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ECONOMIC SABOTAGE

'PUT NATIONAL INTERESTS FIRST'

Those who paint a bad picture of the country's economy must stop, says PM

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PRIME Minister Datuk Seri Najib Razak has called for "certain quarters" to stop resorting to economic sabotage of the country.

"There are those who use inaccurate and baseless facts to paint a bad picture of the country's economic situation. This cannot go on. Although there are differences in opinion, national interest must override everything else. Economic sabotage must be stopped," he said during a question-and-answer session at the Dewan Rakyat here yesterday.

Najib was replying to a supple-

mentary question by Datuk Irmo-hizam Ibrahim (BN-Kuala Selangor), who wanted to know what measures had been taken to stop the economic sabotage.

Najib said because of such elements, the country almost lost RM31 billion in Saudi Aramco investments.

"Thankfully, we managed to convince them (Saudi Aramco) that the country's economic situation is being addressed accordingly."

Earlier, to Dr Tan Seng Giaw's (DAP-Kepong) question on measures taken to tackle the ringgit's depreciation, Najib, who is also the finance minister, said Bank Negara's reserve of US\$95 billion (RM421 billion) would serve as a buffer to excessive fluctuation in the financial market.

"At the end of last year, Bank Negara had tightened regulations to prevent the involvement of licensed financial institutions in non-deliverable forward (NDF) activities.

"This move was meant to curb speculative activities on the NDF

in the offshore market.

"At the same time, Bank Negara will ensure a stable and orderly market."

Najib said the ringgit's depreciation was not unusual as other regional currencies were experiencing the same downward trend due to the strengthening of the US dollar.

He said the ringgit had depreciated by 4.3 per cent compared with the US dollar.

"The depreciation of the ringgit is influenced by external factors such as the American interest rate rising at a much faster rate as predicted by the market.

"There are also uncertainties in the global price of crude oil and anxiety over the economic growth rate and uncertainty in the Chinese financial market.

"The political uncertainty in the United Kingdom, the Eurozone and the United States has affected demand for assets in the market," he said, adding that these factors had negatively impacted the currencies of many developing countries.

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To Tan's supplementary question on which was the biggest contributing factor to the ringgit's depreciation, Najib attributed it to the expectation of an increase in the interest rate by the US Federal Reserve.

He said the Federal Reserve had recently increased interest rates by 25 basis points, and this was expected to go up again this year.

"Another reason is that at least 34 per cent of the bond market are in the hands of non-residents.

"This is both a good thing and a threat.

"In the first half of 2016, the value of the ringgit was one of the best in the world.

"But when the interest rate was expected to go up, and non-residents who held bonds in the market had carried out portfolio rebalancing, there was an outflow of money and an increase in demand for the US dollar."

Meanwhile, Umno Supreme Council member Datuk Abdul Aziz Kaprawi called upon police

to open investigation papers into allegations that there were efforts to sabotage the nation's economy.

He said the sabotage was a "malicious attack" against the welfare of the people and should be seen as a direct betrayal of the country.

"The country almost lost a RM31 billion investment from Saudi Aramco because of lies, alleging that the country was going bankrupt and did not have enough funds to pay its civil servants.

"However, the investment was saved after facts, financial analysis and reports were presented to the investors," said the Sri Gading Umno division chief.

Parti Cinta Malaysia said stern action should be taken against those sabotaging the economy.

Its vice-president, Datuk Huan Cheng Guan, said police and the Attorney-General's Chambers should study relevant laws that could be used against such malcontents. **Additional reporting by Audrey Dermawan**