

Malays told: Don't sell shares for quick profit

NSI-2 JAN 20 1980
KUALA LUMPUR

Tues. — The bumiputra attitude of selling shares to non-bumiputras for a quick profit may lead to the failure of achieving the target of 30 per cent bumiputra participation in the corporate sector.

Deputy Prime Minister Datuk Seri Dr Mahathir Mohamad, said this attitude, often the cause for the failure of bumiputras in business, would ultimately close their sources of potential wealth.

Little do they realise that quick profits have a way of dissipating just as

fast, he said in an article in the first issue of "Merdeka", Umno Malaysia's new monthly newsletter released here.

Datuk Seri Dr Mahathir said some people have argued that the only way for bumiputras to obtain funds is to sell their shares to non-bumiputras.

Past experience, however, has indicated that nearly all bumiputras who enjoyed this form of capital appreciation, would spend the money on perishable commodities.

This problem, he added, could be overcome by preventing them from selling their shares but such a restriction has its drawbacks as well.

This is particularly so when the share-owner is in need of cash for an emergency or to buy land or a house.

He also said shares should be allowed to be sold or mortgaged when cash is needed for an emergency.

Greater risks

The Government, he added, had set up several agencies, including the Perbadanan Pelaburan Nasional, to cater for bumiputra share-owners.

Another problem in bumiputra share-ownership is the presumption among bumiputras that it is their due to receive the shares, the Deputy Prime Minister added.

In the business sector, he said, profits are often determined by the amount of capital invested in a particular project.

Therefore, it is only obvious that people who invest large amounts of capital in their businesses would stand to gain greater profits.