

## CALENDAR OF EVENTS January-March 2008

### **15 January 2008**

At the Seminar on Islamic Finance in Hong Kong, Governor Dr. Zeti delivered her keynote address on "Towards Gaining Global Growth Potential of Islamic Finance". Governor highlighted that strategic alliances among Islamic finance players will help realise the global potential of the industry in the wake of increasing interest in Islamic finance by several financial centres, including Hong Kong. She added this will lead to a more integrated international Islamic financial system and tap the immense markets of both Muslim and non-Muslim communities. Governor said that conventional financial institutions can also work together with Islamic financial institutions to raise sukuk or Islamic bonds or structure other Islamic products which are Shariah-compliant. Governor indicated that the setting up of an Asian Sukuk Fund could be explored as an extension of the Asian Bond Fund.

### **28 January 2008**

The Labuan International Business and Financial Centre (Labuan IBFC) rebranded itself and a new identity was launched to generate greater awareness, giving the centre a much broader role, expanding beyond financial services to include international business. IBFC will also step up its efforts to attract more players, including multinationals and to this end, by improving its competitiveness, particularly in the areas of tax structures and legislation. Labuan IBFC was formerly known as the Labuan International Offshore Financial Centre.

### **29 January 2008**

At its first meeting for 2008, the Bank's Monetary Policy Committee (MPC) decided to leave the Overnight Policy Rate (OPR) unchanged at 3.50%. The MPC stated that the Malaysian economy had performed well in 2007 and continues to maintain a steady growth momentum. It added that the future thrust of monetary policy would depend on new information and assessment of the change in the balance of risks to the medium term outlook for inflation and growth. At its subsequent meeting on 25 February, the MPC maintained the OPR at 3.50% saying that the assessment of the balance of risks to growth and inflation did not prompt a change in the monetary policy stance.

The Bank, on the same day, also announced the successful roll-out of the Financial Sector Talent Enrichment Programme (FSTEP). The FSTEP initiative, a pioneering programme developed by the Bank in close collaboration with the financial services industry, is aimed at supporting the human capital needs of the Malaysian financial services industry. The first batch comprised 297 candidates selected out of about 2,900 applicants. Participants who successfully complete the financial services training programme will be absorbed to work in the financial sector.

### **4 February 2008**

The Bank signed a Memorandum of Understanding (MoU) with Brunei Darussalam Ministry of Finance at Bandar Seri Begawan on information exchange and capacity building to combat money laundering and terrorism financing. The signing of the MoU is in line with the Bank's thrust of forging alliances and collaboration with foreign institutions to fight money laundering and terrorism financing.

### **12 February 2008**

The Bank announced the issuance of Bon Simpanan Merdeka 2008 amounting to RM2 billion on 1 April 2008. The Shariah principles based scrippless bond, which offers a tax-free return of 5% per annum, is an additional savings instrument made available for Malaysian senior citizens aged 55 years old and above who are not employed on a full-time basis.

### **23 February 2008**

In her keynote address at the Nikkei Islamic Finance Symposium in Tokyo, Governor Dr. Zeti spoke about the evolution and the emerging opportunities of Islamic finance to the global financial community and Malaysia's experience in the development of Islamic finance system. Governor highlighted on how the development of Islamic finance in Malaysia has resulted in a more diversified financial system that has increased its overall resilience. She noted that Islamic finance, with the in-built checks and balances, can contribute towards financial stability and has become a new area of growth that is very vibrant in generating income, wealth and employment. Governor also highlighted the ample benefits of fostering further collaboration between Malaysia and Japan in the area of Islamic finance as well as significant opportunities for Japanese corporations, issuers and investors in the area of Islamic finance in Sukuk and Takaful business.

### **26 March 2008**

The Bank released the 2007 Annual Report and the 2007 Financial Stability and Payment Systems Report. Governor announced that in 2007, growth in the Malaysian economy strengthened despite a weaker external environment. Robust domestic demand, driven by strong private consumption and investment activities, raised real GDP growth to 6.3%. This was reinforced by increased public sector spending. Governor added that growth was broad-based, reflecting expansion across all sectors in the economy, led by the services sector. Governor highlighted that the financial system remained resilient and well capitalised throughout 2007 despite challenging external conditions marked by a slowing US economy, rising global inflationary pressures and more volatile financial markets.

In 2008, the Malaysian economy is expected to remain favourable due to the country's strong fundamentals with GDP projected to expand by 5-6% led by domestic demand. Inflation is expected to be in the range of 2.5 to 3.0%, with risks remaining on the upside emanating from external price pressures. On the financial system, Governor added that the focus in 2008 will be on effective surveillance, institutional development and financial market infrastructure development.

The Bank, on the same day, also announced the establishment of International Shariah Research Academy for Islamic Finance (ISRA). The establishment of ISRA will promote applied research in the area of Shariah and Islamic finance as well as being a repository of knowledge for Shariah views and undertake studies on contemporary issues in Islamic financial industry. ISRA will contribute towards strengthening human capital development in the areas of Shariah and provide platform for greater engagement amongst practitioners, scholars, regulators, academicians via research and dialogues, both in the domestic and international environment. It is envisioned that with greater research and dialogues, mutual respect and recognition would emerge within Islamic financial industry global community.