

PRIME NEWS

'Economy fit to weather storms'

'RESILIENCE':

Reforms fortify nation's financial system, says Najib

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MALAYSIA is in a stronger position than during the 1997/1998 Asian financial crisis to weather incoming storms thanks to reforms in the financial and banking system, said Prime Minister Datuk Seri Najib Razak.

He said the financial system, fortified by structural reforms such as a rigorous supervisory framework, remained resilient to support economic activities in the country.

"This resilience enables our financial system to fulfil its important function as a critical enabler for economic development," he said when launching the two-day World Capital Markets Symposium here yesterday.

The symposium, organised by the Securities Commission (SC), is a platform to promote informed debate led by global opinion leaders, policymakers, influencers, and business and market leaders.

Najib established the Special Economic Committee last month to ensure continued growth and boost confidence in the ringgit and local stocks.

With sources of contagion putting the trade-based economy at risk, the prime minister is expected to receive proposals to further strengthen the country's position.

Najib noted that by serving as a source of long-term financing to complement the banking sector, the



Prime Minister **Datuk Seri Najib Razak** delivering the keynote address at the **World Capital Markets Symposium** in Kuala Lumpur yesterday. Pic by Aizuddin Saad

Malaysian capital market provided RM376 billion through initial public offerings and bond issuances.

"This resulted in capital formation and job creation in sectors as wide-ranging as infrastructure, telecommunications and agriculture, with gross fixed capital formation ranging between 26 and 27 per cent of gross domestic product over the same period."

The equity market, which is worth RM1.5 trillion, shows much stronger corporate balance sheets and better-governed listed companies.

Najib, who is also finance minister, said the economy had been rebalanced and significantly diversified, with two-thirds of activities contributed by the services, manufacturing and construction sectors.

The reforms and transformation programmes, as well as underlying strengths in the economy placed it on track to achieve high-income status in less than five years.

Reforms have been implemented to strengthen the overall business environment, by extending access to capital market financing for smaller

businesses by way of a safe harbour for equity crowdfunding.

Najib announced the setting up of the Alliance of FINtech Community, or aFINity@SC, which seeks to connect fintech entrepreneurs with investors, researchers, mentors and government agencies. He has tasked SC with spearheading the initiative.

He stressed the need to develop the economy into an innovation economy and make it a way of life.

He said there must be a collective resolve to achieve something together.