

Dr. M approves Sime Darby's take-over bid

N.S.T. 10 JAN 1979
By ONG CHYE NGOH

KUALA LUMPUR. Tues. — Datuk Seri Dr. Mahathir Mohamad today described Sime Darby's bid to take over Guthrie Corporation as "a legitimate take-over plan with no fiddling around or asset stripping."

The Deputy Prime Minister said the bid by the Malaysian international conglomerate was an investment exercise aimed at promoting the interests of its new shareholders.

"Mergers and take-overs are normal happenings in the business.

It is a game that businessmen play," he added.

He was speaking to reporters after meeting the British trade delegation led by its Secretary of State for Trade, Mr. John Smith.

Apprehensive

Dr. Mahathir, who is also Trade and Industry Minister, said he assured the British visitors that Malaysia had no intention of nationalising foreign companies in the country.

Members of the British delegation had brought up the question of Sime Darby's bid to take over the London based plantation giant.

"The Government does not stop foreign companies from acquiring Malaysian companies and likewise we do not stop our companies from taking over foreign owned firms," Dr. Mahathir said.

"There is always normal business apprehension on the part of the smaller businesses in the case of take-overs," he said.

He noted that in the United States the smaller businesses were always apprehensive about bigger companies swallowing them up.

The Government, he said, would be happy if local companies could acquire those firms which have their assets

based mainly in Malaysia.

Dr. Mahathir said the British industrialists were keen to increase their investments in, and transfer their technology to Malaysia, and they had informed him that they would provide training facilities for local staff.

He had told members of the British delegation that Britain was lagging behind other countries in their investments in Malaysia.

Malaysia, he said, was concerned over the present trade deficit with Britain and was anxious to improve the position.