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MAHATHIR-PEGGING

NO NEED TO FLOAT RINGGIT, SAYS TUN DR MAHATHIR

KUALA LUMPUR, May 5 (Bernama) -- The government can appreciate the ringgit without having to float the currency, former Prime Minister Tun Dr Mahathir Mohamad said here today.

"If the government wants to strengthen the currency, it can firm the ringgit at 3.5 or 3.0 per US dollar, then currency traders will not be able to do anything because whatever they do the ringgit will still remain fixed by the government," he said.

Currency traders could not dump the ringgit if the country has such a mechanism, but if the ringgit was floated, there could be similar threats from currency traders like before, he told reporters here today.

He also said that the current value of the ringgit did not depend on the market value.

Dr Mahathir was responding to comments by some quarters that the government could de-peg the ringgit, but they worry that currency traders would dump the ringgit once the government removes the pegging.

He had earlier launched a coffee table book "Into The Ice," written by Datin Paduka Sharifah Mazlina Syed Abdul Kadir, at a high tea organised by PENIAGAWATI or Association of Bumiputera Women in Business and Profession.

Sharifah Mazlina, who heads PENIAGAWATI's Sports and Recreation Bureau is the first Asian Woman to cross the Antartica on a solo ski-sailing expedition in December 2004.

However Dr Mahathir said that it was for the government to decide on whether or not to appreciate the ringgit.

He said that when the government fixed the ringgit at 3.8 per US dollar in 1998 to protect the currency during the Asian Financial crisis, it had already said that it would observe the movement of other currencies.

"I am quite sure the government is doing that, they will have to observe the neighbouring countries' currencies, observe the value of the US dollar, the euro, the pound (and) the yen."

"These are things that the government has to do in order to ensure that Malaysians get the best out of using their own currency," he said.

Dr Mahathir, who is also chairman of the Antartica expedition, said in other countries, the people had the tendency to use foreign currencies (that is) the US dollar, "but in Malaysia nobody uses foreign currencies because our currency is very stable and strong."

Asked whether this (appreciation of the ringgit) is a suggestion to the government, Dr Mahathir replied: "No,no,,,I am no longer the prime minister, I have no suggestion, but the mechanism has already been put in place."

In recent months speculation has been mounting that the government will unpeg the ringgit because of the depreciation of the US dollar. -- BERNAMA

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