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MAHATHIR-MONEY  
THE ROLE OF MONEY IS CHANGING, DR SAYS MAHATHIR

KUALA LUMPUR, Nov 1 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said that the role of money in the physical form is changing, amidst the advancement of global economies and increased sophistication of trade and financial flows, and more recently, the rapid development of the Internet and electronic commerce.

"Indeed, transactions of goods and services and even capital flows can take place with a phone call or the touch of a computer keyboard," he said.

There need not be any physical cash transactions, Dr Mahathir, who is also Finance Minister, said in his opening speech at the Kuala Lumpur International Money Fair (KLIMOF) 2002 at the Putra World Trade Centre here today.

His speech was read by Deputy Finance Minister Datuk Dr Chan Kong Choy.

Dr Mahathir said that these developments suggest that money in today's definition is just information which can be transmitted electronically to facilitate business transactions.

"As a result, the usage of coins and notes will decrease as e-commerce expands.

"It is perhaps worthwhile to recall that the currency which the currency traders bought and sold were mere figures on computer screens," the Prime Minister said.

He said that the money, when it was finally delivered, involved only the change in the names of the owners of the bank accounts. No real money changed hands.

"Clearly figures on a computer screen have taken the place of money. Yet the effect can be devastating for whole countries and businesses," he said. -- BERNAMA

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