

Headline	Najib No capital controls yet for Malaysia		
MediaTitle	Malay Mail		
Date	20 Sep 2013	Color	Black/white
Section	Business	Circulation	20,816
Page No	18	Readership	49,000
Language	English	ArticleSize	135 cm ²
Journalist	N/A	AdValue	RM 1,122
Frequency	Daily	PR Value	RM 3,365



Najib: No capital controls yet for Malaysia

MALAYSIA will not impose capital controls for now but use other existing financial instruments to correct any economic volatility, Prime Minister Datuk Seri Najib Razak said yesterday. However, he did not rule out the possibility of implementing capital controls as a last resort.

The economy is resilient compared to other countries in the region due to its strong reserves position, coupled with high savings in the Employees Provident Fund (EPF), Tabung Haji and Kumpulan Wang Amanah Pencen, he said during a recording at the CNBC Summit Conference, which will be aired at 5pm today.

"Chances of a default is minimum. Despite our money leaving, our reserves are more than enough compared to what we had during the financial crisis in 1997.

"Most of our debts currently are domestic, especially the

ones that are long-term. We are on solid ground and the chances of a default is very minimum."

Najib, who is also finance minister, said the country's current reserves stood at US\$130 billion (RM420.4 billion) compared to below US\$30 billion (RM97 billion) in 1997.

Malaysia imposed capital controls in September 1998 during the contagion regional currency crisis to curb speculative attacks against the ringgit by unscrupulous hedge funds and to bring stability to the economy. The capital controls, which included pegging the ringgit at RM3.80 to a US dollar, were lifted in July 2005.

Before the onslaught of the crisis in July 1997, the ringgit was trading at a high of RM2.42 against the US dollar but thereafter fell after regional currencies, starting with the baht and rupiah, were attacked by speculators. — Bernama