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Move to expand interest-free banking services

Tengku Sariffuddin

KUALA LUMPUR, Wed. - Deputy Prime Minister Datuk Seri Anwar Ibrahim said financial institutions would be allowed to establish full-fledged branches offering interest-free banking services.

He said the Government made the decision following requests from the financial institutions as there was an increasing demand for the facility from Malaysians.

Anwar said todate 49 financial institutions were offering the facilities and they had allocated some counters for Islamic banking services.

He said the Islamic banking system had proved to be a success as more Muslims and non-Muslims opted for the facility rather than the conventional banking system.

Anwar said as such greater efforts should be made to develop Islamic banking into a premier system.

The Government would continue to provide incentives to achieve this objective, he added.

"At present, Islamic banking activities only comprise five per cent of the total banking activities," he said at the breaking of fast ceremony organised by Bank of Commerce at its headquarters in Jalan Tun Perak.

Anwar, who is also Finance Minister, said financial institutions should take a more aggressive and pro-active approach to expand in the local and international arena.

He said the Government placed emphasis towards the development of the financial sector to boost its development so that it could match that of the manufacturing sector.

Anwar also urged financial institutions to step up efforts to encourage Malaysians to increase savings and avoid wastage.

On Information Technology, Anwar said it was a key factor for Malaysia's continued success.

He said it was seldom that a forum like the one being attended by Prime Minister Datuk Seri Dr Mahathir Mohamad in Los Angeles was able to bring together so many experts from the information technology industry.

Later, Anwar presented a total of RM1.45 million to 12 charitable organisations which was collected from 60 members of the Malaysian Association of Stockbroking Companies.

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