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Ringgit-Consumers

CONSUMERS TOLD TO BUY MALAYSIAN AND TRAVEL WITHIN COUNTRY

KUALA LUMPUR, Aug 14 (Bernama) -- In the wake of the ringgit's fall, consumers are being advised to buy Malaysian-made goods and travel within the country to cut down expenses and the outflow of the currency.

Malaysian Institute of Economic Research (MIER) Dr Mohamed Sriff said today that the effects of the lower ringgit could be minimised if consumers made wise purchases and bought locally produced goods which were unaffected by the rise of the US dollar against the ringgit.

"The effects of the ringgit's fall in value actually depends largely on consumers. So it is better if they buy local goods," he told Bernama.

Asked to comment on Prime Minister Datuk Seri Dr Mahathir Mohamad's call for taxes to be imposed upon foreign exchange speculators, he said that this would be difficult in practice.

Dean of the Economics Faculty at the International Islamic University Dr Mohd Azmi advised Malaysians not to travel to countries whose currency was pegged to the US dollar.

He explained that the drop in the value of the ringgit was caused by two factors -- speculation activities and market forces which drove the costs of imports up.

Both Dr Mohamed Ariff and Dr Mohd Azmi believe that the present situation gave Malaysia an advantage in terms of export as the lower ringgit made Malaysian goods relatively cheaper.

"Our exports will increase and our balance of payments will improve. This will bring better performance in the next quarter," said Dr Mohamed Ariff.

Meanwhile, several tour agencies contacted expressed support for domestic travel, saying that the relatively expensive US dollar indirectly caused foreign tour packages to cost more.

Nevertheless, a tour operator who declined to be named assured that prices would not be raised indiscriminately, while another said that it was still too early for a marked decrease in outbound tours.

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