

UCAPAN PERDANA MENTERI DI UPACARA PERASMIAN
BURSA KOMODITI KUALA LUMPUR DI WISMA
STEPHENS, KUALA LUMPUR PADA 23HB OKTOBER,
1980

Yang Berhormat, Dato Paul Leong, Menteri Perusahaan Utama, Yang Amat Berbahagia Tun-Tun, Yang Berhormat Menteri-Menteri dan Timbalan-Timbalan Menteri, Dif-Dif Kenamaan, Tuan-tuan dan Puan-puan sekalian.

Saya mengucapkan terima kasih kepada Kementerian Perusahaan Utama dan Bursa Komoditi Kuala Lumpur di atas jemputan dan penghormatan yang diberikan kepada saya untuk merasmikan pembukaan Bursa Komoditi Kuala Lumpur hari ini.

Penubuhan Bursa ini adalah satu perkembangan yang penting dalam usaha-usaha pembangunan kita. Ia bukan sahaja membuktikan bahawa Kuala Lumpur telah meningkat ke taraf pusat kewangan antarabangsa yang penting tetapi juga sebagai pusat perdagangan antarabangsa yang moden dengan pelbagai kemudahan di rantau ini. Sebagai negara pengeluar dan pengeksport beberapa bahan utama yang penting dan terbesar, adalah wajar sekali bagi kita memberi keutamaan kepada soal pemasaran.

Bursa Komoditi Kuala Lumpur yang memulakan perdagangannya hari ini dengan minyak kelapa sawit akan menjadi satu pasaran pelbagai komoditi dalam masa yang sesingkat-singkatnya. Saya yakin dengan wujudnya institusi yang moden ini kita bukan sahaja dapat mempergiatkan pelbagai aktiviti-aktiviti perniagaan dan perdagangan di dalam negeri tetapi juga aktiviti-aktiviti perdagangan yang ada hubungannya dengan pusat-pusat komoditi antarabangsa di seluruh dunia.

Ladies and Gentlemen,

The opening of the Kuala Lumpur Commodity Exchange is an important event in the development of the marketing of our country's primary commodities. A lot of time, study and efforts have been put into it.

Malaysia is not only a leading producer of a number of primary commodities, but in certain cases, it is also the world's largest producer and exporter. It is the world's largest exporter of natural rubber, tin and palm oil. It is also a large exporter of timber and pepper.

In regional perspective, ASEAN is an important source of almost every important raw material required by the industrial countries. Today, ASEAN accounts for 90% of the world export of natural rubber and 84% of the palm oil. It supplies 70% of the world's demand for tropical hardwoods and 67% of the coconut oil and copra. It also accounts for 64% of the global trade in tin metal and 40% of the spices, especially pepper.

Thus, Malaysia and the other countries of ASEAN, cannot continue to rely entirely on marketing centres located in the industrialised countries such as London, New York and Tokyo, to market and determine the prices of commodities that we produce. The international prices of commodities, should not only reflect the demand situation in the user countries, but also the supply conditions in the producing countries.

Ladies and Gentlemen,

The physical market for rubber, tin, palm oil and timber, has been operating successfully in Malaysia for sometime. But market in physicals, needs to be complemented by market in futures, so that commodity prices will reflect the true forces of supply and demand.

Palm oil has been chosen by this Exchange as the first futures contract to be traded. This is due to the urgent need to provide a satisfactory pricing medium for our palm oil industry. The economic need for a palm oil hedging device, has been recognised for a long time, but so far all attempts to establish a palm oil futures market elsewhere have failed. This will indeed be a challenge to the Kuala Lumpur Commodity Exchange. However, we are confident that it will succeed. The reason for our confidence is that we have made a long and painstaking research on it and the results have shown encouraging prospects.

Kuala Lumpur has good banking and communication support services and other facilities to make trading in future viable. It is developing into a major financial centre in this region. The

services provided by such a centre will not only facilitate the conduct of business of all kinds within Malaysia, but will also complement the activities of the other overseas commodity exchange.

Ladies and Gentlemen,

We are thankful for the support given to the Kuala Lumpur Commodity Exchange. Many local and international companies have become members of the Exchange. We will welcome more reputable International Commodity Trading Houses, to participate in the Exchange, preferably on joint-venture basis. Our foreign exchange control regulations are liberal and essentially a monitoring device. There are no restrictions whatsoever on current transactions, including the repatriation of profits. Non-resident controlled dealers will be able to obtain adequate credit facilities consistent with their financial commitments in Malaysia. Every encouragement will be given to facilitate the quotation of competitive rates for the ringgit abroad. The Central Bank does participate in the forward market but the commercial banks in the country all of which are authorised to deal in foreign exchange have shown that they are capable of handling a wide range of forward transactions on competitive terms.

Ladies and Gentlemen,

The Government and the private sector have done a lot of preparatory work to establish the Kuala Lumpur Commodity Exchange. With the formation of the Exchange Company, the election of its first Management Board, and the setting up of the Clearing House, the operations of the Exchange is now in the hands of the private sector. The Government will only exercise a supervisory role through the Commodities Trading Council and the Ministry of Primary Industries. Tun Ismail Ali has been appointed the Chairman of the Council and the other members have also been appointed.

The Government is naturally interested in the future development of the Exchange. It wants it to be a multi-commodity exchange, in the shortest possible time. The introduction into the Exchange of futures markets for rubber, tin, pepper and other commodities, is seriously being studied by the Government.

I understand that the Kuala Lumpur Commodity Exchange, will be the first of its kind in this region. It is designed to serve the requirements of traders, both local and foreign. With the goodwill and support of the trading community in this country and overseas, this new institution will no doubt bring about a significant and beneficial advancement in the marketing of our primary commodities.

In conclusion, I would like to thank the Ministers and other Government agencies, for their hard work and dedication all these years, in making possible the setting up of this Exchange. I would like to thank the banks, trading companies and others in the private sector, as well as the various international commodity trading and brokerage houses, for their cooperation and support.

Ladies and Gentlemen,

I now have great pleasure in declaring the Kuala Lumpur Commodity Exchange, open.