



IMPROVING PERFORMANCE AT THE NEXUS OF THE COMMERCIAL AND SOCIAL SECTORS

ABSTRACT

**MANAGING CRISES IN INTRA-COUNTRY ECONOMIC CONFIDENCE (AUGUST 2012)**

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The recent global economic crisis shocked confidence and eroded trust in market economies, especially among economic and political stakeholders. Malaysia and Indonesia are among the countries that successfully managed the crisis and demonstrated growth in both consumer and business confidence indices in recent years. The governments of these countries have conducted successful policy actions to restore confidence among economic agents. An important component of Malaysia's successful economic policy has been improving and broadening access to financing particularly for small- and medium-sized enterprises (SMEs) and taking measures to deepen activities in the capital market, supported by an accommodative monetary policy. In Indonesia, the government had established a crisis monitoring and response system in anticipation of possible crisis or slowdown in growth. An important element of the approach was back-up financing that could be drawn down as needed and would be used to send a strong positive signal to the markets to boost investor confidence.

