

**Gov't must explain soaring inflation rate**  
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The government must explain why the country is experiencing stifling inflation figures despite the rapid appreciation of the ringgit against the greenback.

DAP secretary-general Lim Guan Eng, a former chartered accountant, said that this contradicts economic norms.

Lim argued that the strengthening of a nation's currency usually brings two outcomes - lowering the competitiveness of a nation's export industry, and reducing inflation as imported goods become cheaper.

However, while the ringgit appreciates over the past six months, there is no sign that inflation is slowing down.

Lim said that based on government figures, the inflation rate for the past three months stood at 2.8 percent.

"Why we did not see the price of goods to go down but it is still BN or barang naik (price hike)? Did you see the price of milk powder go down? They are all imported.

"We are reasonable people. We will give another one month for the price of goods to go down. If not the government must answer why," he said during a press conference today at DAP national headquarters, Kuala Lumpur.

"There is something wrong somewhere, where has the money gone?"

Yesterday, the ringgit recorded a 13-year high at RM2.995 against the US dollar, which is depreciating against major international currencies.

This has sparked concern over the health of Malaysia's export driven economy.