

Malaysia Cited As Benchmark For Ways To Overcome A Financial Crisis
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KUALA LUMPUR, March 17 (Bernama) -- Malaysia has been cited as a benchmark in respect of methods employed to overcome a financial crisis by UK-based DRPM Group (Holdings) Ltd Founder and President, Dr Karen Phillipa Malmgren.

This follows the country's successful handling of the 1997/1998 financial crisis.

"Malaysia has been acknowledged as having chosen a very different path in meeting the challenge of that financial crisis. People are now looking back at Malaysia's example in considering what to do going forward.

"We certainly see much more government intervention globally with capital controls in the Eurozone and Cyprus being subjected to this.

"This is exactly the same strategy that Malaysia introduced previously," she told reporters after the "Perdana Leadership Foundation International Roundtable: Surviving the Next Global Financial Crisis" here today.

Malmgren also said the world is likely to experience another financial crisis following the hike in prices, especially in the food and energy sectors.

She said higher input costs had caused companies to shift the burden to customers by allowing them to "pay more, for less".

"The price hike is a critical issue for emerging markets as 40 to 70 per cent of a worker's income is spent on food and energy.

"So, again, we are going to see the beginning of inflationary pressure in most of the emerging markets, which could lead to higher wage demands and social unrest," she added.

Malmgren said she expects a lot of mergers and acquisitions in the food and energy sectors to protect companies from the effects of inflation.

She also said Malaysia needs to focus on Mexico as a new destination for labour intensive industries as the country's wage rate is 20 per cent cheaper than that of China.

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