

Malaysia's Capital Market To Stay Positive This Year, Says Idris Jala
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KUALA LUMPUR, March 1 (Bernama) -- The Malaysian capital market is expected to remain positive this year following the robust growth last year, Minister in the Prime Minister's Department Datuk Seri Idris Jala said Friday.

He said the country's capital market grew 30 per cent last year to RM1.46 trillion after responding to heavy investment flows triggered by the Economic Transformation Programme (ETP).

"Private investment grew 12.2 per cent in 2011 from six to seven per cent in 2010, and grew a further 22 per cent in 2012.

"If you have a lot of increase in investment, the capital market will respond positively as those investments will be partly through acquiring equity and debt instruments," he told reporters on the sidelines of Standard & Poor's Rating Services' Asean Capital Markets seminar here today.

Idris, who is also the chief executive officer of the Performance Management and Delivery Unit (Pemandu), was the keynote speaker at the one-day seminar.

Standard & Poor's Managing Director for ASEAN, Surinder Kathpalia, said Malaysia is a leader in the region in corporate bond issuance with a strong record of solid growth due to a predictable regulatory framework, a bond pricing service, and a well-developed Islamic finance bond market.

"The growth in local currency corporate bonds outstanding in key Asean markets has been robust due to regulatory reforms and government support," he said.

However, he said, the country needs to resolve challenges such as connecting with regional bond markets and internationalisation of Islamic finance in order to bring the local bond market to a higher level.

"That's where the next round of focus will be to attract more foreign issuers and investors.

"Foreign investors are already there (in the capital market), you just need to woo them into the corporate bond market with more transparency, liquidity and larger sizes bonds," he said.

Nevertheless, he expects the country's bond issuance in the pipeline to remain robust with the country continuing to have robust economic growth.

He said there would be continuous projects to be funded and refinancing to take place, benefiting from the low interest rate environment which is expected to continue in the near future.

Kathpalia was a panel member at the seminar which discussed various key issues and opportunities in the Asean capital markets.

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