

Malaysia up in WEF financial health report, but cost remains concern
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By Yow Hong Chieh

KUALA LUMPUR, Dec 14 — Malaysia has inched up a spot to 16th in this year's World Economic Forum's (WEF) Financial Development Report, an annual survey measuring financial system health.

It was only one of two emerging economies and one of six Asian economies in the top 20, which was otherwise dominated by Western nations.

Malaysia's ranking was bolstered by strong results in financial stability (6th), banking financial services (15th) and non-banking financial services (13th), according to the survey report.

The country also retained the top rank in currency stability and continued to be a leader in financial information disclosure (second), which contributed to its reputation for financial system stability.

But the report said Malaysia's relatively weak business environment (25th) was a concern, and urged continued focus on developing infrastructure (33rd) and reducing the cost of doing business (31st).

It noted that more attention should be given to both the foreign exchange (32nd) and derivatives markets (32nd), as well as relatively poor retail access (23rd) to capital compared to commercial access (5th).

Hong Kong took the number one spot in this year's index after overtaking the US and the UK, the first time an Asian financial centre has secured top honours since the survey began four years ago.

The city-state jumped from fourth place last year thanks to strong scores in non-banking financial services such as initial public offerings (IPO) and insurance.

The US slipped to second place although its overall score was unchanged from last year, while the UK fell to third due to lower scores on securitisation and IPO activity.

Singapore dropped a rung to number four — even as other Asian economies moved up the rankings — closely followed by Australia in fifth place.

Coming last in this year's ranking of the world's leading financial systems and capital markets was Nigeria, with Venezuela, Ghana and Tanzania close behind.

The Financial Development Report ranks 60 countries, analysing drivers of financial system and capital market development that support economic growth.

The WEF said the index is intended to serve as a tool for advanced and emerging economies to benchmark themselves and identify areas for financial reform.

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