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KPMG SVRVEYS SAYS MALAYSIA IS MOST STABLE IN THE REGION

KUALA LUMPUR, Dec 11 (Bernama) -- Malaysia has emerged as the most stable country in the region despite facing an economic slowdown, says KPMG Asia Pacific Financial Sector Consulting, a specialist risk management advisory company, which recently surveyed opinions on risk exposure and risk management among banks, stockbrokers and regulators in six countries in the region.

Its managing director, Jim Gollan, said it is without a doubt that Malaysia's sound political environment is the main factor foreign investors will look for ultimately when they decide to come back in a big way.

He told a press conference here today that Prime Minister Datuk Seri Dr Mahathir Mohamad and his deputy, Datuk Seri Anwar Ibrahim, had inspired confidence in investors unlike in South Korea, Thailand or even Indonesia.

"Malaysia's financial management is also a lot stronger," he said, adding that the country's degree of exposure to projects and enterprises is a lot lower than in other countries.

Gollan said Malaysian banks should recognise their strengths and should build upon them and "they will, in no time, emerge stronger."

Giving an insight into the survey conducted in Hong Kong, Malaysia, Singapore, Indonesia, Thailand and Taiwan, he said many financial institutions in Asia will need to strengthen their risk management if they are to survive.

They will have to do this in order to prosper as independent organisations, in a more challenging environment than the one in which historically they are used to operating.

"Indeed, this improvement to the standards of risk management is critical to the speed of success of the structural reforms of the financial sector which many Asian governments are seeking to implement.

"The next decade should dispel any prejudice that banking is either a dull or safe profession," Gollan added. -- BERNAMA

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