

REMARKS BY THE PRIME MINISTER AT THE
OFFICIAL LAUNCHING OF ASIAN AND EURO-
AMERICAN MERCHANT BANKERS (ASEAM-
BANKERS) AT KUALA LUMPUR HILTON ON
31ST OCTOBER, 1973

Tan Sri Taib Andak, Tuan-tuan dan Puan-puan,

Saya merasa sukacita kerana dapat bersama-sama petang ini untuk melancarkan sebuah lagi Merchant Bank yang baru iaitu Asian and Euro-American Merchant Bankers Berhad.

Sukalah saya mengambil kesempatan ini mengucapkan tahniah kepada pihak Malayan Banking Berhad atas kejayaannya mendapatkan kerjasama dari beberapa bank yang terkemuka bagi menubuhkan Merchant Bank ini. Bagi pihak Kerajaan, perkembangan ini amatlah menggalakkan oleh kerana Malayan Banking adalah satu-satunya bank di mana Kerajaan mempunyai kepentingan yang terbanyak dan saya rasa amatlah kena pada masanya Malayan Banking memasuki lapangan Merchant Banking supaya membantu lagi perkembangan industry dan commerce di negara ini.

Mr Chairman, Ladies and Gentlemen,

As I said earlier, I am particularly pleased to be with you on this happy occasion and in welcoming the establishment of the Asian and Euro-American Merchant Bankers (Malaysia) Berhad (ASEAMBANKERS for short), I would like to say that the Government is appreciative of the growing trust and confidence shown by leading international bankers in the stability and sophistication of the Malaysian economy.

Coming immediately after the festive season, I would say this is indeed a happy augury for the future. The decision of Malayan Banking Berhad to join with six of the world's largest international banks to function here will result in linking Malaysia with the principal money and capital market centres of Asia, Europe and America, especially in the fact that you are truly a multi-national joint venture with partners from Malaysia, United States, France, Germany, Britain, Switzerland and Japan.

Aseambankers is the fifth Merchant Bank in operation and I shall be launching another one next month. We are happy that in spite of the monetary crises which hit the world last year, there has been a steady growth in banking business in Malaysia.

Ladies and Gentlemen,

The worldwide inflation has not left aside Malaysia and we are getting some of its effects mainly through imported inflation which is beyond our control. We have however taken several decisions over the past few months to counter this, namely raising by half percent the bank rates on lending and deposits and thus encourage more savings among our people.

At the same time, the rate of statutory reserves for banks has been raised from 5 percent to 8.5 percent. This resulted in the withdrawal from circulation \$154 million which has to be deposited by all commercial banks with Bank Negara without interest.

Further, to alleviate the shortage of certain goods, we have reduced protective tariffs and increased import quotas in selected cases. The idea was to increase the supply of goods where local industries could not cope with domestic demands.

I would like to see that locally made goods as well as locally assembled items should be made available to the general public at a reasonable price. This is in keeping with Government policy to curb price spiral and thereby prevent further increase in the cost of living.

These efforts alone may not be sufficient and we are keeping a close watch on the situation. The Government is constantly working to provide an attractive climate for investors as it is our policy to encourage productive industries and enterprises that contribute towards the achievement of our Second Five-Year Plan.

Coming back to the Aseambankers, I am told that you will be offering a full range of merchant banking functions including medium and long-term lending, underwriting and syndicating of loans, financial counselling and investment services. These services will form a useful contribution toward the implementation of our Second Five-Year Development Plan and the New Economic Policy. Needless to say, with the impressive background of the individual partners and backed by the local experience and

resources of Malayan Banking Berhad, I am confident that they will be able to contribute effectively towards the economic development of this country just as they have done in their own respective countries.

Ladies and Gentlemen,

It is indeed heartening to note that although we are just beginning to tap the potentialities of our economy, we are proud that our economic performance has shown remarkable progress. To tap these potentials effectively, the Government is doing everything possible to create a favourable investment climate. As international bankers, you have a better knowledge of overseas markets and can give direct assistance to local entrepreneurs especially the export-oriented industries.

I need hardly say that to face the challenges in the years ahead, the country needs dedicated, dynamic institutions and I am certain the directors and officers of Asean Merchant Bankers have a clear understanding of Malaysia's needs and aspirations.

On that note, Mr Chairman, I wish the Asean Merchant Bankers (Malaysia) Berhad every success in their endeavour.

Selamat maju jaya.