



**SPEECH BY
YB DATUK SERI JOHARI ABDUL GHANI
MINISTER OF FINANCE II**

BURSA MALAYSIA EXCELLENCE AWARDS 2016

**Date : 3 May 2017 (Wednesday)
Time : 8.00 PM
Venue : Shangri-La Hotel, Kuala Lumpur
Attire : Black Tie**

SALUTATIONS

Tan Sri Amirsham Abdul Aziz, Chairman of Bursa Malaysia Berhad,

Tan Sri Dato' Seri Ranjit Ajit Singh, Chairman of Securities Commission Malaysia,

Datuk Seri Tajuddin Atan, CEO of Bursa Malaysia Berhad,

Board Members of Bursa Malaysia Berhad,

Distinguished guests, ladies and gentlemen.

INTRODUCTION

Ladies and Gentlemen,

1. It is indeed an honour to be standing here this evening in front of such distinguished audience, broking communities and players in the capital market. I would like to extend my sincerest gratitude to Yang Berbahagia, Tan Sri Amirsham, Yang Berbahagia, Datuk Seri Tajuddin Atan and Bursa Malaysia for the kind invitation to the Bursa Malaysia Excellence Awards 2016.

2. This year marks the 4th year of the Bursa Malaysia Excellence Awards. Since it was first introduced, I understand that the main aims have always been to recognize and reward the achievement of the industry players, as well as to encourage industry players to strive harder for the coming years.

3. Indeed, this event is beyond awards and trophies. More importantly, it gives us a great opportunity to recognize

the broking community and industry players in the capital market for their immense contribution and the important role played by them. On that note, I commend Bursa Malaysia for its initiative in organizing this event.

RESILIENCY OF MALAYSIA'S CAPITAL MARKET

Ladies & gentlemen,

4. Malaysia's capital market grew to RM2.84 trillion last year, with the total capital raised from equity market recorded at RM12.8 billion, despite global uncertainties in 2016. Indeed, it is no small feat that you are able to grow the capital market during challenging times and on that note, I would like to congratulate all of you for your contribution, hard work and determination.

5. This year, we observed that the stock market has had a good recovery in the first quarter of the year and we hope this trend will continue amid sustained growth in the domestic economy. Year-to-date, FBMKLCI has gained by 6% whilst the number of initial public listed (IPO) stocks has also rose in tandem.

6. The market saw six new IPOs listed year-to-date, with Eco World International Berhad being the biggest to date. The market capitalization of Eco World International alone was RM2.8 billion. We expect to see more activities in the IPO market this year, resulting from sound investors' confidence in our market.

7. We are also pleased to see the return of foreign investors in the first quarter this year. Driven by the stability of ringgit, bright growth prospects of Malaysia and series of new listing, foreign investors have been net buyers with cumulative year-to-date net purchase of RM7.02 billion.

8. Touching on the economy, Malaysia's recorded growth of 4.2% in 2016, a respectable figure indeed considering uneven global economic recovery. With receding uncertainties in external conditions and improving prospects of Malaysia, GDP growth is set to be better this year, with an estimation of 4.3% to 4.8%. Stable domestic financial market conditions, particularly the foreign exchange market will also lend support to further expansion of economic activities in Malaysia.

SPURRING FURTHER GROWTH OF THE CAPITAL MARKET

Ladies and Gentlemen,

9. Amid improvements in both global and domestic economic outlook, I believe that we are on the right track to further grow our capital market to a new height, and I also believe that we have what it takes to make it happen. Firstly, we have a well-diversified capital market. Our listed securities represent over 50 sectors, sufficient enough to provide strong value proposition to our existing and prospective investors.

10. Secondly, we have quality and competitive intermediaries, all of you here, who are well-equipped and well-positioned to provide unique opportunities for investors, and to attract them to invest in our market. And thirdly, we have a robust public sector commitment, which is supported by various policy initiatives to further spur the growth of our capital market.

11. Indeed, the government has taken various steps in providing the necessary regulatory support and enhancing the institutional foundation over the years to ensure that the

market development is relevant to the needs of businesses and investors. As a result, our capital market continues to grow over the years and our economy as it stands now, is more diversified. (*Services: 54.2%, Manufacturing: 23%, Mining & Quarrying: 9%, Agriculture: 8%*). Further, our total trade also continues to grow, and in 2016, Malaysia's total trade was recorded at RM 1.5 trillion, and is well-spread across various markets and products.

12. Overall, to continue this momentum, government, public institutions and players in the private sector must work together, as the duty to strengthen our economy is indeed a shared responsibility. We need to have a clear target to achieve, and work hard towards it. We also have to appear and remain credible to our stakeholders, demonstrate our integrity and run our businesses by practicing good governance at all levels.

13. Ladies and gentlemen, most recently, and as announced in the Budget 2017, two immediate initiatives by the government are already in the pipeline and are expected to be launched by end of this month, with the view to further spur our capital market. The first initiative, which is the Small and Mid-Cap PLC Research Scheme, will be introduced to conduct research on 300 companies to prep-up potentially viable companies and enhance their value proposition in the domestic equity market.

14. For the second initiative, a special fund of up to RM3 billion will be allocated by government-linked investment companies (GLICs) to fund managers licensed under the Securities Commission to invest in the potential small and mid-cap companies.

15. Taken together, these measures will create a sustainable ecosystem to promote the visibility and vibrancy of hundreds of small and medium cap companies, which will eventually stimulate and drive greater activities in domestic capital market and support the funding needs of our growing economy.

16. Indeed, the role of equity market is extremely important, not only for capital raising avenue but also its bigger role in engendering sustainable economic growth. It is therefore hoped that all intermediaries will provide the necessary support to bring these initiatives to fruition, particularly on marketing efforts.

CLOSING

Ladies and Gentlemen,

17. Before I conclude, I wish to take this opportunity to highlight that as the intermediaries in the capital market, each and every one of you play an important role in our capital market ecosystem. Not only that you act as the link between investors and the market, but you are also the “face” of our capital market- the first point of contact for investors.

18. Therefore, your conduct matters and the conduct of each of your staff matters as well, as it helps to give assurance and provide confidence to investors in our capital market. I hope all intermediaries will keep up the good work and maintain the professionalism as players in the capital market.

19. Ladies and gentlemen, it is an evening of celebration and I am sure you are anticipating on who will be stepping on stage to be acknowledged and recognized for their

contributions. The recipients of tonight's awards are certainly well deserving, I am sure.

20. With this ladies and gentlemen, I would like to take this opportunity to congratulate the winners in advance and also thank all of you once again for having me his evening and for your contributions to the capital market.

Thank you.