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UMNO YOUTH WANTS RCI ON ALLEGED BNM FOREX LOSSES

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It should be set up immediately to find out if BNM went bankrupt in 1991, says vice-chief

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UMNO Youth has urged the government to set up a Royal Commission of Inquiry (RCI) to investigate Bank Negara Malaysia's (BNM) alleged foreign exchange (forex) market losses in the early 1990s.

Its vice-chief, Senator Khairul Azwan Harun, said his wing had conducted its own research, and he claimed that the losses stood at a whopping US\$30 billion, which exceeded the reported amount of US\$10 billion.

"Umno Youth views seriously the revelation made by former BNM assistant governor Datuk Abdul Murad Khalid on the mega losses in cur-

rency trading, or forex, in 1991, which led the central bank to bankruptcy.

"Thus, we urge that an RCI be set up immediately to confirm if BNM did go bankrupt in 1991, and check whether there was an attempt to cover up the facts or forex trading exposures amounting to US\$150 billion

(RM664.13 billion), and forex trading loss of more than US\$30 billion (RM132.83 billion)."

Khairul Azwan also questioned DAP adviser Lim Kit Siang's silence on BNM's alleged forex scandal despite being outspoken in the past.

In 1994, Lim had called for an RCI to be established to investigate the losses. The Gelang Patah member of parliament had detailed on his blog his efforts to push for the probe. He also published a book titled *The Bank Negara RM30 Billion Forex Losses Scandal* in 1994.

The losses took place during former prime minister Tun Dr Mahathir



(From left) Tan Sri Nor Mohamed Yakcop, Tun Dr Mahathir Mohamad and Tun Daim Zainuddin

Mohamad's administration. Lim had called for former second finance minister Tan Sri Nor Mohamed Yakcop to issue a White Paper to "exorcise the ghost" of the forex losses in 2004 before the latter was promoted to a minister.

Nor Mohamed was the special adviser to BNM's governor from 1998 to 2000, when he was then made the special economic adviser to Dr Mahathir.

Lim had said Tun Daim Zainuddin, who was finance minister from 1984 to 1991 when speculation on BNM's forex losses began, had reminded that central banks should never have

"played with fire".

Khairul Azwan said Lim should state his stand on the issue rather than keeping mum.

"There were many testimonies and statements referring to the forex trading issue raised by Lim a few years ago. And today, what is his stand on the issue?"

Khairul Azwan urged the government to probe BNM's financial position at the time and whether the actual loss was higher than what was published in the accounts during the period.

"This issue had affected the people's confidence in BNM at the time. We hope the government can look into the root cause of this scandal and conduct a thorough investigation."

The forex scandal made headlines recently after the *New Straits Times* published an interview with Murad, in which he claimed that Bank Negara had suffered foreign exchange losses of US\$10 billion in the early 1990s.