

No 'sudden invasion' of foreign banks: HSBC

by Jimmy Yeow

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KUALA LUMPUR: HSBC Bank Malaysia Bhd does not foresee any 'sudden invasion' of foreign banks into the country when the domestic banking sector is fully liberalised in 2007.

"That is not going to be the case as those who want to come in may bring in specific services that are not being provided here at present," said its deputy chairman and chief executive officer, Zarir Cama, after the launch of HSBC Electronic Data Processing (M) Sdn Bhd by Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday.

Cama sees local banks, which are growing more efficient, as a possible threat compared to new foreign banks wanting to start from scratch in the country.

He said the market liberalisation

of the banking sector is good for the Malaysian economy, as it will make the local players more cost effective, efficient and competitive.

He said HSBC Bank Malaysia is not concerned with the entry of foreign institutions into the domestic financial market as it has a strong foundation and has been doing business in the country for more than 100 years.

"We have been doing a lot. We have not been sitting around, and neither are we waiting for 2007," he said.

HSBC Holdings plc group chief operating officer Alan Jebson

agreed with Cama, adding that foreign banks, which come to Malaysia, would have to live with intense competition.

"We have operations in over 80 countries worldwide, and in most of them, including Malaysia, the competition is very intense," he said.

On another note, Cama hoped the authorities will consider allowing foreign banks to set up their automated teller machines (ATMs) at other places besides their own premises.

"This is to help us serve our one million customers better," he said.

Cama said 54% of its customers' assets were from the corporate sector and the rest from retailers.

Jebson said HSBC Bank Malaysia will invest US\$20 million (about RM76 million) in the HSBC Electronic Data Processing Centre in Malaysia. - theedgedaily.com