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HSBC-LIBERALISATION

NO SUDDEN INVASION WHEN MARKET OPENS UP, SAYS HSBC BANK CEO

CYBERJAYA, July 29 (Bernama) -- Foreign banks are not expected to rush into Malaysia once the domestic financial sector market is opened to new foreign financial institutions by 2007, says HSBC Bank Malaysia Bhd deputy chairman and chief executive officer, Zed Cama.

"I don't believe there will be a sudden invasion," he said here today.

With "embedded players" already establishing a firm footing, he said new foreign players were only expected to come in with "something very specific and not available locally".

He said the greater threat from liberalisation would actually come from local banks, which following the merger exercise, had become bigger, better and more efficient as against "outsiders".

At a press conference after the official opening of HSBC Electronic Data Processing (M) Sdn Bhd by Prime Minister Datuk Seri Dr Mahathir Mohamad, Cama said that no foreign banks had strategy to gobble up local players.

Liberalisation would not mean a "free-for-all" environment and foreign banks would have to operate according to the framework set by each country that they operate in, he said.

For the HSBC group, he said market liberalisation would enable the opening of new branches and repositioning of its current branches.

He said HSBC, which had been in Malaysia for the past 120 year, was hopeful that certain aspects of the financial liberalisation in the country could move in a slightly faster pace.

"We are very keen foreign banks be allowed to set up ATMs (automated teller machines) outside our branches," Cama said.

"We have close to one million customers and we need to service them better." -- BERNAMA

MAD TJK