

**By : DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK  
PERDANA MENTERI MALAYSIA**

**Venue : BURSA MALAYSIA, KUALA LUMPUR**

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**Title : THE LAUNCH OF EXCHANGE TRADED BONDS AND SUKUK  
(ETBS) ON BURSA MALAYSIA WITH THE MAIDEN ISSUANCE BY  
DANAINFRA NASIONAL BERHAD**

Bismillahirrahmanirrahim

Assalamualaikum Warahmatullahi Wabarakatuh, Good Morning and Salam Satu Malaysia.

Yang Berbahagia Tun Mohamed Dzaiddin Haji Abdullah;  
Chairman, Bursa Malaysia

Yang Berbahagia Dato' Sri Dr. Mohd Irwan Serigar bin Abdullah;  
Secretary-General of the Treasury of the Ministry of Finance,

Yang Berbahagia Dato' Tajuddin Atan,  
Chief Executive Officer, Bursa Malaysia,

Yang Berbahagia Dato' Mat Noor bin Nawi;  
Chairman, DanaInfra Nasional Berhad,

Distinguished Guests,

Ladies and Gentlemen,

1. Ten years ago Malaysia issued the world's first sovereign sukuk. Today, we see the initial tranche of RM1.5 billion for the first phase MRT Kajang-Sungai Buloh line, in which RM300 million is being allocated by DanaInfra Nasional Berhad for retail investors through the Exchange Traded Bonds and Sukuk (ETBS); the first to be open to the public.

2. We are here to commemorate yet another innovation in Islamic finance, and the opportunities it brings for investors. From today, those opportunities are open to more people than ever before; and Islamic bonds will be traded more widely than ever before. By opening up our economy, we are offering the rakyat a stake in our nation's success. And we are making our capital stronger – and better connected.

3. These developments show how fast the world of Islamic finance is revolutionising; and how technology can catalyze that change. They also offer us a glimpse of Malaysia's future.

4. In a time of rapid development, and in a region characterized by strong growth, we must maintain our focus. Malaysia must remain an open, outward-facing economy; a world-leader in strategic sectors, and a key player in a multi-trillion dollar regional market. We must show that economic growth need not come at the expense of financial stability; that development

need not come into conflict with others.

5. That is the ambition we seek to realise over the months and years to come. It will not always be straightforward. To create the conditions for sustainable economic growth and future development requires courage and foresight. But if we deepen our commitment to economic and political reform, I believe it is within reach.

Ladies and Gentlemen,

6. For investors who have been buffeted by the financial crisis in Western markets, Islamic bonds offer an alternative growth model. No investment is without risk, and this relatively young market will still have the occasional growing pain. But by its very nature, Islamic finance is not prone to the same excesses which so damaged the world economy.

7. No wonder sukuk is the fastest growing financial instrument in the world. And no wonder that when investors seek knowledge or expertise, they look to Malaysia. For when it comes to Islamic finance, we have turned an early lead into a clear advantage.

8. Malaysia now accounts for three-quarters of the global sukuk market. We are a hub for issuing, trading, regulation, standards, marketing, and training. And we are one of the few places in the world to offer retail investors the chance to participate in this fast-growing, fast-changing market.

9. Our challenge now is to make sukuk part of the global investment mainstream.

10. To continue to be the leader in capital markets, we have to develop and maintain the market infrastructure, with firm support from regulators, issuers and investors. We need to continue to show leadership in training and compliance standards. And we also need to widen the investor base, which is what today's launch is all about.

11. Our bond and sukuk market is mostly traded over-the-counter by institutional investors and high net worth individuals. In the past, access for retail investors was largely limited through bond unit trust funds and exchange traded funds.

12. Last year, in line with the Capital Market Masterplan 2, the Securities Commission launched a new framework to provide the retail public direct access to investments in bonds and sukuk. And to help incentivize the market, the government has proposed tax incentives for both issuers and investors.

13. Today the first tranche open to retail investors under the new scheme will be issued. And I am particularly pleased to be able to say that the funds raised will support the Kuala Lumpur Mass Rapid Transit project, a landmark commitment that will play a prominent part in Malaysia's future success.

