

NEW STRAITS TIMES

DATE: 23/2/2010

Zeti: Malaysia clearly on track to economic recovery

By Adeline Paul Raj
bt@nstp.com.my

MALAYSIA is on the path to economic recovery, Bank Negara Malaysia's (BNM) governor says, ahead of unveiling economic data for the fourth quarter of 2009 tomorrow.

"We are already clearly on the path to recovery. The indicators are that the economic performance is better than expected," Tan Sri Zeti Akhtar Aziz said.

Fourth-quarter data tomorrow will show if Malaysia managed to emerge from its first recession in a decade.

Zeti also reiterated that any adjustment in interest rates would be to achieve a "normalisation" and

not a tightening of policy. "Monetary policy will continue to be supportive of the economic recovery process," she said.

Polymakers' next meeting is on March 4. BNM has kept the Overnight Policy Rate low at 2 per cent for seven straight meetings.

Economists expect Malaysia to return to positive growth in the final quarter, after three straight quarters of negative growth.

AmResearch's senior economist Manokaran Mottain recently upgraded his fourth-quarter economic growth to 3.5 per cent from 1.5 per cent.

"We are no longer in extraordinary circumstances. We have come out of that kind of environment," Zeti said after launching Thomson Reuters' new Islamic finance

product in Kuala Lumpur yesterday.

The product, known as the Islamic Finance Gateway, is a global platform and directory comprising details and links to Islamic finance professionals, rating agencies, industry standards bodies, index providers and scholars, among other things.

It is available on its flagship Thomson Reuters 3000 Xtra desktop.

"The timely access to a broad range of key information on Islamic finance — including on the product terms, structures and Syariah rulings — will contribute to enhanced transparency in the Islamic financial markets," Zeti said of the product.