

CALENDAR OF EVENTS May-June 2007

14 May 2007

The Bank organised a Malaysia Country Showcase in Dubai, in conjunction with the 4th Islamic Financial Services Board (IFSB) Summit. The showcase is part of the Malaysia International Islamic Financial Centre (MIFC) initiatives to attract investors, particularly from the Middle East, to invest in Malaysia. The event attracted bankers, fund managers and corporations from the region. In his opening remark, Deputy Governor Dato' Mohd Razif Abd. Kadir said that Malaysia is well positioned to support investment flows between Asia and the Middle East through the provision of Islamic finance services and products.

15 May 2007

At the 4th IFSB Summit, Governor spoke on the need for cross-sectoral approach in the supervision of Islamic financial services, in order to build a viable and sustainable Islamic financial system. She said that efforts to strengthen the international Islamic financial architecture and to enhance international cooperation and collaboration need to continue, to deal with the changing configurations of a highly dynamic and rapidly evolving environment.

16 May 2007

The Bank signed a Commodity Murabahah Agreement with Saudi Hollandi Bank of Saudi Arabia – the first Islamic banking institution outside of Malaysia to do so. The Commodity Murabahah Programme, introduced by the Bank in March 2007, is part of its diverse range of policy instruments to manage short-term liquidity in the Malaysian Islamic interbank money market. Earlier, the Bank had executed master agreements with eight local Islamic banking institutions. The programme is part of the Bank's efforts to spur product innovation in facilitating the liquidity management of Islamic financial institutions. The participation of foreign Islamic financial institutions would further strengthen the cross-border inter-linkages as well as investment flows between Islamic financial centres. The Bank, subsequently, signed a similar agreement with CIMB Bank London on 20 June 2007.

28 May 2007

At its fourth meeting for 2007, the Bank's Monetary Policy Committee (MPC) decided to leave the Overnight Policy Rate (OPR) unchanged at 3.50 percent. In its statement, the MPC highlighted that despite moderate export growth, strong domestic demand has sustained the growth of the Malaysian economy. The inflation rate during the first four months of 2007 averaged 2.4% and continues a downward trend with the rate for the whole year expected to be within the projected range of 2-2.5 percent.

30 May 2007

The Bank announced that the Malaysian economy continued to expand by 5.3% in the first quarter of 2007 (4Q 2006: 5.7%). Domestic demand, driven by the private sector consumption and investment activities, was reinforced by increased public investment spending. On the supply side, growth was supported by strong expansion in the services sector and higher construction activity.

18 June 2007

At the Malaysia–Indonesia Investment & Finance Summit in Jakarta, Indonesia, Governor spoke on the need to enhance financial integration in the South East Asian region – the New Nusantara region – comprising Indonesia, Malaysia, the Philippines, Singapore and Thailand. Enhanced financial integration will serve as a powerful catalyst for future expansion of intra-regional trade and investment that will lead to self-sustaining and mutually reinforcing economic growth in the region. Governor also highlighted that greater cooperation between the region’s monetary and regulatory authorities will promote better resilience and reduce regional vulnerability to external developments.

20 June 2007

At the Sukuk Summit 2007 in London, Governor delivered a keynote address which highlighted Malaysia’s achievements in developing the sukuk market and the challenges faced in the development of the Global Islamic capital market. She also spoke on the immense role the sukuk market can play in economic development, as well as the role of Islamic finance in extending the economic and financial linkages to other parts of the world. More importantly, Governor called for global co-operation among the international financial communities to develop the Islamic financial markets.

26 June 2007

The Bank announced the introduction of a tiered pricing structure for credit card users to promote the use of credit cards as a payment instrument. This is part of the Bank’s continuous efforts to promote prudent financial management and inculcate good financial discipline among credit card users in Malaysia. Under this new scheme, users who have good repayment records will enjoy reduced finance charges of not more than 15% per annum, from the current maximum ceiling rate of 18% per annum. Card issuers will begin to track the repayment behaviour from 1 July 2007 and the tiered pricing structure will be implemented by 1 July 2008.