

Zeti: Doom and gloom readings on economy off mark
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Despite concerns about the Malaysian economy, Bank Negara Malaysia governor Zeti Akhtar Aziz insisted that the country is not facing a financial crisis.

"We are not heading towards a crisis in our country," she said, as reported by the New Straits Times today.

This is because, she explained, the country has strong fundamentals and has prepared well to absorb and better manage shocks to the economy.

The country has a surplus in its current account, a low level of employment, a high level of savings and relatively low level of foreign debt, among many other factors, she further elaborated.

"If we had not done all the things we did to strengthen our banking sector, to develop our financial markets and to diversify our economy, we would have been so much worse now," she said.

Certain things are also beyond our control, she said, such as the strengthening of the dollar against the ringgit.

"More than 120 currencies have depreciated against the US dollar. So we are not alone in experiencing a depreciation," she said.

She also said that some "domestic issues" may also have affected sentiment and confidence in the economy.

"These are things that need to be resolved. It would then contribute to a recovery in our currency," she said.

"No, it isn't doom and gloom, but we are not portraying a picture that everything is fine," she added.

Challenging period

Private sectors and consumers need to adjust to the slowing economy as well, she said, and recognise that this period is challenging for everyone.

"Malaysians need to recognise that this is a period of adjustment. To a significant extent, the global developments that are affecting us are beyond our control," she said.

The central bank has done its duty of building the economy's resilience and making sure the market conditions are orderly as well as a conducive environment for growth, she said,

but individuals must play their part too.

People need to learn to take advantage of the facilities provided to them, such as the Agensi Kaunseling dan Pengurusan Kredit.

They also need to better plan and manage their finances, like foregoing overseas vacations or sending their children to local universities.

"They have to change their way of life. For now, it cannot be as it was before," she said.

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