

Zeti: Boosting food supply one way to curb inflation
Malaysiakini.com
July 25, 2011

Malaysia needs to consider other measures apart from its monetary policy to curb inflation, said Bank Negara Malaysia's governor Dr Zeti Akhtar Aziz.

She said the current inflation rate of 3.5 percent was quite high, brought on by very high energy prices and also commodity prices.

"It has resulted in higher food and fuel prices. Of course, it (inflation) is very much felt, as both items are important components in our consumption basket," she told reporters after the soft-launch of the third series of Malaysian coins in Kuala Lumpur today.

It is therefore very important for the country to increase its food supply, and this is something that the government has been working on and has been directing a lot of efforts into, Zeti said.

The distribution of food items must also be improved while there is need to access sources of food production such as fertilisers and feed at a lower cost, she said.

Zeti said it would be important to address the rising inflation level as it would undermine future growth prospects.

"That is why a lot of attention is being focused on dealing with inflation because it erodes purchasing power," she said.

She added the central bank was also looking at other measures to provide support for the lower and middle income groups that are experiencing an erosion in their purchasing power.

- Bernama