

SPEECH
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE OFFICIAL LAUNCH OF INVEST MALAYSIA 2004
AT PWTC, KUALA LUMPUR
26 AUGUST 2004

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH;

YANG AMAT BERBAHAGIA TUN MOHAMED DZAIDDIN ABDULLAH
CHAIRMAN, BURSA MALAYSIA BERHAD;

EN. YUSLI YUSOF
CHIEF EXECUTIVE OFFICER, BURSA MALAYSIA BERHAD;

DISTINGUISHED GUESTS AND PARTICIPANTS;

LADIES AND GENTLEMEN,

1. LET ME FIRST THANK THE ORGANIZERS FOR INVITING ME TO SAY A FEW WORDS DURING THE LAUNCH OF INVEST MALAYSIA 2004. I AM PLEASED TO BE PRESENT AT AN EVENT THAT BRINGS TOGETHER SO MANY DIFFERENT MARKET PARTICIPANTS FROM SO MANY DIFFERENT FIELDS OF ACTIVITY. THIS IS HEALTHY, BECAUSE IT IS IN ALL OUR INTERESTS, COLLECTIVELY AND AS A NATION, TO WORK TOGETHER WITH THE COMMON OBJECTIVE OF DEVELOPING A MALAYSIAN CAPITAL MARKET; A MARKET THAT IS EFFICIENT, ROBUST AND COMPETITIVE. THIS INITIATIVE IS ALSO TIMELY, GIVEN THAT IT HAS JUST BEEN ANNOUNCED THAT THE MALAYSIAN ECONOMY GREW AT A RATE OF 8.0% IN THE SECOND QUARTER OF 2004. THIS IS A POSITIVE INDICATOR OF THE STRENGTH OF THE NATION'S ECONOMY GOING FORWARD.

2. AS THE GOVERNMENT HAS STRESSED REPEATEDLY, THE PRIVATE SECTOR IS THE PRIMARY ENGINE FOR ECONOMIC GROWTH, AND THE STOCK MARKET IS A CENTRAL PART OF THE MALAYSIAN ECONOMY. INDEED, IT IS A CENTRAL PART OF MALAYSIAN LIFE. MANY PEOPLE INVEST IN LISTED SECURITIES, EITHER DIRECTLY AS INDIVIDUAL INVESTORS OR THROUGH COLLECTIVE INVESTMENT SCHEMES, SUCH AS UNIT TRUSTS. NONETHELESS, FOR MANY ORDINARY MALAYSIANS, THE STOCK MARKET REMAINS AN ABSTRACT CONCEPT. MUCH OF WHAT GOES ON AND HOW THE MARKET WORKS REMAINS SHROUDED IN MYSTERY. AT BEST, IT IS SEEN AS A SERIES OF FLASHING NUMBERS ON A SCREEN OR AS A COLUMN OF DIGITS IN THE NEWSPAPER. EVERYBODY WATCHES THE INDEX GO UP OR DOWN AND MOST PEOPLE HAVE THE VAGUE IDEA THAT IT IS A BAROMETER OF SORTS FOR THE ECONOMY. BUT OVER AND ABOVE THIS VAGUE PERCEPTION, FEW HAVE AN IN-DEPTH KNOWLEDGE OF THE MARKET. I MYSELF DO NOT PROFESS TO BE AN EXPERT, ALTHOUGH I CONFESS TO HAVE MADE AN INVESTMENT OR TWO IN THE PAST, WHEN I HAD MORE TIME ON MY HANDS.

3. MY HOPE IS THAT INITIATIVES SUCH AS INVEST MALAYSIA CAN PROVIDE THE PUBLIC WITH A BETTER INSIGHT INTO HOW THE MARKET OPERATES. TO BEGIN, IT CAN DISPEL THE NOTION THAT THE MARKET OPERATES SEPARATELY FROM THE SO-CALLED REAL ECONOMY. VISITORS TO THIS EVENT CAN LOOK AROUND AND TAKE NOTE OF THE FACT THAT THERE ARE SO MANY PARTICIPATING EXHIBITORS HERE, UNDERTAKING SUCH A VARIETY OF ECONOMIC ACTIVITIES. THIS IS PROOF THAT UNDERNEATH IT ALL, THE HEART OF A VERY TANGIBLE AND VERY DYNAMIC ECONOMY PULSES HEATHILY. BURSA MALAYSIA IS TRULY A REPRESENTATION OF A GROWING AND THRIVING ECONOMY. OUR MARKET IS THE DEEPEST AND MOST DIVERSE IN THE REGION, WITH A TOTAL OF OVER 900 LISTED COMPANIES SPANNING 13 DIFFERENT SECTORS. NO OTHER MARKET IN THE REGION CAN PROVIDE AS WIDE A RANGE OF INVESTMENT OPPORTUNITIES AS BURSA MALAYSIA CAN. IN SHORT, INVEST MALAYSIA IS NOT ONLY A SHOWCASE FOR OUR MARKET, BUT A CELEBRATION OF THE MALAYSIAN ECONOMY ITSELF.

4. I ALSO HOPE THAT THE PUBLIC USES THIS OPPORTUNITY TO AVAIL THEMSELVES OF THE INFORMATION THAT IS ON DISPLAY HERE. THIS IS A WONDERFUL OPPORTUNITY TO FIND OUT ABOUT WHERE THEY ARE INVESTING THEIR MONEY AND HOW THEIR FUNDS ARE BEING USED TO GENERATE ECONOMIC ACTIVITY. IT IS PROBABLY TRUE THAT MANY RETAIL INVESTORS PARTICIPATE IN THE MARKET MORE IN THE HOPE OF MAKING A QUICK PROFIT RATHER THAN BASING THEIR ACTIONS ON FUNDAMENTALS. WHILST A DEGREE OF SPECULATION WILL ALWAYS EXIST AND INDEED, MAY BE GOOD IN GENERATING LIQUIDITY, INVESTORS SHOULD ALWAYS BE AWARE OF THE RISKS INVOLVED.

