

Zeti wants e-payments in full use by 2010

■ By ZURINNA RAJA ADAM

BANK Negara Malaysia wants the commercial sector to entirely use electronic payments (e-payments) in their transactions by 2010.

In her welcoming speech at the opening ceremony of the Payment Systems Forum and Exhibition yesterday, Bank Negara Governor Tan Sri Dr Zeti Akhtar Aziz asked all corporations and institutions to use the e-payment channels that are offered by the various service providers and financial institutions.

In the 2006 Budget, she said, the Government had announced its intention to increase the usage of e-payments nationwide.

She said all sectors must properly outline their plans to adopt e-payment system to ensure successful migration from the present paper-based transactions.

At present e-payment still has certain shortcomings.

"These range from the inability to store and collect bank account numbers, acknowledging electronic payment and receipt notices and instructing payments electronically," she said.

Between 2003 and 2004, the Inter-Bank GIRO system, an electronic credit transfer system, had recorded an annual average increase of up to 160 per cent in transaction and nearly 200 per cent in value. E-payment was introduced in Malaysia in 2000.

Zeti said credit card was also

becoming a popular means of payment, with the total value and volume increasing annually by 15 per cent and 20 per cent respectively.

"The growing acceptance of Internet banking as a convenient delivery channel for accessing banking services has translated into a significant growth of Internet banking subscribers, which com-

prises two thirds of the total Internet subscribers," she added.

Meanwhile, Citigroup Asia Pacific regional head, global payments, global transaction services, Akash Rathke emphasised that the market is changing and so are consumers behaviours-where some 40 per cent Malaysians are currently online.

He said consumers are increasingly associating e-payments with speed, convenience and ease of use, which will fuel the market growth rate of 25-35 per cent annually for the next five years.

Bank Negara is the organiser for the Payment Systems Forum and Exhibition in Kuala Lumpur Convention Centre, which ends today.



PAPERLESS TRANSACTIONS: VISA country manager Jeffrey Perera (left) briefing Zeti at the exhibition yesterday