

Three strategies to boost market

PM hopes the ringgit will appreciate in tandem with new measures

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KUALA LUMPUR: The ringgit is likely to strengthen following measures taken to boost the local capital market, says Prime Minister Datuk Seri Anwar Ibrahim.

Although the announcement of these measures and the ringgit are unrelated, he said he is hopeful of improvements in the Malaysian currency.

"They are not directly related, but hopefully, we can ... What is most important is that our (economic) fundamentals are strong," he told reporters after the launch of InvestEd (the new name of the Capital Market Graduate Programme) at the Securities Commission (SC) yesterday.

The Prime Minister was asked whether the announcement would help strengthen the local currency.

Earlier, Anwar, who is also the Finance Minister, said three key strategies have been identified for a higher level of market vibrancy while improving the attractiveness of the local capital market.

The first key step, he said, is to widen investment and wealth creation opportunities for the people, including attracting a larger pool of investors to support small and medium enterprises (SMEs) as well as new economies.

In tandem with this, he said market and structural reforms must also be implemented to



restore confidence in the country's dynamism and competitiveness.

For the immediate term, he said this involves widening affordable investment choices for the rakyat while deepening investor interest in the local market.

"I am pleased to announce that the stamp duty rate for shares traded on Bursa Malaysia Securities will be reduced from the current 0.15% to 0.1% of the contract value, subject to a maximum cap of RM1,000 per contract.

"This will take effect in July," he said.

Anwar said the change will directly reduce the cost of securities transactions and make the

local stock market more competitive.

The increase in market liquidity, he said, will attract more domestic and foreign funds to the local stock market and encourage SMEs to pursue initial public offerings (IPOs).

He said the move will also facilitate public-listed companies' attempts to raise funds to expand their business and create more jobs.

Anwar also announced that the definition of "sophisticated investors" will be widened to include angel investors.

Angel investors are high-net-worth individuals who provide capital for start-ups.

Meanwhile, he said reforms

will be implemented by the SC and Bursa Malaysia by this year to facilitate listings on the exchange, including expediting the IPO process and shortening the time to market.

"I have given instructions that the ease and pace of approval must be faster from the present six months to a shorter period to allow for more vibrant activity in the market," he added.

He said priority will continue to be given to boosting domestic direct investments (DDIs) and attracting foreign direct investments through the promotion of sustainable investment practices.

"The future of investments in the country appears exceedingly promising with abundant oppor-

tunities for both foreign and domestic investors," he said.

Anwar said the government is also actively working towards improving the ease of conducting business and attracting high-value investments while cultivating a highly competitive workforce.

"These efforts are aligned with the objectives of the upcoming New Investment Policy and will be elaborated further in the upcoming New Industrial Master Plan (NIMP2030) to be launched in August," he said.

He said the Finance Ministry and SC will also look at policies to facilitate and attract the setting up of "Family Offices" to drive greater DDIs and capital ventures.

"For example, enabling tax losses from corporate venturing to be utilised by the parent company to set off other sustainable investments in the group," he added.

(A family office is a privately held company that handles investment and wealth management for a wealthy family.)

To further promote domestic growth, Anwar said the Cabinet will accelerate the implementation of government projects and approvals for businesses, including applications for skilled expatriates.

Business

world: Anwar (centre) launching InvestEd at the Securities Commission in Kuala Lumpur.
- FAIHAN GHANI/The Star