

Gov't not alarmed by capital inflows
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Deputy Finance Minister Awang Adek Hussin said the government was not alarmed by capital inflows to the stock market.

"In an open economy, we are bound to have inflows and outflows depending on the situation.

"But we cannot get over excited over this type of inflows as to suggest certain major policy changes," he told reporters after launching Bank Simpanan Nasional's internet banking service called MyBSN in Putrajaya today.

Last week, the FBM Kuala Lumpur Composite Index surged to a historic high of 1,531 on continued inflow of foreign funds after the United States launched a fresh round of quantitative easing to shore up its economy.

Asked whether the government would introduce measures to ensure stability in the financial system, Awang Adek said: "The stability is still intact. We certainly have some inflows coming in and we have to monitor the situation."

The inflows helped the local stock market as well as the ringgit but there was nothing to be alarmed about as the stability was still intact, inflation was low and economic growth was sustainable, he said.

On the United States' quantitative easing, Awang Adek said if that would result in improvements, it would be good for Malaysia.

"It is always good for Malaysia when major economies are having stable and better economic growth.

"If the quantitative easing has an immediate impact on the United States' economy, its imports will be better and so with exports from Malaysia.

"The impact is not only in the capital market but also on the export/import performance," he said.

On MyBSN, Awang Adek said internet banking was a growing business.

The steady growth of Malaysian internet users was a significant indicator of the potential of internet banking in the country, and the move by banks to leverage on technology would enable them to remain competitive, he added.

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