

SPEECH BY THE PRIME MINISTER AT THE
OFFICIAL LAUNCHING OF D & C NOMURA
MERCHANT BANKERS BERHAD AT THE
NIRWANA HALL, HOTEL HILTON, KUALA
LUMPUR ON 28TH OCTOBER, 1974

Tun H. S. Lee, Pengerusi D & C Nomura Merchant Bankers Berhad, Dif-dif yang terhormat, Tuan-tuan dan Puan-puan.

Saya terlebih dahulu mengucapkan terimakasih atas jemputan untuk merasmikan pelancaran D & C Nomura Merchant Bankers Berhad malam ini. Inilah bank saudagar yang kedua yang saya diberi penghormatan merasmikannya dalam tempoh seminggu ini dan kebetulan di tempat yang sama pula. Dengan pelancaran D & C Nomura ini genaplah sepuluh bank saudagar yang menjalankan operasinya sebagai menyambut seruan Kerajaan menjadikan Kuala Lumpur pusat kewangan yang terkemuka di dunia sebelah sini.

Ladies and Gentlemen.

With this official launching of the D & C Nomura Merchant Bankers Berhad, we now have a total of ten Merchant Banks operating in Kuala Lumpur. Only three days ago, in this very same place, I inaugurated the P.B.S.M. Merchant Bank—a project initiated by Bank Pertanian. Whereas I myself have been closely associated with the formation of Bank Pertanian—if that is of any significance—the D & C Nomura can lay claim to an equally propitious beginning since its Chairman, Tun H. S. Lee, was our first Minister of Finance—a person greatly respected by everyone in this country.

Looking at the partners in this new venture, I am sure everyone will agree that this combination is indeed a formidable one. Nomura Securities is a big name among the world's financial circles—I see it in every issue of the Economist—and, of course, the reputation and prestige of Mitsui is a household word in Japan. The other partner, the National Bank of Australia, is equally well-known in Australia and other areas in the Pacific Basin. D & C, therefore, could not have look for better companions. I am confident with the long experience and expertise of the foreign

partners in both Merchant Banking as well as commercial banking, this Merchant Bank will be a success and that it will play its due role in the economic and financial development of Malaysia.

Ladies and Gentlemen.

As I have said on many occasions, the Government welcomes the formation of Merchant Banks in view of its unique role. It is true they are a relatively new institution in Malaysia; nevertheless, the advent of Merchant Banks is very timely in view of the Government's objective of accelerating industrial and economic development. The provision of financial and management advice and expertise by Merchant Banks will assist in the optimum use of funds available for such developments. By offering services especially in all aspects of corporate financing and investment management, Merchant Banks will also be contributing to the development of the money and capital markets and in the greater use of bills of exchange. The role of the Merchant Bank in the financial system is therefore that of supplementing and complementing the facilities and services provided by commercial banks and borrowing companies in that they should apply their special expertise to facilitate economic growth.

In promoting the growth of merchant banking, importance should be placed on the development of sound and efficient management which is so vital to any venture. For this purpose, there is an urgent need to build up a core of expertise in merchant banking in this country, necessitating comprehensive and systematic programme of recruitment, training and personnel development. There is no doubt that the building up of a pool of human resources with the necessary capabilities to provide service at a high level of competency is a pre-requisite to the success of such a service-oriented sector as Merchant Banking.

Ladies and Gentlemen.

I am confident that D & C Nomura Merchant Bankers will be able to achieve its objective and make its contribution to the economic development of Malaysia. With that hope, I am happy to declare it open and to wish it every success.