

**M'sia on track to achieve GDP growth target**

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Malaysia is on track to achieve the 5.5 to 6.0 percent Gross Domestic Product (GDP) growth target for this year, despite the modest 4.6 percent achieved in the first quarter, said Second Finance Minister Ahmad Husni Hanadzlah.

"We can achieve the growth forecast for this year. We believe the second quarter will be better and also towards the end," he said when asked to comment on the GDP growth for this year.

He also said at the same time, the commitment with regards to private investment is huge, but will take some time to be implemented.

Ahmad Husni was speaking after officially opening the 15th Malaysian Banking Summit in Kuala Lumpur today.

Last year, Malaysia recorded a GDP growth of 7.2 percent and a moderate 4.8 percent in the final quarter of the year.

Earlier in his keynote address, Ahmad Husni said the Malaysian financial services industry's contribution to the GDP was RM65 billion or 6.1 percent last year, with total loans and advances in the banking system increasing by more than 12 percent.

He said together with strong capitalisation, profitability, liquidity and asset quality, the banking system is maintaining its promising outlook and continues in 2011 to provide more than half of gross financing raised by the private sector.

He added the government is confident that the financial services industry will be one of the leading growth areas to propel the country towards a high income status economy.

Looking forward to the year 2020, Ahmad Husni said the Malaysian financial services industry is expected to contribute 10.0 percent of Gross National Income (GNI), offering 562,000 positions of employment or twice the total in 2010.

"We want to see a banking system that is inclusive, that understands the needs of the average consumer, small and medium sized companies and low-income families, while attending to the needs of manufacturers, big corporations and rich families.

"We would like to see a banking system that supports and complements the government's efforts to increase the nation's income levels right across the board," he added.

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