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PM to consult private sector

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ON TRACK:
Feedback will
prove useful in
volatile economic
conditions

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PRIME Minister Datuk Seri Najib Razak will soon engage the private sector to ensure

the economy remains on track. In a statement yesterday, the Prime Minister's Office (PMO) said the responses gathered from the private sector, including corporate leaders, on what needed to be done would be helpful in efforts to weather the volatile economic conditions.

"The feedback will ensure Malaysia maintains the right trajectory to become a developed nation while ensuring the wellbeing and harmony of Malaysians," it said.

PMO said Najib had chaired an Economic Council meeting yesterday and was briefed on the country's position, including the per-

formance of the ringgit and the stock market by Bank Negara and Bursa Malaysia, respectively.

PMO said the country's economic fundamentals remained strong, as reflected by the 4.9 per cent gross domestic product (GDP) growth in the second quarter.

The economy had seen a strong finish to record a six per cent GDP growth last year.

"Nevertheless, the government will continue to take a proactive role in managing the economy following the challenges posed by the current global and domestic economic conditions.

"This initiative will involve all relevant government agencies and

ministries," it said.

Early this month, the ringgit fell to a 17-year low against the United States dollar as a result of domestic issues and commodity prices falling.

Yesterday, the ringgit again started on a weaker note against the US dollar as foreign banks continued to offload the local unit, said reports.

Last Thursday, Bank Negara Malaysia Governor Tan Sri Dr Zeti Akhtar Aziz had said that there was no need to peg the ringgit to the US dollar to address depreciation.

She said there was no need for capital controls, as the flexible exchange rate regime helped

Malaysia adjust as the country had moved on, since the Asian financial crisis, to a larger and more developed financial market, enabling it to absorb the volatility.

Yesterday, the stock market continued to come under pressure as the ringgit declined against the US dollar. As at 5pm, FBM KLCI fell 24.28 points, or 1.52 per cent, to 1,572.54, the lowest since June 2012.

The turnover on Bursa Malaysia was 2.06 billion shares, valued at RM1.95 billion.

Bursa Malaysia opened lower yesterday, extending last week's sell-off on the back of external and internal developments.