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AMBM pledges active participation

THE Association of Merchant Banks in Malaysia (AMBM) has pledged its active participation to ensure the success of the economic stimulus package announced on Wednesday.

"While the Government's announcement on the lowering of intervention rate by 50 basis points will reduce costs for business and may result in lower margin for the banking institutions, we are confident that it will support and sustain the growth of various sectors of the economy.

"We are positive that in the longer term the financial institutions would subsequently benefit from the stronger expansion of the economic activities," AMBM chairman Tan Sri Azman Hashim said in a press statement.

He said the RM7.3 billion package announced by Prime Minister Datuk Seri

Dr Mahathir Mohamad will alleviate the immediate issues and promote the longer term development of Small Medium Industries, agriculture, manufacturing, capital market, properties, hospitality and tourism industries as well as health sector.

"We are also confident that the reduction in the Employees Provident Fund (EPF) contribution from 11 per cent to 9 per cent would help trigger higher consumer spending that can support growth of the domestic economy," Azman said.