CALENDAR OF EVENTS
January – April 2014

9 January 2014

In his speech at the launch of the Malaysian Association of Money Services Business, Deputy Governor Dato' Muhammad bin Ibrahim said the money services industry is undergoing major transformation to instil greater professionalism following the enactment of the Money Services Business Act 2011. He expects the Association to play a proactive role to improve the image of the industry, including establishing a code of conduct for the industry, educating consumers on services provided and working with the relevant authorities to help combat illicit transfers of funds and unauthorised activities.

15 January 2014

To further advance the ongoing national agenda of "Going Green", the Bank promoted the usage of recycled fit banknotes of RM1 and RM5 for the Chinese New Year celebrations. The main objective of this campaign was to ensure sustainability of resources and conservation of the environment. This campaign is a collaborative effort between the Bank, Kementerian Tenaga, Teknologi Hijau dan Air, the Association of Banks in Malaysia, the Association of Islamic Banking Institutions Malaysia, Malaysian Environmental NGOs and Yayasan Anak Warisan Alam.

29 January 2014

The Bank maintained the Overnight Policy Rate (OPR) at 3% at its first MPC meeting for the year. The MPC highlighted that the global economy continues to expand at a moderate pace. On the domestic front, the improvements in exports have supported the Malaysian economy with domestic demand remaining firm.

At its subsequent meeting on 6 March, the MPC kept the OPR at the same level. The MPC's assessment was that the global economic expansion remains moderate. For the Malaysian economy, the latest indicators pointed to further improvement in exports and continued expansion in private sector investment spending. However, the MPC added that domestic demand is expected to moderate, reflecting the ongoing public sector consolidation and private consumption growth trending towards its long term average. Meanwhile, inflation has been gradually rising due to disruptions in supply following adverse weather conditions and increases in domestic costs.

The MPC continued to evaluate the global and domestic economic and financial developments and their implications on the overall outlook for inflation and growth of the Malaysian economy. The MPC also continued to monitor for signs of destabilising risks of financial imbalances.

12 February 2014

The Bank announced that the Malaysian economy expanded by 5.1% in the 4Q 2013 (3Q 13: 5.0%), supported by private sector demand and improvement in exports. On the supply side, the major economic sectors grew further, supported by both domestic and trade activities. For the year as a whole, the Malaysian economy grew by 4.7%.

19 March 2014

The Bank released its Annual Report and the Financial Stability and Payment Systems Report for 2013.

At the press conference, Governor Dr. Zeti announced that the Malaysian economy expanded by 4.7% in 2013 driven by the continued strong growth in domestic demand. Despite the weaker external environment in the first half of the year, domestic demand remained resilient throughout the year, led by robust private sector activity. On the supply side, the continued firm growth in domestic demand contributed to the expansion in the domestic-related activity in the services and manufacturing sectors. Meanwhile, the continued strong growth of the construction sector was mainly driven by robust activity in the residential and civil engineering sub-sectors.

Headline inflation was 2.1% in 2013 (2012: 1.6%), on higher domestic cost and supply factors, arising from upward adjustments and domestic supply shortages due to unfavourable weather conditions. Despite strong growth in private consumption and sustained wage growth during the year, adequate productive capacity in the economy helped contain demand pressures.

On the growth outlook, Governor Dr. Zeti said the the Malaysian economy is expected to remain on a steady growth path in 2014, expanding by 4.5%-5.5%. Domestic demand will remain the key driver of growth, albeit at a more moderate pace. Headline inflation is projected to average 3%-4% in 2014, due mainly to domestic cost factors.

On the financial system, Governor Dr. Zeti highlighted that domestic financial stability was well-preserved during the year, providing a conducive environment for the growth of the Malaysian economy. A large part of the Bank's regulatory priorities during the year were directed at giving full effect to the Financial Services Act 2013 (FSA) and the Islamic Financial Services Act 2013 (IFSA) which came into force on 30 June 2013. She also emphasised that talent development continues to be a key priority, with particular focus on further raising the bar on standards of quality, professionalism and ethics.

As prospects for global economic recovery improve in 2014, Governor Dr. Zeti said that Malaysian financial institutions continued to be well-positioned to manage external risks from the transition from unconventional monetary policies in the major advanced economies

The Bank announced that the imposition of the 50 sen cheque processing fee will now be effective beginning 2 January 2015 instead of 1 April 2014 as announced earlier. The extension allows for the installation of the required devices to be in place to facilitate a comprehensive acceptance of e-payments particularly, at the federal and state government agencies nationwide.

The Bank announced that effective 2 January 2015, the Base Rate (BR) will replace the Base Lending Rate as the main reference rate for new retail floating rate loans. This new framework aims to provide a more transparent reference rate to facilitate consumers in making informed decisions. The BR will also better reflect changes in cost arising from monetary policy and market funding conditions, while encouraging greater discipline and efficiency among financial institutions in the pricing of retail financing products.

In compliance to the IFSA requirements, Islamic Banks will now have to reclassify the acceptance of monies from customers into either Islamic Deposit or Investment Accounts. The Islamic Banking Institutions will engage with their customers to enable them to make informed decisions. This exercise is expected to be completed within two years. During the transition period, all Islamic deposits (accepted under the repealed Islamic Banking Act) will continue to be protected by Perbadanan Insurans Deposit Malaysia and the Islamic banking institutions will also ensure that the customers' rights are protected.

1 April 2014

In her speech at the Launch of the Iclif's Asian Leadership Index (ALI), Governor Dr Zeti highlighted that ALI is part of an important stream of global research on the expectations on leaders in today's changing and challenging world. With Asia becoming more significant in the global landscape, it is hoped that ALI will contribute towards a greater understanding of what business leaders in Asia need to do in order to get more energy and commitment from their most important followers. This is more so in an international environment in which high quality talent is scarce.