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ABDULLAH-BANKS

LEAVE 2ND ROUND OF BANK MERGERS TO BANK NEGARA, SAYS ABDULLAH

KUALA LUMPUR, July 1 (Bernama) -- It is for Bank Negara Malaysia to decide on when or how the second round of consolidation of the country's banking industry would take place, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said today.

On whether there would be any limitations on foreign banks when the industry is liberalised with the implementation of the Asean Free Trade Area (AFTA) and World Trade Organisation (WTO), Abdullah said that the government will study the situation and respond to it accordingly.

He was talking to reporters after delivering the keynote address at the Standard Chartered Leadership Team Conference here today.

"We will study the situation. What we are going to do is that we want to ensure that any(thing) negative to us, we will address quickly and respond accordingly. We are not going to be rigid about anything," he said.

Earlier in his speech, Abdullah said Malaysia would confront globalisation and liberalisation by keeping the doors open, not by retreating behind a wall of protectionism.

He said Malaysia was one of the top five most globalised economies in the world with its total value of trade standing at double its Gross Domestic Products (GDP).

"Understandably, we will require time to enable our institutions to build the required capacity to consolidate to be effective players," he said.

Abdullah who is to take over as prime minister when Datuk Seri Dr Mahathir Mohamad relinquishes his post in October, said he personally regarded the future with optimism.

Malaysia has the energy and creativity of youth with over 65 percent of its population below the age of 40, he said.

With its excellent infrastructure, a large pool of trained workers, and developed institutions and laws, the country would continue to be open and engage with the business community to sustain its economic growth, Abdullah said.

Touching on the role of the civil service delivery system, he said that while putting the framework for corporate governance, good governance in public services should also be ensured.

Towards this, the Cabinet Committee on National Competitiveness has spent much of its time and resources on finding ways to improve the public sector services, Abdullah, who is also chairman of the committee, said.

Meanwhile on the Standard Chartered conference today, he expressed hope that it would provide a better understanding of Malaysia to the participating delegates.

The annual three-day event which started today has brought together 130 top managers, not just from the bank's corporate headquarters in London, but also from over 50 countries worldwide. -- BERNAMA

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