

**Malaysians overreacting on financial issues, says economist –  
Bernama  
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Malaysians are overreacting to small issues such as the ringgit's depreciation and debt-laden state investor 1Malaysia Development Bhd, says an economist.

"As a foreigner, 1MDB doesn't bother me. It's a small issue and I think the government has plans A, B and C in place, and they will do something about 1MDB," IQI Holdings chief economist Shan Saeed told Bernama in an interview.

IQI Group is a property and investment company operating and advising in Malaysia, Singapore, Hong Kong, the UK, the US and Dubai.

Saeed added he was bullish on the Malaysian economy and the government has shown remarkable fiscal brinkmanship in introducing the deficit, while continuing to maintain economic consistency at the macro level.

While the ringgit is trading at 3.7 to the US dollar, in the short run this situation actually helps the manufacturing and service sectors by maintaining trade competitiveness, he said.

Saeed added there is no need for Malaysians to worry about the country's economy as the gross domestic product (GDP) is growing at 6% while inflation is at 3%.

"The inflation numbers in Malaysia are very much subdued, and are under control due to monetary policy. Some economists think fiscal policy has been driving the economy, but they are wrong.

"It has always been monetary policy that drives the economy, and in the last three and a half years I have been in Malaysia, the government has been relying on monetary policy to drive the economy," said Saeed.

Malaysia's GDP, which stood at US\$245 billion (RM900 billion) in 2008, rose to US\$322 billion last year.

"There has been an average increase of 4 to 5%, which means income levels are rising," he said. – Bernama, March 24, 2015.

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