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5 January 2019 – GEORGE TOWN : Despite a turbulent year, and on the back of a challenging environment for global equity markets, the economy continues to remain on a steady growth path.

Finance Minister Lim Guan Eng said the economy was supported by both domestic and external demand.

He said the government had introduced policies and measures to invigorate the capital market.

“Our stock market has remained resilient in comparison with our peers in Singapore, Thailand, Hong Kong and China,” he said in his keynote address at the Market Place @ Penang Fair 2019, here, today.

“Amidst large capital outflows among emerging markets and Asean countries this year, the FBM KLCI benchmark index registered a year-to-date decline of 5.8 per cent as at end-November, compared with other Asian markets that have experienced declines ranging from 9.1 per cent to 22.7 per cent.

“And, we are the second best performing stock market in the Asia Pacific regionl.”

Lim said trading remained robust in the local stock market, with average daily trade of close to RM2.5 billion as at end-November last year despite external headwinds such as the ongoing United States-China trade war, geopolitical concerns in the Middle East, global monetary tightening and swings in oil prices.

“This is still an improvement from last year’s RM2.3 billion, which indicates that general interest remained intact as investors take opportunities on the market volatilities,” he said.

“And some of the positive indicators include trades from the institutional segment grew by eight per cent year on year, signaling interest and confidence from both foreign and local institutional investors in out local companies.

“Trade from the retail segment also grew by 1.4 per cent and new IPO listings increased by 70 per cent as 22 new public listed companies joined the local stock market,” he added.

On today’s event, Lim said financial literacy among Malaysians was still seriously lacking, where people generally were not informed about its importance and the impact it had on a person’s future and lifestyles.

Financial planning, he added, was therefore crucial for everyone.

“As we look at recent statistics, the growing concern over the lack of awareness on financial literacy and weak financial planning needs to be seriously addressed.

“According to Bank Negara Malaysia, the percentage of credit card debt has narrowed to 2.3 per cent in the third quarter of last year, but the percentage of personal financing was twice the amount in the same period at 4.47 per cent.

“A recent study by the Credit Counselling and Debt Management Agency found that 18 per cent of working Malaysian adults are unable to make any savings in the last six months. The same report also highlighted that 28 per cent of working adults needed to borrow money to buy essential goods.

“Government data also indicated that as at October last year, there were a total of 8,313 reported cases of financial frauds and scams.

“The same data also showed that telecommunication fraud cases alone involved approximately RM162 million.

“Given the alarming red flags, it is therefore, crucial that we as a nation step up on our financial literacy and increase our efforts to learn smart ways to manage our finances, particularly investing in a regulated environment instead of falling victim to get-rich-quick schemes or fradulent companies and investment scams.”

BUSINESS AGENCY STAFF

Links

Agency

Contact Us

Ministry of Finance Malaysia
No. 5 Persiaran Perdana Presint 2,
Federal Government Administrative Centre,
62592 WP PUTRAJAYA

03-8000 8000
03-88823893 / 03-88823894
pro[at]treasury[dot]gov[dot]my

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