

Kelantan launches Islamic currency
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Kelantan launched the Islamic dinar and dirham as an alternative currency, allowing the golden and silver coins to be used as legal tender alongside conventional banknotes.

According to the Kelantan government, the Islamic currencies would be used in many shops in the state in addition to the national currency, the ringgit.

husam musa pas annouce contest of number 2 post 250509 02"We have over 1,000 shops that have signed up to our campaign and agreed to accept the dinar and dirham for the purchase of goods," state cabinet minister Husam Musa told AFP.

He said signboards have been erected in the main market in the state capital Kota Bharu to show the conversion table between the dinar and ringgit, and participating shops will display stickers to encourage people to use the coins.

"The response has been very positive and all the coins which were worth a total of RM2 million ringgit have been sold out at the launch today," said Husam, who is in charge of economic and finance planning.

According to Islamic law, the dinar measures 4.25 grams of gold, while the dirham is 3.0 grams of pure silver.

Long debate

A golden coin is equivalent to about RM582 ringgit while the silver coin is worth around RM13 but their values fluctuate according to market prices.

Husam said the dinar and dirham currencies can also be used dealings with state government agencies, such as paying "zakat", or alms for the poor.

There has been a long debate in Malaysia, a Muslim-majority country with large ethnic Chinese and Indian communities, to introduce the coins as legal tender nationally.

Former premier Abdullah Ahmad Badawi, whose administration promoted a moderate form of Islam that emphasised economic and scientific development, shot down the proposal to use the Islamic currencies.

But his predecessor, Dr Mahathir Mohamad, was an advocate of the dinar system and urged Muslim countries to use it as a trade instrument.

The debate has died down since current Prime Minister Najib Razak came to power last year.

- AFP

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