

15 MAY 2004

Mahathir-Markets

MANAGE MARKETS FOR GOOD OF SOCIETY, SAYS MAHATHIR

KUALA LUMPUR, May 15 (Bernama) -- Former Prime Minister Tun Dr Mahathir Mohamad said markets must be managed for the greater good of the society and for achieving growth and higher standards of living for all Malaysians.

"We cannot therefore leave our fate to the market players who, by definition, are concerned only with making money and not about the fate of the society," he said at the Capital Market Appreciation dinner, here.

Dr Mahathir said it was the desire of any government to have a vibrant and highly developed capital market, not as an end in itself but as a major catalyst for value creation for its people and the country.

Nevertheless, he said in order to have a vibrant market, regulations and rules must not be so stifling that markets could not generate and nurture the innovativeness that created and begot wealth.

"Obviously there needs to be a balance between what is permissible and what is not," he said in his speech entitled "The Capital Market in Malaysia: Learning from the Past and Preparing for the Future."

Dr Mahathir said Malaysia had the Capital Market Masterplan to provide a clear and strategic roadmap for the future development of a Malaysian capital market and would continue to fulfil its role within the domestic economy effectively.

"We envision a capital market that will continuously meet the evolving and increasingly sophisticated needs of investors. We envision a capital market that is nimble and dynamic enough to be able to adapt to and exploit the everchanging environment.

"Above all we envision a capital market that is well positioned to make a significant contribution towards the country's national aspirations and it is incumbent upon all of us to continuously strive hard towards achieving these multiple goals," he said.

In meeting future challenges, Mahathir said it required a new mindset on the part of the capital market participants.

He said the "good old days" were over and capital market participants must prepare not necessarily for the "bad new days" but for strange new opportunities and challenges which would accompany the new days.

"Our market players must quickly learn the art and have the agility to be more competitive and figure out new strategies for succeeding in a harsher environment," Dr Mahathir said.

He said the domestic capital market industry must take cognisance of its natural role and prepare to compete not only in the domestic market but abroad as well and to capitalise on the opportunities created by regional prosperity.

Dr Mahathir said to maintain the competitive edge in today's market, Malaysian capital market players must be prepared to innovate, to be unorthodox, adding that they must have foresight when searching and recognising new avenues and sources of growth ahead of others.

On Islamic finance, he said Malaysia had been able to prove that the Islamic code was not an obstacle to innovation in this market adding that over the past 10 years the Islamic capital market had grown substantially.

He said the Islamic bond financing for corporate entities were now fast catching up with financing through conventional bonds in terms of popularity and importance.

"Syariah-approved counters in the equity market today represent more than 80 per cent of the total number of listed companies in Bursa

Malaysia," he added.

Dr Mahathir said the launch of the world's first global corporate "sukuk ijarah" bond by a Malaysian company followed by the Malaysian government's issue of the world's first global "sukuk ijarah" sovereign bond in 2002 were examples of Malaysia's ability to innovate in the international arena for such Syariah compliant product.

Dr Mahathir called on the capital market industry to step up the tempo of development for the Islamic capital market saying that Malaysia was well placed now to become an international focal point for innovation for Islamic capital market products.

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