Ladies and Gentlemen,

14. Klang Valley's population is expected to reach 10 million by 2020, pressures on its transport infrastructure will grow. Without the additional integrated public transport capacity provided by the MRT, LRT, KTM, monorail and bus system, the city will be choked with

traffic, making it less liveable for rakyat. And it could also be an impediment to attracting investors to the country.

15. It is important to note that the main objective of the MRT is to ease the burden of the rakyat. This could be achieved through increasing the number of people using public transport, alleviating traffic congestion and reducing travel time from one place to another.

16. The project is expected to generate a further RM8 billion to RM12 billion GNI from spill-over effects. In total, an average of RM21 billion GNI per annum will be generated over the next 10 years, creating 130,000 jobs, as well as pushing up the value of property in the vicinity of MRT stations. Further, it will spur new property developments, boosting commerce and reduce carbon emissions.

Ladies and Gentlemen,

17. According to the Economist Intelligence Unit 2012 report: Hotspots: Benchmarking Global City Competitiveness, which ranks 120 cities globally, Kuala Lumpur is the second most competitive global city in South East Asia.

18. To stay competitive, we need a public transport system that meets our needs, and allows us to realise the potential in this great city. That in turn will drive economic growth and development in the nation as a whole, helping us achieve our ambitions: to be a modern, high-income, developed nation.

19. So the bonds launched today represent an unprecedented opportunity for the people of Malaysia to invest in, and profit from, the nation's development. For Muslims, they are a chance to share in the wealth of our nation in a way that is consistent with our beliefs; and, through our contribution, to help our country grow.

Ladies and Gentlemen,

20. Over the last twelve months, Malaysia has been fortunate to enjoy significant economic successes. In a year which saw slowdowns and stuttering growth elsewhere, our economy in the third quarter of 2012 grew at 5.2%, with much of this growth driven by domestic demand.

21. Three of the world's top ten biggest IPOs took place here, pushing Bursa Malaysia into fourth place in the global league tables. Malaysian businesses have expanded aggressively overseas, announcing plans to develop London's famous Battersea Power Station, and Petronas completing a \$5.2 billion takeover of Canada's Progress Energy.

22. Reforms made under the Economic Transformation Programme continue to pay off: last year, Malaysia became an easier place to do business, a safer destination for foreign capital, a more attractive place for retail investment. And with the launch of the Tun Razak Exchange in July, our nation's growing financial reputation was given a physical identity.

23. These successes did not come from nowhere. It is the dedication and commitment of our businesses, entrepreneurs, civil servants and the rakyat. Many of you will have played a part in the projects which have contributed to Malaysia's economic growth.

24. Nor is continued success assured. There remain challenges that we must address: the task of political and economic reform is not yet complete. But with such a sterling year behind us, our hopes for 2013 are high. So it gives me great pleasure to kick off the New Year with such good news from Bursa Malaysia!

Ladies and Gentlemen,

25. DanaInfra Nasional Berhad, or more affectionately known as “DanaInfra”, was established to facilitate the funding of large infrastructure projects by the Government. As the first project assigned to it, DanaInfra took on the task of funding the Sungai Buloh-Kajang or “SBK” line.

26. The creation of DanaInfra has enabled a move towards separating the fundraising activity from the project management activity, by assigning them to two separate entities, with possibly a further separation between actual asset ownership and day-to-day operations.

27. Under such a move, DanaInfra has become the maiden issuer of exchange traded bonds and sukuk, or ETBS, on Bursa Malaysia offered for the first time directly to the public.

Ladies and Gentlemen,

28. Today’s launch marks the culmination of many years of hard work. It is the next step in a journey that began more than a decade ago.

29. I would like to commend the efforts of the Ministry of Finance, Bank Negara Malaysia, Securities Commission Malaysia, Bursa Malaysia, DanaInfra Nasional Berhad. Your commitment has made today possible. I would also like to pay tribute to the four lead arrangers – AmInvestment, CIMB, Maybank and RHB – for creating this bold new asset class.

30. Together, you have made the Malaysian sukuk and bond market, already world-leading, even stronger. I believe this is a moment of special significance, not just for our financial sector, but for our nation as a whole.

31. With that, I am proud to officially launch the DanaInfra Nasional Berhad Exchange Traded Bonds and Sukuk. I wish you every success.

Thank you.

Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.