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MAHATHIR-RINGGIT
RINGGIT PEG TO STAY, SAYS PM

JITRA, July 5 (Bernama) -- Datuk Seri Dr Mahathir Mohamad today emphasised that the government would maintain the present the ringgit peg to the US dollar introduced about four years ago and would not entertain requests from certain quarters for it to be reviewed.

Malaysia had pegged the ringgit at RM3.80 to one US dollar on Sept 1, 1998 as a result of the regional financial crisis.

The prime minister said when the ringgit was perceived to be "low" at one time, some quarters asked that the exchange rate be lowered.

"If we listen to such advice, then it is going to be like a yo-yo when the currency moves up and down every now and then," he told reporters after he was asked whether he would review the peg before he stepped down as prime minister in about 16 months from now.

Dr Mahathir, who is also finance minister, was here to inspect the construction of Dewan Wawasan, the administrative complex of the Kubang Pasu district here, and lay the foundation stone for the building.

The prime minister said the sharp fluctuations of currencies often posed a burden on traders and business people who have to undertake overseas business transactions.

He said with the peg, there would not be any problems for local businesses even if foreign currencies fluctuated.

With the peg, local traders and businesses had been able to conduct their business transactions smoothly while Malaysia's exports had not been affected, he said.

"This is because we don't fiddle with the ringgit," he said.

To a question regarding appointing a second finance minister, he said, "I have been giving it some thought. If there are applications, including from the media, I will consider them." -- BERNAMA

MZM+JM SHY