CALENDAR OF EVENTS
July – September 2015

9 July & 11 September

The Bank maintained the Overnight Policy Rate (OPR) at 3.25 percent at the July and September Monetary Policy Committee (MPC) meeting for 2015. This stance of monetary policy remains accommodative and supportive of economic activity.

The Malaysian economy continued to expand despite ongoing adjustments to external and domestic developments. Sustained growth in domestic demand is expected to contribute towards mitigating the weak performance of the external sector. However, private consumption is expected to moderate given spending adjustments due to the implementation of the Goods and Services Tax (GST) and the more uncertain economic environment. Going forward, downside risks to growth have risen amid greater uncertainty on both the global and domestic fronts. But of significance, Malaysia is entering this challenging period from a position of strength. The assessment is for economic growth to remain between 4.5 to 5.5 percent. Headline inflation rose in June and July reflecting higher domestic fuel prices and the impact of the GST. Moving forward, headline inflation is expected to peak in early 2016 and will moderate for the remainder of the year. The MPC recognises that there are heightened risks in the global economic and financial environment. These risks are being carefully monitored to assess their implications on macroeconomic stability and the prospects of the Malaysian economy.

13 August

At its 2nd Quarter GDP press conference, the Bank announced that the Malaysian economy recorded a growth of 4.9%, driven mainly by private sector demand. On the supply side, growth was underpinned by the major economic sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.1% (1Q 2015:1.2%). Meanwhile, the Consumer Price Index increased to 2.2% in the second quarter of 2015, reflecting mainly the impact of the implementation of the Goods and Services Tax (GST) effective 1 April. For the same period, trade surplus amounted to RM20.4 billion (1Q 2015: RM21.3 billion). Gross exports declined by 3.7% (1Q 2015: -2.5%), due mainly to the contraction in the exports of commodities and resource based manufactured products.

20 August

The Bank and the World Bank co-hosted the Asian region launch of the World Bank's research report titled "The Global Findex Database 2014: Measuring Financial Inclusion around the World" at Sasana Kijang.

The Global Findex is a database of more than 150,000 survey responses from more than 140 countries across the world. The database, which is updated every three years, will enable consistent comparison of financial inclusion performance across countries and analysis of trends over time.

In her address, Governor Dr. Zeti shared that an important evolution in the advancement of Malaysia's financial inclusion strategies is the increasing focus on data and measurement. Hence, one of the cornerstone recommendations under the Financial Sector Blueprint 2011-2020 is the development of a Financial Inclusion Index, a framework to measure accessibility to financial services as well as its usage and quality. The Bank's performance on this agenda has therefore been measured, consistent with the drive for accountability and excellence. Likewise internationally, there is an emerging common understanding that measurement is an essential policy tool for implementation. The availability of country performance data in the Global Findex not only provides peer pressure that spurs action, but also provides empirical evidence on which financial inclusion policy actions are delivering the most optimal impact.

27 August

The Bank issued commemorative coins in conjunction with the 50th Anniversary of Masjid Negara, which had been officially opened on 27 August 1965. The opening ceremony was graced by the third Yang di-Pertuan Agong, Almarhum Tuanku Syed Putra ibni Almarhum Syed Hassan Jamalullail.

On the same day, the Bank and the Bank of Thailand signed a MOU on the establishment of a framework for cooperation to promote the settlement of bilateral trade and direct investment in their local currencies. This arrangement is aimed at enhancing the bilateral trade and investment flows between Malaysia and Thailand. The MOU signifies the central banks' efforts to promote the use of Malaysian ringgit and Thai baht by the private sector to settle cross-border trades and direct investment. This arrangement would reduce the risks of exposure to the volatility of global settlement currencies and also to lower transaction costs for businesses.

