

Zeti: M'sia not experiencing capital flight
MalaysiaKini.com
Sept 21th, 2015

Malaysia is not experiencing capital flight but continues to receive foreign direct investments (FDIs), Bank Negara Malaysia governor Zeti Akhtar Aziz said.

She said the capital outflow was largely due to domestic and government-linked companies investing offshore to diversify their investments.

"Malaysia is a perfect centre (for FDIs) and this is manifested if you look at the balance of payments," she said during a session at the Malaysia's Economic Update 2015 Forum in Kuala Lumpur today.

Zeti said during the Asian financial crisis, Malaysia experienced outflows and speculative attacks on the ringgit by foreign speculators.

"At that time, we were one of the countries that were not experiencing domestic capital flight. The domestics believed in the policies that we were implementing and they stayed with us. That is why we did not have the collapse in currency," she said.

Zeti said Malaysia had been a recipient of FDIs for more than 100 years.

Asked on her succession plan, Zeti said the central bank is now a solid institution and it has a process for succession plan five levels down from the governor to deputy heads of department.

"I have great confidence that succession is in place and we have a process as well," she added.

Zeti's current term expires in April 2016.

- Bernama

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Source: <http://www.malaysiakini.com/news/313077>