

23 OCT 2002

Mahathir-Dinar

TWO COUNTRIES CAN START TRADE USING GOLD DINAR, SAYS DR MAHATHIR

KUALA LUMPUR, Oct 23 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today that a pair of good trading countries with fairly well-balanced trade should initiate the use of the gold dinar for global trade rather than too many countries.

"We should not be too ambitious to launch the gold dinar for multilateral trade at one go," the prime ministersaid.

"Problems that arise can be resolved and the system improved (and) after the bugs have been got rid off, trade using the dinar can be expanded gradually to involve more countries," he said in his closing speech at the international seminar on the Gold Dinar in Multilateral Trade organised by the Institute of Islamic Understanding Malaysia (Ikim), here.

He emphasised that the gold dinar was exclusively for international trade.

"It is not intended to use the gold dinar as currency for everyday transactions in the domestic market," he said.

He said that the gold dinar could provide the currency for trade between nations.

"If we value all trade items against gold, then we will have no problem with the exchange rate," he said.

"We know that in the last resort, we can melt the gold and sell it in the market.

"You obviously cannot do that with paper currency (and) worse still, with figures on a computer, they have no intrinsic value as gold has," he said.

-- BERNAMA

MSL MR JK