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MAHATHIR-PEG

RINGGIT PEG STILL COMFORTABLE, SAYS DR MAHATHIR

KUALA LUMPUR, June 19 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad says there is no need to remove the ringgit peg as the business community is still comfortable with it.

"Business people are comfortable with it. With the peg there is no hedging, no extra payments to hedge against falls or increases in the value of the ringgit," he said.

Dr Mahathir said this during a press conference at the end of the first day of the 54th UMNO General Assembly, when asked whether the peg, at RM3.80 per US dollar, would be removed before he retires in October.

He said that after his retirement, it would be up to the new leadership to decide on it.

The peg was part of the capital control measures introduced by the government in 1998 to counter negative impact of currency devaluation during the 1997/1998 financial crisis which had devastated many regional economies. -- BERNAMA

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