

'Come clean, dear Bank Negara governor' on ringgit depreciation - MP

Malaysiakini

29 May 2023

Yoursay

A PKR MP has urged the Bank Negara governor Nor Shamsiah Mohd Yunus to "come clean" on the reason behind the consistent fall of the ringgit.

This, according to Pasir Gudang MP Hassan Abdul Karim (above), is because currency depreciation impacts the country's economy and the people's well-being.

"Bank Negara, especially its governor, has to help the government. The bank has to advise the prime minister and the finance minister, who are coincidentally the same person.

"The governor has to explain to Prime Minister Anwar Ibrahim how the ringgit is still falling, despite the bank previously saying the hike in the overnight policy rate (OPR) will strengthen the currency," the outspoken lawmaker said in a statement.

Despite the OPR being hiked up multiple times in recent times, the ringgit is

depreciating against the US dollar, he noted.

In May, the bank unexpectedly raised the OPR to 25 basis points to three percent, citing a need to normalise monetary accommodation as the economy was resilient and it needed to manage persistent inflation.

Elaborating, Hassan said the Bank Negara governor should tell the truth to the prime minister about the "real reason" for the ringgit's fall.

"The bank can't just wash its hands off, saying that the matter is outside its control, and is caused by other external factors."

On Saturday, Bank Negara said that the depreciation is not unique to the ringgit alone and that most world currencies are falling against the US dollar.

The ringgit weakened against the US dollar in the early session today. The local note fell to 4.6160/6205 versus the greenback compared with Friday's closing of 4.5970/6035.

Elaborating, Hassan questioned why the ringgit which has consistently been "weak" since the previous administrations, is seeing no improvement despite the Anwar administration implementing various sound financial policies since coming into office six months ago.

"In fact, the ringgit is weaker than it was a year ago. Are there structural problems in our financial and economic system?"

"The freefall of the ringgit can negatively impact the economy. We are importing a lot of goods from abroad, and we have external debts. All these will impact the economy, the cost of living, and the nation's debt," said Hassan.

He also questioned whether there were other non-economic/financial factors contributing to the ringgit's depreciation.

"For instance, the rakyat's confidence in the country's economic performance, and their future. If this is the case, please tell this to the prime minister so that the government can take remedial steps."

'People today are smart'

Fluffing up the current situation regarding the country's economic standing would not do it any favour, Hassan stressed.

"[These include statements like] the fall of the ringgit is temporary and under control. The people do not want to hear statements like these.

"People today are smart and have the latest information at their disposal. So,

please come clean, dear Bank Negara governor," Hassan said.

It is worth noting that this is not the first time Hassan has raised issues with the government's economic policies.

Last month, he urged Anwar and Economy Minister Rafizi Ramli to explain the OPR increase (to three percent), saying it could negatively impact the ruling government in the upcoming elections in six states.

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