

## **'Gov't data proves weak RM not good for exports, tourism'**

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The weakening ringgit is not good for the economy despite the government's assertions that it will boost exports and tourism, PKR said.

Wong Chen (photo) and Fahmi Ngah from the party's investment and trade bureau said the government's own figures proves this is not the case.

For example they said, exports for the first half of 2015 is at RM368 billion, down RM12 billion from the same period last year.

"This is a worrying trend, because a 6 percent weaker ringgit in first half of 2014 compared to the first half of 2013 had resulted in an export gain of RM42 billion.

"The tourist numbers are not impressive either. Total tourists for the first quarter of 2015 are 609,000 lower than Q1 2014 despite ringgit being 10 percent weaker in Q1 2015.

"The Q1 2015 tourists total at 6.48 million is also almost similar to Q1 2013 figures at 6.45 million despite ringgit in Q1 2015 being 17 percent lower than Q1 2013," they said in a statement today.

### **Global economic slowdown**

Wong and Fahmi's analysis comes a day after Prime Minister Najib Abdul Razak said the falling ringgit would boost international tourism.

Tourism Minister Nazri Abdul Aziz (photo) has also said that the weak ringgit will encourage domestic tourism as well as boost exports.

The figures cited by Wong and Fahmi indicate that this had been the case in 2014, but not this year.

There is currently a global economic slowdown, blamed on a drop in Chinese markets.

However the situation in Malaysia seems to be weighed down further due to political uncertainty.

The ringgit is currently in a tailspin and falling steadily against the dollar to record lows.

Wong and Fahmi said this would not be good for Malaysians.

"Our biggest worry from the ringgit's fall is rising inflation from more expensive imports. This will translate into higher cost of living for ordinary citizens already suffering from the goods and services tax," they said.

They have advised the special economic committee dealing with the ringgit not to raise interest rates to stem inflation.

"Instead, we propose a simpler solution, to bring down GST to a more sane rate of 4 percent or lower as a temporary measure to hold back inflation and help out the business community," they said.

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