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No extension for bank merger deadline, says Zeti

Kasmiah Mustapha

BANK Negara yesterday said it had not given an extension to the Dec 31 deadline for banks to be merged.

Governor Datuk Dr Zeti Akhtar Aziz also said that none of the banks has asked for an extension.

"No bank has asked for an extension and no extension has been given. As I have already mentioned, we are working towards meeting the deadline," she said.

Zeti was asked to comment on a news report that anchor banks could be given extra time to work out their merger plans.

The report, quoting industry sources, said some anchor banks have been given until March 31 to complete their merger exercise.

As only one merger has been concluded so far and with just three weeks to go, talk has been rife that the Dec 31 deadline will be extended.

In July last year, the central bank announced a framework for the merger of 54 local banking institutions into six entities, each spearheaded by an anchor bank.

It was later expanded to 10 groups as some banks were unhappy in not being picked as the core banks.

The banks were given until Dec 31 to complete the merger process.

Declining to comment further on the issue, Zeti said: "Wait for the statement which will be issued on Dec 31."

She was speaking to reporters after Prime Minister Datuk Seri Dr Mahathir Mohamad had launched the Royal Mint of Malaysia in Shah Alam yesterday.

Dr Mahathir also launched the production of gold bullion coins, the first in Malaysia. Weighing one, 1/2 and ounces, the gold bullion will be on sale by the middle of next month.

Royal Mint managing director Megat Abdul Wahab Megat Abu Bakar said the company will build a minting facility in Parit, Perak, costing more than RM100 million as part of its expansion plan to mint coins for other countries.

Construction of the plant will begin next month and is expected to be completed by the end of next year, he added.

"Production will begin by 2002 with an initial capacity of two billion pieces a year. We are also planning to mint coins for African and Organisation of Islamic Conference countries."

He said currently the mint in Shah Alam produces 700 million pieces of circulation coins a year.

"We will also use the Shah Alam plant to mint coins for Asean countries next year."

The Royal Mint is targetting to service five countries in the region.

The Royal Mint was set up following Bank Negara's decision to privatise the mint in Shah Alam to a wholly-owned Bumiputera company, Mariwasa Kraftangan Sdn Bhd.

Mariwasa, which specialises in the production of medals and silverware, then decided on a separate company be established that would be in line with international minting practices.

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