

Bank Negara will act on skyrocketing housing prices
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Bank Negara Malaysia (BNM) will take pre-emptive action to avoid asset bubbles but has no intention to entail restrictions on genuine housebuyers taking up mortgages, governor Dr Zeti Akhtar Aziz said today.

"If there is an imminent risk of asset bubbles, of course we will take pre-emptive action.

NONE "We are not going to wait for the bubble to happen before taking action," she told reporters after chairing a media session on 'Prospects & Opportunities of Islamic Finance' at the Global Islamic Finance Forum which ended in Kuala Lumpur today.

She said any possible measures would be targeted at speculative property buying activities and would not affect mortgage lending for first home buyers.

"More importantly, we want to have a measure that will focus on financial literacy awareness, especially for the younger population below 30 years old because we want them to be well-positioned in managing their finances when they acquire a car or house at the beginning of their career.

"We will have a massive programme introduced for this purpose," she added.

Speculative activity

Prices of housing have increased to the extent that many are beyond the reach of the average family.

Asked whether the central bank had seen the formation of asset bubbles taking place in Malaysia, she said that there might be pockets of areas where BNM saw some speculative buying activities but it was not generalised throughout the economy.

"We believe that the banking system via their own risk management and governance process are addressing this already," she added.

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