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Switch to euro, says PM (HL)

KUALA LUMPUR, Sat. - Prime Minister Datuk Seri Dr Mahathir Mohamad today urged the private sector to use the euro in its export trade since the US dollar was likely to depreciate further.

Speaking at the investiture ceremony in conjunction with Yang di-Pertuan Agong Tuanku Syed Sirajuddin Syed Putra Jamalullail's 60th birthday celebration here, he said the depreciating US dollar compared to the euro had influenced the export market and the value of the exported goods had declined.

Reiterating that there was no intention to review the ringgit's peg against the greenback, he said the Government felt there was a need for the private sector, especially those involved in exporting manufactured goods, to use the euro for payments since the US dollar was likely to depreciate further.

On May 8, Dr Mahathir had called on Petronas to explore the possibility of using the euro in its oil and gas trade, adding that it was worth considering as the greenback had depreciated by 25 per cent against the euro.

"By using the US dollar, it means we are earning 25 per cent less. If we are to trade using euro at the same price converted from the US dollar, we will gain if the euro appreciates," he had said after opening the Petronas LNG complex in Bintulu.

In his speech today, Dr Mahathir also said the Government had expanded economic activities by opening new markets for Malaysia's exports, especially in South Africa, South America, the Arab countries and West Asian region.

This is to ensure that the nation was not overly dependent on traditional markets such as the US and Europe.

He said the Government's recent pro-active measure to introduce the new package to stimulate economic growth was expected to be able to cushion the impact of a weak global economy.

Besides focusing on small businesses, the Government also gave attention to Malaysia's competitiveness by introducing several incentives to draw foreign and domestic investors.

Dr Mahathir also said the King was a symbol of pride for the people. Since he was installed as Yang di-Pertuan Agong, Tuanku Syed Sirajuddin had played an important and effective role to bring the monarchy closer to the people.

The Prime Minister said the King's presence at official functions and festive celebrations was greatly appreciated. The King and Queen have played an active part in fostering unity and harmony in a society of different races, religions, cultures and languages.

"The country is very fortunate because under Tuanku's patronage, it is blessed with the ability to tackle the various challenges and hurdles," he said.

The Prime Minister reaffirmed the Government's support and co-operation to the Yang di-Pertuan Agong in line with the system of constitutional monarchy.

"On this auspicious day filled with tradition, the Government, public officers and staff and people respectfully wish Tuanku a `Happy Birthday', and pledge their undivided loyalty to Tuanku as the reigning monarch as well as the Raja Permaisuri Agong," he said.

Dr Mahathir said the Government's success in handling the pressures faced by the country had also saved the people from various disasters and as such, the people must have faith in the country's ability to handle crises.

"However, there are some people who don't have faith in our ability and who join foreigners in running down the country. This is most disappointing. Actually, the Government is willing to face any challenge or problem facing the country," he said.

Dr Mahathir said although everyone could see how some countries were being oppressed and conquered, many were still trying to split and weaken Malaysia.

"Their actions will invite disaster to this country. The Government hopes that these factions realise the adverse repercussions of their actions and stop them," he said.

Dr Mahathir said, however, that the Government was thankful that the majority of the people were loyal to the country.

The Prime Minister also touched on the steps taken by some parties to stop water and electricity supply and garbage disposal for environmental reasons. He said their claims of environmental degradation were irresponsible.

"We must remember that the foreign instigators have already destroyed their environment so that their countries can develop. Now they want to keep us at a low standard of life by curbing national development in the interest of their environment," he said.

Dr Mahathir advised people to accept the garbage disposal technology that was suitable for a developing country like Malaysia because the Government could no longer provide open areas for garbage disposal.

He said this method would pollute and poison the underground water besides providing breeding grounds for germs.

"If the people continue to reject the garbage disposal system that has been accepted by the developed countries, it will be difficult to clean our environment to curb diseases," he said.