

Govt to revisit using gold dinar as reserve currency

THE government will revisit the idea of using the gold dinar as a reserve currency, the Dewan Rakyat was told yesterday.

Prime Minister Datuk Seri Anwar Ibrahim said the matter would be discussed in a meeting on Islamic economics and finance in December.

“We want to start it (the use of gold dinar), despite limited conditions. As I mentioned earlier, our trading with China using ringgit and renminbi is at 25 per cent.

“If we can get between five and six per cent with Islamic countries (using dinar), it would be a positive start as it provides strength and reduces dependency on the US dollar,” he said dur-

ing the Prime Minister’s Question Time.

He was responding to a supplementary question from Ku Abdul Rahman Ku Ismail (PN-Kubang Pasu) about the use of the gold dinar and if using it would encounter resistance from countries using the US dollar.

Anwar said the use of the gold dinar gave the country an alternative, subsequently strengthening the domestic economy of each country.

“Islamic countries are familiar with the dinar. With growth exceeding US\$1 trillion in the halal industry, other countries are well informed about the position of the dinar.”

Earlier, Anwar said the use of

ringgit when trading with several countries in line with the “de-dollarisation” approach had shown some encouraging development.

He said the use of local currency for trade was well received, particularly by China and Asean countries, namely Indonesia and Thailand.

“About 25 per cent of the total trade with China uses the ringgit, amounting to RM39.2 billion in ringgit and renminbi from the total of RM157 billion.

“Up to August, 16.7 per cent of the total trade with Indonesia used the ringgit and rupiah, amounting to RM10.7 billion.

“With Thailand, 19.6 per cent of the total trade uses ringgit (and

baht) amounting to RM8.2 billion.

“It is a good development, although we still have a long way to go as some of the countries have yet to take action on the matter,” he said in reply to Datuk Seri Dr Noraini Ahmad (BN-Parit Sulong) about the ‘de-dollarisation’ approach and the response from other countries in the region.

Anwar said the use of local currencies was one of Malaysia’s steps to reduce trade dependency on the US dollar.

However, he said, Vietnam and Cambodia agreed to use the local currency via the Local Currency Settlement Framework as discussed at the recent Asean summit in Jakarta.