

25 JUL 1997

RINGGIT IN STABLE POSITION, SAYS AFFIFUDIN

KUALA TERENGGANU, July 25 (Bernama) -- The ringgit is now in a stable position although there has been speculative attacks on it by rogue speculators, said deputy finance Datuk Dr Affifudin Omar.

He said the ringgit was in a strong position and the government was not worried about these speculators as the country was able to fight them back.

Speaking to reporters after handing over patrol boats to the Royal Malaysian Police here, he said the country's foreign reserves totalled US\$ billion (about RM67.5 bilion), while the inflation rate for June was 2.2 percent and the country's current account deficit was declining.

He said that forecasts by some quarters that the country's economic growth next year would be at 8.5 percent also helped to strengthen the position of the ringgit.

Affifudin said the expansion in the country's exports and reduction in imports also had a bearing on the improved current account situation.

"In view of that, we have the strength to fight the speculators back and they will not be in a position to jeopardise our currency...speculators will attack only countries whose current account deficit situation was bad and were not in a position to counter their speculative activities," he said.

On the recent fall of the ringgit, he said the drop was slight and was not severe.

He said the rise and fall of a currency was normal and the country's currency is now at a stable level when compared with other currencies in the Asean region.

Affifudin was asked to comment on Prime Minister Datuk Seri Dr Mahathir's suggestion that Asean needed a common stand to fight speculative attacks and this included the possibility of enacting new laws.

Dr Mahathir said the fall in the value of currencies in Asean was a result of speculative activity which had a political motive and co-operation among the affected countries could counter the problem.

On the focus of the 1998 Budget which will be presented by deputy prime minister and finance minister Datuk Seri Anwar Ibrahim in October, Dr Affifudin said it would aimed at slowing down economic growth while stabilising the price of goods in the country.

He said the continued economic growth and low inflation had also influenced the sustained economic scenario in the country,

"That situation had shown a growth that was good and ideal and which was difficult to attain by many nations," he said. -- BERNAMA

SBS SHY