

## Bank Negara urged to set up 'Fund for Food' for farmers, food entrepreneurs

KUALA LUMPUR: The National Recovery Council (NRC) urges Bank Negara to establish a food fund called "Fund for Food" by financial and commercial institutions through loans offered to farmers and entrepreneurs.

MPN chairman Tan Sri Muhyiddin Yassin, who chaired the seventh series of meetings, said the fund was aimed at reducing the burden of inflation faced by the people.

"Financial institutions and commercial banks could allocate a portion of the loans offered by them to encourage farmers and food entrepreneurs to explore more aggressive methods of producing food and raw materials needed by the country.

"This will indirectly help reduce the burden of inflation faced by the people, especially those in the B40 group," he told the press here Tuesday (July 26).

Muhyiddin also spoke about targeted subsidies for those deserving in the B40 to B50 groups.

He said at present 50% of the subsidies were enjoyed by those who are in the higher income group.

"If we can take early measures to ensure subsidies are used by those in need, the effects of inflation can be reduced," he said.

On the increase of the Overnight Policy Rate to 2.25% from 2.0%, Muhyiddin said it was a wise move as it reduces the impact of inflation, similarly done in the United States.

He also said that the country's economic recovery continues to grow stronger as seen in the economic indicators issued by the **Statistics Department Malaysia (DOSM)** in June 2022 showing that Malaysia's total trade increased 43.4%.

Most of this growth, he added, is from export growth that grew by 38.8% to RM146.2bil supported by demand from within and abroad, increased spending in the private sector and public as well as the reopening of borders and economic activities.

The council, he added, took note of Bank Negara's presentation showing the recovery of economic activity getting stronger driven by domestic demand especially with the reopening of national borders.

"However, the global and domestic environment is increasingly challenging, especially for the year 2023," he added.

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