

MEETING WITH BANKERS

Help borrowers, SMEs in distress, PM tells banks

KUALA LUMPUR: The government calls on banks to continue offering loan repayment assistance to individuals and small and medium enterprises (SMEs), including in rescheduling and restructuring loans.

Borrowers can get advice and loan repayment assistance at the Credit Counselling and Debt Management Agency.

"I am satisfied with the commitment shown by banking institutions that are ready to help the people and SMEs," Prime Minister Datuk Seri Anwar Ibrahim, who is also finance minister, said in a statement yesterday.

He reminded banks that they played an important role in driving post-pandemic economic growth, especially in helping borrowers still facing difficulties.

The statement was issued after a dialogue with banking executives on Wednesday, as part of the government's efforts to obtain ideas and views on the economy from all walks of life.

The dialogue was attended by Bank Negara Malaysia deputy governor Datuk Jessica Chew, as well as leading bankers from AmBank, Al-Rahji Bank, Bank Islam Malaysia, CIMB, HSBC Bank, Maybank, Public Bank, RHB Bank and Standard Chartered Bank.

Anwar said the banking industry needed to support micro-entrepreneurs, especially the vulnerable, through initiatives such as i-Tekad, which offered start-up capital and micro-financing by using a combination of funds from financial institutions and social funds, such as zakat.

The bankers agreed that the focus was now on transitioning towards a net zero carbon emission country and a wider digitalisation agenda.

The discussion also touched on new growth areas that can strengthen Malaysia's value proposition among regional and global investors.

"While the government is formulating the Madani Economic Narrative (MEN), including identifying priority sectors for the country's future growth and investment, we must also ensure that the financial industry and the capital market innovate in line with the changing global landscape.

"I also call on the financial industry to bring fresh ideas to keep Malaysia a global leader in Islamic finance, as well as build-

ing the strength of the electrical and electronics sector," he added.

MALAYSIA'S SOVEREIGN RATING MAINTAINED AT A-

The discussion also touched on policies to ensure the financial industry in Malaysia remained relevant and inclusive in supporting sustainable economic growth.

"The maintenance of Malaysia's sovereign credit rating at 'A-' with a 'Stable' outlook by S&P Global Ratings (S&P) recently proves that the country's economy is on track following various efforts to support growth momentum and reduce inflationary pressure," said Anwar.

S&P on Tuesday said it maintained the rating due to Malaysia's strong external position and the flexibility of its monetary policy, as well as a rapid rate of economic growth compared with its peers.

The stable outlook reflected the strength of the country's growth momentum and external position for the next two years.

S&P also acknowledged the country's commitment to continue post-pandemic fiscal consolidation.

"However, I understand that this strengthening of the economy may not be fully felt by the people, who are still struggling with the cost of living and also SMEs that are recovering from the pandemic.

"Therefore, the government is determined to further enhance efforts to boost the momentum of economic growth and implement fiscal consolidation to ensure the wellbeing of the people and the continuity of business in line with the concept of Malaysia Madani," he added.

This was the third such session held with the prime minister. Previously Anwar had met business leaders and economic experts.

All views will be used to form the MEN, which is being drafted to chart the direction of the country's economy in the medium and long term, and will be launched in August.

The unity government's economic policies and priorities will also be elaborated in the Industrial Master Plan to be released next month, the Half-Term Review of the 12th Malaysia Plan in September and in the 2024 Budget in October.

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