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ONLY A MAJOR DEVALUATION OF CURRENCIES MAY FORCE A RE-PEG, SAYS PM

KUALA LUMPUR, Jan 12 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today that Malaysia may consider re-pegging the ringgit only if there is a major devaluation of currencies among neighbouring economies as a result of the yen depreciating further.

"If neighbouring countries decrease or increase their currencies by 20 per cent and (the increase) remains at that level, then we will consider changing the value of our currency," he said at a news conference after a test run of the express rail link from the KL Sentral to the Kuala Lumpur International Airport in Sepang near here.

"If the yen goes down and China reduces its currency, we will have to examine our currency as well," he said.

"The ringgit is fine at RM3.80 (to the US dollar) at this moment," he said when clarifying reports suggesting Malaysia was going to devalue its currency.

The yen is currently trading at 132.3 yen against the dollar.

-- BERNAMA

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