECONDARY MARKET IN NEW AND OLD COINS & NOTES

KUALA LUMPUR, Nov 1 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said there is a need to nurture and further develop the secondary market for the trading of both new and old coins and currency notes.

Efforts should also be made to establish an infrastructure to support such transactions among collectors and secondary market dealers.

To facilitate these transactions, a systematic way of disseminating information among market participants should be developed, he said.

These should include the setting up a formal exchange for the secondary market, said Dr Mahathir who is also Finance Minister.

This exchange would help to provide integrity for the transactions of collectors, Dr Mahathir said this in his opening speech of the Kuala Lumpur International Money Fair (KLIMOF) 2002 at Putra World Trade Centre here. His speech was read by Deputy Finance Minister Datuk Chan Kong Choy.

Dr Mahathir said the development of the secondary market was important to sustain the continuing interest in numismatic collectibles, adding that this would require strong commitment of all parties, including the mints, collectors and secondary market dealers.

In this context, he said the role of the Royal Mint of Malaysia should expand beyond just producing coins for general circulation.

It should take on a greater role in promoting interest in collectibles in Malaysia and the region, he stressed.

Dr Mahathir said there was great potential for quality collectibles and gift items and it had been estimated that tourists visiting Malaysia spent about RM9 billion a year in buying goods.

"About 20 percent of this is spent on collectible products, therefore there is almost RM1.8 billion worth of this market to tap."

Dr Mahathir said the Royal Mint of Malaysia was positioned not only to produce circulation coins, but also fine numismatic and collectible items for both the domestic and export markets.

Numismatics, he said, was a rewarding hobby as the collection of rare coins can be a form of investment which may increase in value over time.

For example, the Malaysian 10 sen coin issued by Bank Negara Malaysia as recently as 1971 is traded among collectors for about RM120 a piece. This is because of the relative rarity due to limited mintage of the coin totalling about 48,000 pieces only.

There were now market players and collectors in every major city in the world and major international money fairs were being held regularly throughout the world to tap into this lucrative market, Dr Mahathir said.

The KLIMOF 2002 is a platform to unite people from every facet of the money, investment and collectibles industry to showcase their expertise and products. A total of 15 mints, suppliers and dealers from around the world are displaying their products at the three-day exhibition. -- BERNAMA

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