

MONETARY ECONOMICS

Issues and Challenges

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Editor

CAROLINE GEETHA

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Preface

As we reach the end of 2011, I cannot help reflecting on the three top events that hit us in the preceding years. The political tsunami in March 2008, the increase in petroleum prices and the recent US subprime issue that snowballed into a global financial crisis. There were obviously numerous causes for these events but perhaps one common word that comes to mind is complacency. Many of us did not expect the financial crisis to be this bad, resulting in the failure of financial giants across the US and Europe. Many of us were therefore caught off guard. So as I pen down this note, my thoughts will be on three things. First, how bad will the global economic scenario be? Second, how bad will it get for the Malaysian economy? Finally, how will it affect the financial services industry in Malaysia?

With these questions in mind, the lecturers from the Economic Programme at the School of Business and Economics, Universiti Malaysia Sabah had decided to publish their research findings on several important issues and challenges faced by Malaysians. The research findings can help us to prepare for the worst, especially on issues related to the role of money as a means to buy goods and services and to save for further payments. Articles on consumer savings, spending and retirement plan would help to add intimate local understanding of the Malaysian market in order to gain higher profits on investments. In addition, articles on Bank Negara's financial management will also enable us to understand the financial stability of the country in paying for exports and its potential in stabilising the Ringgit Malaysia against all other major currencies of the world.

Caroline Geetha, PhD.
School of Business and Economics
Universiti Malaysia Sabah
Kota Kinabalu, Sabah, Malaysia
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