

KL to be developed into a financial centre: PM

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(P)

THE Government will make concerted efforts to develop Kuala Lumpur into a financial centre that can attract more entrepreneurs and financial institutions.

Prime Minister Datuk Seri Dr Mahathir Mohamad said international journals already acknowledge the city is an attractive financial centre but further efforts are needed to develop it into a sophisticated one.

This task, Datuk Seri Dr Mahathir said, is made easier with the strong mandate obtained by the Barisan Nasional in the just completed general election.

Speaking at a dinner in conjunction with the 25th anniversary of Bank Bumiputra Malaysia (BBMB) in Kuala Lumpur last night, he said the Government is aware that creating such a centre will take a long time and all components of the financial sector need to be developed gradually.

He said local financial institutions, such as merchant banks, commercial banks, finance companies, insurance companies and other related institutions, have reached a competitive level but more needs to be done to push Kuala Lumpur into the top financial league.

"For example, the country needs a progressive capital market. I believe with the existence of an active Kuala Lumpur Stock Exchange and government securities market, the country's capital market will be further developed. This will pave the way for Kuala Lumpur to be a stable and sound financial centre," he said.

Datuk Seri Dr Mahathir added that with continued existence of a strong government, unhealthy politics will not disrupt the development of the country's financial sector.

In this respect, he said, as one of the premier financial institutions in the country, BBMB should continue to strive for excellence to put the bank on a stronger footing.

"The bank's restructuring following the BMF scandal has shown good results. However, BBMB needs to work harder so that it can continue to provide good service to the Bumiputera community," he said.

The Prime Minister added that the bank needs to be reminded that its main

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objective will continue to assist the Bumiputera community, so much so that becoming the number one bank in the country is a secondary matter.

"It was the deviation from this main objective by the directors and top management that pushed the bank into the BMF scandal," he said.

Datuk Seri Dr Mahathir said BBMB needs to continue educating the Bumiputera business community so that it will know how to utilise the facilities available effectively.