

PKR: Wrong probe against Zeti may hit ringgit

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By Koh Jun Lin

The PKR trade and investment bureau has urged the police to ensure full transparency in the event that they decide to investigate Bank Negara governor Zeti Akhtar Aziz.

Bureau chairperson Wong Chen said Zeti is well-respected in the international financial community as a good and pro-active central banker, and any action against her that is perceived to be politically motivated would be detrimental to the already-weakened ringgit.

“The ringgit is weak. You don’t want to create an international problem if you arrest Zeti for investigation, and not do this in a proper manner.

“We are not saying that the police cannot investigate her. We are also not saying that the police cannot arrest her. We are saying that the due process must be done, with full transparency on the reason why she is being arrested.

“On the blogs, there are a lot of stories about Zeti coming out. I don’t give much credence to these, but if they want to investigate Zeti, please be transparent about it,” Wong (photo) told a press conference in Petaling Jaya today.

The ringgit is currently trading at RM3.89 to the US dollar, which is a 16-year low. It has been on the decline since September last year.

The police are currently investigating several Malaysian Anti-Corruption Commission (MACC) officers under Section 124B of the Penal Code, which deals with activities detrimental to parliamentary democracy.

The investigation is in relation to purportedly leaked information about investigations on Prime Minister Najib Abdul Razak and the state investment fund 1MDB.

Some blogs have named Zeti as well as several high-ranking officers from Bank Negara, MACC and the Attorney-General’s Chambers as among those conspiring to topple Najib.

MACC and Bank Negara have denied this, but the police are not ruling out questioning Zeti.

"We'll see. Questioning those whom we believe can shed light on an investigation is part of the procedure," Inspector-General of Police Khalid Abu Bakar told Malaysiakini when asked on Monday.

Police must declare basis for investigating Zeti

Wong - who is also the Kelana Jaya MP - said if the police were to investigate Zeti, they must

declare 'with no uncertainty' the basis for investigating her, under what law, and whether it is linked to the alleged plot to depose Najib.

"If no transparency and due process is afforded, the market will view this as a politically-motivated action. This will send all the wrong messages to the world and will further negatively impact the ringgit," he said.

Meanwhile, PKR trade and investment bureau director Fahmi Ngah (photo) urged the government to take "urgent and decisive" action on 1MDB to restore investors' confidence.

"Delays and cover-up attempts will only continue to tarnish our country's reputation as a vibrant economy and safe haven for investors.

"If this country is really controlled by one person, then that same person should mobilise the country's resources to resolve the on-going confidence crisis, if only he truly cares," Fahmi said.

Among others, he said, those investigating 1MDB should be allowed to complete their tasks impartially and without interference.

Wong added that a national economic action council may have to be formed as well, as was done during the 1998 financial crisis.

The council would need to share financial data, and weigh the pros and cons of possible actions such as imposing capital controls or raising interest rates.

If the ringgit reaches the RM4 to the dollar mark, Fahmi said, Najib should resign for not doing his job.

He added that although the slump of the ringgit is often attributed to the strengthening US dollar and falling crude oil prices, these factors alone do not explain the phenomena because they impact other countries as well.

"Why is it that our currency depreciates more than other currencies? I think there is a third additional factor, which is pure and simple – it is the 1MDB fiasco. That is unique to Malaysia," Fahmi said.

He said that although many analysts have given their assurance that the Malaysian economy has strong fundamentals and the ringgit is undervalued, the value of the ringgit kept plummeting as investors took their money out of the country.

This shows that the 1MDB scandal has undermined investor confidence on how Malaysia's economy is managed, he added.