Friday, Nov 01 2019

KUALA LUMPUR, Nov 1 -- Malaysian economy is expected to remain resilient in the coming year, led by favourable domestic demand, said Finance Minister Lim Guan Eng.

He said underpinned by the Budget measures, policies are in place to spur economic activities which are crucial in supporting Malaysia's growth target and ensuring the country's markets remain vibrant and attractive in a rapidly evolving region.

"Fundraising in the capital market is expected to remain robust, driven by various strategic projects. Therefore, the investment banking industry can expect to play a more prominent role focusing on key activities especially in capital raising, project financing and investment management.

"The government is committed to providing a conducive environment for the private sector to take the lead in generating economic activities and looks towards the financial sector to continue to be the enabler of growth, facilitating the nation's transformation," he said at the 40th Malaysian Investment Banking Association (MIBA) Annual Dinner here tonight.

He said while the nature of the challenges faced by investment banks today is increasingly complex, MIBA members should further strengthen their capabilities to remain competitive and keep pace with changing needs in order to be able to capitalise on new opportunities that emerge.

On another matter, the minister said Malaysia continues to pursue Islamic finance in the domestic financial market as well as internationally, and remains a leader in the sukuk market accounting for 50.4 per cent of global sukuk outstanding as at end of last year.

He said that to further promote the Islamic finance ecosystem and position Malaysia as the centre of excellence for Islamic finance, the Finance Ministry has set up a special committee to look into formulating an Islamic Economic Blueprint and develop a deeper understanding of Islamic finance.

According to Lim, the Malaysian capital market has demonstrated long-term resilience in its growth despite the global environment which has allowed the capital market to remain a key source of financing for the real economy.

"As at September 2019, the size of the Malaysian capital market has expanded to RM3.2 trillion. This development certainly bodes well for our country. Today, traditional finance institutions are facing increasing competition with the rapid expansion and application of financial technology which is changing the landscape of the financial markets around the world.

"The government and financial regulators are proactively responding to this emerging trend and exploring ways to facilitate innovation and to modernise the financial sector, while ensuring that necessary safeguards are in place," he said.

Lim said it is important that industry participants practice good business ethics, promote accountability and transparency to preserve the integrity of Malaysia's financial market.

"In this regard, I am pleased to note MIBA members’ significant role as financial intermediaries in the green financing ecosystem, facilitating issuances of green bonds and sukuk. Malaysia saw the issuance of the world’s first green sukuk for solar power plant in July 2017, and thereafter several more notable issuances followed suit.

“The growth potential of the green economy in Malaysia is enormous with large untapped opportunities. Financial intermediaries can play a catalysing role in the development of this sector and support the government’s transformation efforts towards a more sustainable and green economy," he added.

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