1 September

At the Global Ethical Finance Forum in Edinburge, Scotland, Governor Dr. Zeti highlighted in her speech (entitled "Building Financial Systems for Sustainable Development") that the discussion on utilizing ethical finance for sustainable development is timely. According to her, in this recent decade, we have had to deal with a financial crisis of unprecedented global proportions, that has stemmed in part from the prevalent ethics and culture in the financial services industry. It is timely to direct our attention to developing more enduring solutions that will place the financial sector firmly back in the service of society. She highlighted that firstly and most critically, future finance needs to have stronger links to the real economy by effectively having an intermediation role serves society. Financial systems have to be both value-adding and value-based - value-adding, in that they contribute meaningfully by intermediating and facilitating real economic activity, and value-based in that they aim to benefit society. Secondly, a functioning regime practising value-adding and value-based finance needs to be built on a set of universal principles that will create a sustainable model for mainstreaming such positive finance in the global financial system. Thirdly, the efforts to strengthen the supply and demand of value-adding and value-based finance would contribute significantly towards re-anchoring the global financial system to the real economy. Finally, is the need to foster strong leadership at the global level that can have an advocacy and facilitative role in resolving barriers and bringing together different stakeholders to work together in a coordinated and cohesive manner. Moving forward, stable and sustainable development can be best served by re-connecting the current gulf between finance and value creation that is reinforced by bringing benefit to society.

30 September

In her speech at the Malaysia-OECD High-Level Global Symposium on Financial Well-Being, entitled "The Financial Well-Being Journey: Building on the Momentum and Identifying New Paths", Governor Dr. Zeti highlighted that the advancements in the provision of financial services in these recent few decades have had a transformational impact on financial well-being. Key features of this transformation have been the greater diversification of financial systems and the increased leverage on the advancements in technology.

For the benefits of financial development to be fully realised, Governor Dr. Zeti pointed out that it needs to be complemented with the effective use of the financial system by consumers and businesses. This would involve enhancing their ability to make discerning financial choices that best suit their needs, while increasing their confidence to take advantage of the new channels and tools for financial management.

Over the years, important progress has been made to provide the foundations on which enhanced financial capability can be built. These foundations include: (i) greater provision of truthful disclosures on financial products and services; (ii) expanded financial knowledge; (iii) an environment which is supportive of consumer choice, including the ability for consumers to exercise their preferences without impediments; and (iv) effective redress mechanisms. Looking ahead, strategies to further strengthen these foundations are likely to be significantly influenced by two important developments. The first is the broader application of behavioural finance so as to better understand and identify the levers that contribute to better financial decisions in the different circumstances. The second development relates to the advances in technology such as online classrooms and games as well as the use of mobile applications. In conclusion, she emphasized that the commitment to financial education is an important imperative to improve the financial well-being of our communities.

Acronyms and Abbreviations

ABIF	ASEAN Banking Integration Framework
ADB	Asian Development Bank
AFC	Asian Financial Crisis
AFI	Alliance for Financial Inclusion
ALR	average lending rate
APN	Asian Payment Network
BI	Bank Indonesia
BIS	Bank for International Settlements
BLR	base lending rate
BNM	Bank Negara Malaysia
BNMN	Bank Negara Monetary Notes
BoE	Bank of England
BoJ	Bank of Japan
BR	Base Rate
CBC	Central Bank of the Republic of China
CET1	common equity tier 1
CMP	Commodity Murabahah Programme
CoFC	consumption of fixed capital
CPI	Consumer Price Index
DIA	direct investment abroad
DOSM	Department of Statistics, Malaysia
DSR	debt service ratio
E&E	electronics and electrical
E&O	Errors and Omissions
ECB	European Central Bank
EOR	enhanced oil recovery
ETP	Economic Transformation Programme
EU	European Union
FBM KLCI	FTSE Bursa Malaysia Kuala Lumpur Composite Index
FD	fixed deposit
FDI	foreign direct investment
Fed	Federal Reserve
FOMC	Federal Open Market Committee
FSB	Financial Stability Board
FX	foreign exchange
GDP	Gross Domestic Product
GFCF	gross fixed capital formation
GFP	goods for processing
GIFF	Global Islamic Financial Forum
GII	Government Investment Issues
GNI	Gross National Income