

## CALENDAR OF EVENTS October-December 2007

### 18 October 2007

At the Islamic Finance Conference “Islamic Finance in Southeast Asia: Local Practice, Global Impact” in Washington D.C., Governor stated that Islamic finance has the potential to become the “New Silk Road” that will enhance economic and financial linkages not only between Asia and the Middle East but also with the rest of the world. She added that Islamic finance can contribute towards the efficient mobilisation and allocation of funds across regions whereby regions with surplus savings may channel funds to regions with deficit savings to bring about global financial integration.

### 29 October 2007

The Bank and Hong Kong Monetary Authority (HKMA) announced the implementation of cross-border delivery-versus-payment (DvP) link between Hong Kong’s US dollar real time gross settlement (RTGS) system and Malaysia’s RTGS system. The DvP link will help eliminate settlement risk of US dollar bonds issued and traded in Malaysia by ensuring simultaneous delivery of US dollars in Hong Kong and US dollar bonds in Malaysia. The DvP settlement services provide the necessary settlement infrastructure to support potential issuance of US dollar bonds in Malaysia, as part of the initiatives to promote Malaysia as an Islamic financial centre and Hong Kong as an international financial centre.

### 30 October 2007

At its seventh meeting, the Bank’s Monetary Policy Committee (MPC) decided to leave the Overnight Policy Rate (OPR) unchanged at 3.50 percent. The Committee said that while downside risks to global growth may have an adverse impact on the Malaysian growth outlook, the strength of domestic fundamentals will have a mitigating role in reducing the impact. It added that at below two percent, the current inflation rate was among the lowest in the region and although further upward price adjustments may occur, overall inflation is still expected to be contained. Subsequently, at its meeting on 26 November, the Committee maintained the OPR at the same level and it also approved the schedule of MPC meetings for 2008.

At the Malaysia Financial Exhibition 2007 organised by Malaysia Deposit Insurance Corporation (PIDM), Governor said that financial inclusion is an important thrust in the Bank’s policies to ensure that every economic activity, geographical region and segments of society have access to financial services.

### 13 November 2007

The Bank and Ministry of Domestic Trade and Consumer Affairs announced the introduction of a rounding mechanism to the nearest 5 sen for over-the-counter payments to be fully implemented effective 1 April 2008. The implementation of the Rounding Mechanism is expected to benefit both consumers and businesses whereby consumers will be able to make convenient and faster payments while businesses will be able to reduce handling costs. The 1 sen coin will continue to remain a legal tender.

### **28 November 2007**

The Bank announced that the Malaysian economy strengthened further by 6.7% on an annual basis in the third quarter of 2007, led by sustained strong domestic demand. Domestic demand was supported by strong private consumption spending and investment activities and this was reinforced by increased public sector spending. On the supply side, growth was led by the services sector.

The Bank also announced further liberalisation of the foreign exchange administration rules to facilitate foreign exchange transactions by resident companies with export earnings. With immediate effect, resident companies with export earnings are allowed to pay another resident company in foreign currency for the settlement of goods and services. The liberalisation is to enhance Malaysia's competitiveness by reducing the cost of doing business and the exchange rate risk of businesses while enhancing efficiency in cash management by resident companies.

### **21 December 2007**

The Bank announced the issuance of a new design for the RM50 banknote to commemorate Malaysia's 50th Anniversary of Independence. This RM50 new design is the first denomination of the Fourth Series of Malaysian currency notes which will be replacing the existing series in stages. The main theme of the design is based on the National Mission where the first thrust is "to move the economy up the value chain" which reflects Malaysia's economic transformation to the higher value-added activities in the agriculture, manufacturing and services sectors of the economy.