

KERATAN AKHBAR

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No plans yet to intervene in ringgit's decline, says Rafizi



The ringgit slipped further to 4.6325/4.6385 against the greenback from 4.6265/4.6350 at yesterday's close.

PUTRAJAYA: Economy minister Rafizi Ramli says the government does not have any immediate plans to intervene in the ringgit's decline.

"So far, there have not been any discussions on the matter," he told reporters after an event today.

"We do not have the amount of reserves like other countries and we have to accept it," he said, adding that the government recognises the need to spend its money wisely.

On Sunday, deputy finance minister Ahmad Maslan said Prime Minister Anwar Ibrahim was expected to make an announcement soon on the country's economic situation and measures to mitigate the shrinking value of the ringgit.

The ringgit slipped further to 4.6325/4.6385 against the US dollar from 4.6265/4.6350 at yesterday's close. It also traded lower against a basket of major currencies.

Year-to-date, the ringgit has been the second worst-performing currency after the Japanese yen.

The local currency depreciated 4.5% against the US dollar as of last week, second only to the 5.9% decline in the yen.

Despite that, Rafizi said the government's focus is on building economic capacity and infrastructure instead of having short-term measures to defend the ringgit.

"The position of the ringgit and the stock market is tied to the economic reform agenda. So, it will take a bit longer for the market to start seeing the numbers crystallise," he said.

Rafizi added that the market is aware that reforms are already taking place, such as on the country's system of subsidies.

Last week, Anwar said the government is working on implementing targeted subsidies as soon as possible.

However, he said he was yet to be "convinced" of the effectiveness of the targeted subsidy mechanism as it was a "complex" matter.

Anwar previously said targeted subsidies would allow the government to spend money on value-added projects and programmes to boost the economy.