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RINGGIT'S MOVEMENTS IS BANK NEGARA'S RESPONSIBILITY, SAYS PM

KUALA LUMPUR, Jan 18 (Bernama) -- The ringgit's movements and stability in the foreign exchange market is left entirely to Bank Negara Malaysia, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said importers and exporters affected by the recent volatility in the local currency, would have to work out its impact and how to counter them.

"That is something we have to work out," he told newsmen when asked about the ringgit's recent volatility and its sudden depreciation against the dollar.

The ringgit has fallen sharply against the US dollar recently, hitting a two-year low of 2.72 against the dollar compared with a steady level of 2.55 just two weeks ago.

This was mainly attributed to the central bank's measures to curb the inflow of short-term speculative foreign funds as well as to check the excess liquidity situation in the banking system, estimated at RM12 billion.

Forex dealers have said that the recent ceiling on net external liabilities for the banking sector by BNM could see further pressure on the Malaysian currency, causing it to probably to trade between 2.72 and 2.75 for this month.

Earlier, the Prime Minister officiated at the opening of the Pemas Sogo shopping complex in Jalan Tuanku Abdul Rahman here.

In his speech, he said sufficient faith should be placed in the the government's ability to make ideas work, even if the ideas appear outlandish, as the government had a proven record of successes.

The World Bank now acknowledged that Malaysia had performed extremely well economically and is an example to other developing nations," he said.

He said among the key points in Malaysia's favour was political stability, and having the necessary ideas, skills and sense of responsibility.

"If sometimes, this government comes up with ideas which appear outlandish, I hope that they will not be rejected off-hand," he added.

He expressed hopes that everyone had sufficient faith in the government to make these ideas work. -- Bernama