

**Gov't allays concerns over ringgit strengthening**  
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The government today allayed concerns that the appreciating ringgit will affect Malaysia's competitiveness, saying the current export volumes are still strong.

manek urai by election tuan aziz and mukhriz mahathir bn campaign 070709 06Deputy Minister of International Trade and Industry Mukhriz Mahathir said: "Even if the ringgit is strong, our exports are still very strong."

"We've been extremely encouraged by our trade figures in the first quarter of this year," he said on the sidelines of "A Strong China - Implications and Challenges" Forum hosted by the National Chamber of Commerce and Industry of Malaysia today.

The ringgit touched a 20-month high at 3.2700/2750 on March 29 against the US dollar, its strongest level since July 2008, and the local currency has extended gains since then.

The ringgit opened higher at 3.1730/1760 against the US dollar in early trading today.

Mukhriz said Malaysia looked at the trade volume regardless of whether the ringgit strengthened or weakened.

Total exports in February rose 18.4 per cent to RM46.84 billion compared with the same month last year while imports surged 27.9 per cent to RM35.17 billion.

Malaysia's total trade in February surged by 22.3 per cent to RM82.01 billion compared with February 2001, with RM11.67 billion in trade surplus.

Asked how the Ringgit would fare in the second half of this year, he said the high demand for Malaysia's products would not lead to pressure to devalue the ringgit.

Trade surplus with China

"The market forces will decide on the ringgit movement. Our trade with most of the countries has big surplus and very few deficits. Even with China, we still have trade surplus.

Asked to comment on the revaluation of the yuan, Mukhriz said it would have an impact but would balance up with Malaysia's imports from China.

"For us, a stronger yuan means a bigger strength for them, more buying power for them to buy our goods, So, it does have an impact.

"Right now, if you go by the trade surplus we have with China, it may mean more exports from Malaysia entering the Chinese market," he added.

- Bernama