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`Bank Negara may have diversified currency reserves'

THE rapid doubling of Malaysia's international reserves could be due to Bank Negara Malaysia diversifying the composition of its currency reserves to units other than just the declining US dollar, former Prime Minister Tun Dr Mahathir Mohamad said.

The reserves have doubled in a short span of one year and Dr Mahathir said he suspects that it could not be due to the performance of the economy alone.

"I suspect that Malaysia has switched (its holdings of the US dollar) to other currencies because in a period of just one year, the reserves have increased from US\$32 billion to over US\$70 billion, more than double," he told a press conference at the end of the International CEOs Conference in Kota Kinabalu.

He also said it is up to the Government to decide as to whether it should be using other currencies as a standard currency for trade.

(END) Source : Business Times