

Najib: M'sia will 'never' again peg ringgit against US dollar

MalaysiaKini.com

23 January 2018

Malaysia will never repeat the measure of re-pegging the ringgit as the move will be an unmitigated disaster for the economy and the prosperity of the people, Prime Minister Najib Abdul Razak said.

“We have made it very clear that we would never repeat that measure, trusting that while there may be short-term fluctuations, in the longer term the level of the ringgit would reflect the strength of the Malaysian economy,” the prime minister said when launching Invest Malaysia 2018 in Kuala Lumpur today.

Najib was responding to remarks made by opposition leaders whom he said had the notion that re-pegging the ringgit would be an easy and helpful move.

He said the measure to peg the ringgit against the US dollar that Malaysia implemented during the Asian Financial Crisis in 1997/98 was taken for “far too long”.

“Investors and global markets lost confidence in us and it took a long time to win that back. That was a very heavy cost to the country,” he said.

Najib, who is also finance minister, said this was among the issues of the past that the government had to correct, and the focus now had been centred towards the future of Malaysia.

“We know that depends on our human capital infrastructure, our preparedness for the fourth industrial revolution, our embracing of the digital economy, our proficiency in languages, including English, and our investment in the hard infrastructure of roads, railways, ports and the like,” he said.

The prime minister said the robustness of the Malaysian economic transformation was evident in the new economy the country is building, with the ringgit appreciating 10.4 percent against the US dollar last year.

On Jan 5, 2018, the ringgit closed at a 17-month high, breaking the 4.0-psychological level barrier.

“This rise may have been partially underpinned by the recovery in crude oil prices, but it also indicates positive sentiment among investors and recognition of Malaysia’s excellent economic and financial fundamentals,” he added.

Copyright © 1999-2016 Mkini Dotcom Sdn. Bhd

Source: <https://www.malaysiakini.com/news/409643>