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MAHATHIR-EURO

DR MAHATHIR: PETRONAS SHOULD CONSIDER USING EURO IN ITS TRANSACTIONS

By: Newmond Tibin & Frankie Lian Labang

BINTULU, May 8 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said Petronas should consider using the euro instead of the U.S. dollar in its transactions to mitigate against losses arising from the depreciation of the greenback against the euro.

The prime minister said the US dollar has depreciated by 25 percent against the three-year old European unit from almost at par value when the euro was launched in 2000.

"In other words, we are earning 25 percent less (from our oil and gas product sales)," he said when responding to questions after launching Petronas's liquefied natural gas (LNG) complex here today.

Dr Mahathir said Malaysia stood to gain if Petronas were to sell its gas in euro and the euro appreciated against the US dollar.

He said the US dollar was depreciating very fast and it was now hovering at US\$1.32 against one euro.

The exchange rate of the ringgit against the euro is at RM4.31.

"We will be losing value when we trade in US dollars, we are not getting that value, this is something Petronas has to consider," he said.

Dr Mahathir also said that it was not a question of the US being happy or not, "its a question of whether we get money or value for our goods."

The pressure could be that the US dollar could appreciate again (and) of course, we will go back to the US dollar (if we are trading in the euro), but at the moment, we are trading in US dollars," he said.

While sales in a stronger currency would mean increased revenue to the country, purchases in that currency would be more expensive.

Here, Dr Mahathir cited Petronas's recent purchase of a 50 percent stake in the West Delta Deep Marine concession in Egypt, an offshore gas field with reserves of seven trillion cu. ft, for euro 1.6 billion.

"If we had paid in US dollars, it could have been cheaper," he said. --

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