

## KERATAN AKHBAR

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### OPR hike encourages prudent govt spending, says Rafizi



PUTRAJAYA: Bank Negara Malaysia's (BNM) decision to raise the overnight policy rate (OPR) will encourage the government to manage the national expenditure prudently, says Economy Minister Rafizi Ramli.

Commenting on the central bank's decision to raise the OPR by 25 basis points to 3% last week, he said that the OPR hike will increase the cost of loans, thus inadvertently, the government will have to manage its expenditures more efficiently.

Speaking to reporters at the ministry's Hari Raya Aidilfitri celebration here, Rafizi said the OPR hike is one of the instruments used to control the cash flow in the economy.

Acknowledging that the OPR hike has an impact on the people's cost of living, Rafizi, however, said that the move needs to be viewed from a bigger perspective, including in terms of strengthening the national currency.

"If we do not adjust our (OPR) rate according to the world market, it could lead to other effects, such as the risk of funds or investment portfolios leaving the country, which will eventually weaken the national currency and reduce investments," he said. - Bernama