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Mahathir-Ringgit

RINGGIT DEPEG WON'T HAVE IMPACT ON BUSINESS, SAYS MAHATHIR

Kuala Lumpur, Aug 9 (Bernama) -- The depegging of the ringgit would not have significant impact towards the cause of doing business although it is expected to appreciate about 10 per cent by end of this year, said former Prime Minister Tun Dr Mahathir Mohamad.

He was answering a question whether continued appreciation of the ringgit could effect the business competitiveness as well as the impact on the industry.

"I believe that the ringgit could appreciate by 10 per cent. Even a 10 percent appreciation would still be competitive. It all depends on how you manage your costing and your financing," he said after attending the fellowship dinner and talks organised by the Kuala Lumpur Malay Chamber of Commerce, here tonight.

He said that Malaysia could still compete with her neighbouring countries despite their lower cost (of doing business) and relative appreciation of their currencies.

"(This is) provided that the ringgit doesn't suddenly shoot up 20 to 30 per cent which makes it difficult to manage, but I don't think it would happen," he said.

Currently, the ringgit enjoyed an almost two per cent appreciation after its official depegging effective July 22.

To a question on the decline of Foreign Direct Investment (FDI), Dr Mahathir said it was natural since more and more countries were now promoting FDI to their country.

"Malaysia has an advantage because we decided very early to invite FDI into the country, as early as 1960," he said.

He added that Malaysia was now very experienced, investor-friendly and commanded good English proficiency.

"Malaysia had given up the labour intensive industry a long time ago and concentrated on high-technology industry which required certain special skills," he said.

Dr Mahathir said Malaysia should leverage its special attributes and concentrate on the niche market.

-- BERNAMA

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