5. INVESTING IN SECURITIES AND FINANCIAL INSTRUMENTS CAN PRODUCE GREAT GAINS BUT CAN ALSO RESULT IN LARGE LOSSES. THE BEST WAY TO MITIGATE THE RISKS IS BY GOING INTO A VENTURE WITH ONE'S EYES OPEN. THIS MEANS ARMING ONESSELF WITH THE NECESSARY INFORMATION IN ORDER TO MAKE WISE CHOICES. THIS MEANS MAKING JUDGEMENTS BASED ON THE FUNDAMENTALS. CONVERSELY, MAKING INVESTMENT DECISIONS BASED ON RUMOURS AND SPECULATION MIGHT BE A CONVENIENT SHORT CUT. BUT ONE SHOULD NOT THEN BE SURPRISED IF THOSE RUMOURS TURN OUT TO BE MERE PUFFS OF SMOKE, CONSEQUENTLY CAUSING HEAVY LOSSES FOR THE CARELESS PUNTER.

6. I HAVE ALWAYS MAINTAINED THAT THERE MUST BE SUSTAINED EFFORTS TOWARDS ENHANCING INVESTOR EDUCATION, A ROLE THAT I HOPE THE SECURITIES COMMISSION AND BURSA MALAYSIA WILL CONTINUE TO ACTIVELY PLAY. INFORMED INVESTING IS ONE OF THE KEY INGREDIENTS TO ACHIEVE MEANINGFUL GROWTH IN OUR CAPITAL MARKET, PARTICULARLY AS WE HAVE MOVED TO A MORE DISCLOSURE-BASED MODEL. MEASURES TAKEN BY THE AUTHORITIES IN RECENT YEARS HAVE BEEN AIMED AT MAKING MORE DATA AVAILABLE TO THE PUBLIC ON A MORE TIMELY AND MORE REGULAR BASIS. IN THIS VEIN, IT WOULD ALSO BE WORTHWHILE IF MORE LISTED CORPORATIONS INVESTED IN SETTING UP DEDICATED INVESTOR RELATIONS UNITS. THIS WOULD ENSURE A CONSISTENT AND RELIABLE FLOW OF SALIENT FACTS TO THE PUBLIC.

7. OUR MARKET IS MATURING AND THEREFORE, SO MUST ITS INVESTORS. INVESTORS MUST BE TRUSTED TO MAKE THEIR OWN DECISIONS, BASED ON THE INFORMATION THAT IS PROVIDED TO THEM. INVESTORS THAT ARE GUIDED BY FACTS CAN ASSIST IN ACCELERATING THE DEVELOPMENT OF THE MARKET, BECAUSE INFORMED INVESTING CAN ACT AS THE BEST FORM OF SELF REGULATION. IN THIS MANNER, CORPORATIONS THAT CREATE VALUE FOR ITS STAKEHOLDERS ARE REWARDED AND CORPORATIONS THAT SHOW A BLATANT DISREGARD FOR THE INTERESTS OF THE INVESTING PUBLIC ARE SHUNNED. IN MANY WAYS, THE MARKET OPERATES ON DEMOCRATIC PRINCIPLES. SHAREHOLDERS CAN GIVE EFFECT TO THEIR WILL BY EITHER SUPPORTING COMPANIES THAT DISPLAY GOOD GOVERNANCE, OR BY VOTING WITH THEIR FEET AND ABANDONING THOSE THAT DO NOT.

LADIES AND GENTLEMEN

8. A HEALTHY CAPITAL MARKET IS AN INTEGRAL PART OF THE ECONOMY. THE MARKET HELPS ENTREPRENEURS AND COMPANIES TO MOBILISE CAPITAL WITH WHICH TRADE AND COMMERCE IS GENERATED. THIS, IN TURN LEADS TO WEALTH CREATION AND INCREASED SPENDING POWER. A SIGNIFICANT PORTION OF THAT WEALTH IS THEN REINVESTED BACK INTO THE ECONOMY, WHICH SPURS ECONOMIC ACTIVITY AND GROWTH.

9. I BELIEVE THAT EVENTS SUCH AS THIS ONE WILL FURTHER STRENGTHEN THE FOUNDATION FOR THE CONTINUED DEVELOPMENT OF MALAYSIA'S CAPITAL MARKET. IT WILL CREATE BETTER UNDERSTANDING AND AWARENESS IN OUR CAPITAL MARKET. IT WILL HIGHLIGHT MUCH THAT IS GOOD ABOUT THE MALAYSIAN ECONOMY. GOD WILLING, OUR GOAL OF DEVELOPING A MODERN AND COMPETITIVE CAPITAL MARKET; ONE WHERE ALL PARTICIPANTS ARE ABLE TO PROFIT IN TANDEM WITH THE ECONOMIC GROWTH OF THE NATION, WILL BE ACHIEVED. CONGRATULATIONS ONCE AGAIN TO BURSA MALAYSIA, THE SPONSORS AND ALL THE PARTICIPANTS FOR SUCCESSFULLY STAGING INVEST MALAYSIA 2004.

THANK YOU.