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'No drastic measures by govt

WEAKENING RINGGIT

'NO DRASTIC MEASURES BY GOVT'

Management of monetary policy will remain with Bank Negara, says minister

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THERE will be no drastic decisions from the government in response to the weakening ringgit and market volatility, said Economy Minister Rafizi Ramli.

The government, he said, would leave the management of the monetary policy to Bank Negara Malaysia because "politicians have a very short-term focus".

However, Rafizi said the next

National Economic Action Council meeting on June 12 would hold "general discussions" on the economy, apart from structural reforms.

He said the ministry would exchange views with the central bank as it was "the best avenue to discuss monetary policy".

"More often than not, we hope that our monetary policy will not be haphazard in the short term," he said launching the Affin Conference Series 2023 yesterday.

When asked about pegging the ringgit to the US dollar, Rafizi said there had not been any dis-

cussion relating to a currency peg.

"When it comes to monetary policy, as much as possible in consultation with the government, the central bank has its independence and objectivity to decide because politicians usually have a very short-term focus."

He stressed that the essence of monetary policy focused on long-term strategies, fundamentals and comparisons to how the country was doing as an economy with other economies.

"When you plan a monetary policy, it has to take a long-term view and I want to respect that, regardless of what people say and hammer us on," he added.

More often than not, we hope that our monetary policy will not be haphazard in the short term.

RAFIZI RAMLI
Economy Minister

The ringgit gained slightly against the greenback after Bank Negara raised the Overnight Policy Rate on May 3. However, the positive mood was short-lived, with the local note hitting a six-month low of 4.6280 last Friday.

As at 4pm yesterday, the ringgit was traded at 4.6132 versus the US dollar.

On Monday, Rafizi reportedly said the government had not planned to revise Malaysia's economic growth forecast for this year despite the depreciation of the ringgit.

He said the weaker ringgit was largely influenced by the United States debt ceiling discussions in the past weeks.

Meanwhile, the Affin Conference Series 2023 gathers industry players and policymakers to discuss the Malaysian economic prospects as well as strategies and measures in the 2023 Budget.

It was also aimed at highlighting the government's initiatives to transform the country and achieve a strong and sustainable economic growth.