

FDI drop: See the bright side, says PM's brother
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Malaysia should not be overly concerned over more investments from the country flowing to other countries than the amount of foreign direct investments coming into the country, a prominent banker said today.

CIMB Bank group managing director and chief executive officer Nazir Abdul Razak said lower net investment flow was not necessarily bad.

"Malaysia should instead analyse the data. When you see the data, don't jump into a conclusion.

nazir razak"We have to look at the investment quality and at the investment timing," he told reporters on the sidelines of the CIMB Group extraordinary general meeting in Kuala Lumpur today.

Nazir (photo) was responding on a report released by the United Nations Conference on Trade and Development (Unctad) on global inflows of foreign direct investment.

Unctad in its World Foreign Investment Report (WIR) 2010 report stated that Malaysian foreign direct investments dropped 81 per cent to US\$1.38 billion (RM4.43 billion) in 2009 from US\$7.32 billion (RM23.47 billion) in 2008.

Nazir said the lower FDI inflow could be due to the delay in some projects and lumpy Malaysian investment abroad which could also distort the net numbers.

He cited as example the CIMB Bank Group and Maybank undertaking huge investments into Indonesia.

"It is not a bad thing. It is a good thing because in the longer term, it is beneficial to Malaysia," he said, adding that when banks invest overseas, there will be returns to Malaysia.

"So, I don't think we should be jumping and getting over excited about the investment data that has come out.

"(To avoid misconception) Malaysia should go through the process of analysing the data," he added.

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