

MAHATHIR-CAPITAL

KUALALUMPUR, FEB. 10 (BERNAMA) - DATUK SERI DR. MAHATHIR MOHAMAD TODAY CALLED ON FINANCIAL INSTITUTIONS TO EVOLVE A NEW MECHANISM TO BUILD UP THE NATION'S RESERVE FUNDS.

HE SAID THAT THE COUNTRY WOULD IN FUTURE REQUIRE A LARGE CAPITAL TO UPGRADE THE INDUSTRIAL, AGRICULTURAL AND MINING SECTORS SO AS TO BE ABLE TO OVERCOME ANY COMPETITION.

THE PRIME MINISTER SAID THAT THE BANKING SYSTEM COULD PLAY AN IMPORTANT ROLE AS A CATALYST TO CREATE A CONDUCIVE CONDITION FOR OPERATORS IN THE PUBLIC AND PRIVATE SECTOR TO EVOLVE, INNOVATE AND TO PRODUCE NEW PRODUCTS, NEW SERVICES AND TO SEEK FOR NEW MARKETS.

THE BANKING SYSTEM SHOULD BE CONTINUOUSLY EVOLVING, HE SAID AT A DINNER HELD IN COMJUNCTION WITH THE SILVER JUBILEE CELEBRATIONS OF BANK NEGARA-MALAYSIA HERE.

HE ADDED THAT THE EXPECTATIONS AND NEEDS OF THE CONSUMERS TOWARDS THE FINANCIAL SYSTEM WOULD IN FUTURE BE HIGHER BECAUSE THE MODERN INDUSTRIES WOULD NOT BE BASED ON ASSETS BUT ON IDEAS AND KNOWLEDGE

CITING GENETIC ENGINEERING, ELECTRONICS AND THE LATEST MODES OF TRANSPORT AS KNOWLEDGE EASED INDUSTRIES! DATUK SERI DR. MAHATHIR SAID THAT IT WAS HIGH TIME THAT A VENTURE CAPITAL BE SET UP.

BANK NEGARA SHOULD STUDY AND PLAN STRATEGIES THAT WILL ENABLE FINANCIAL INSTITUTIONS TO PROVIDE VENTURE CAPITALS BECAUSE STUDIES HAVE SHOWN THAT SUCH CAPITALS ARE ESSENTIAL AND DETERMINED METHODS OF EVALUATION AND MANAGEMENT WHICH WILL NOT OPEN UP ANY OPPORTUNITIES FOR CRACKPOTS, CRANKS AND CONFIDENCE TRICKSTERS, HE SAID.

BESIDES, THE BANKING SYSTEM SHOULD AS FAR AS POSSIBLE INSTILL THE HABIT FOR THRIFT AMONG THE YOUNGER GENERATION AND THE AWARENESS ON THE IMPORTANCE OF INVESTMENTS FOR FUTURE SECURITY INSTEAD OF LAVISH SPENDING, HE ADDED.

DATUK SERI DR. MAHATHIR REMINDED COMMERCIAL BANKS, AS A PUBLIC ORIENTED INSTITUTION, TO FOCUS ITS ATTENTION IN ENCOURAGING SAVINGS AT ALL LEVELS.

THE BANKING SYSTEM SHOULD ALWAYS ASSIST THE GOVERNMENT AND THE PRIVATE SECTOR BY PROVIDING FINANCIAL FACILITIES AND PROFESSIONAL KNOW-HOW ON FINANCE, HE SAID. --MORE 2204/HM

MERCHANT BANKS, ESPECIALLY, SHOULD ACTIVELY INVOLVE THEMSELVES IN PROVIDING ADVISORY SERVICES ON THE VIABILITY OF PUBLIC OR PRIVATE SECTOR PROJECTS AS THEY HAD THE BACK UP THROUGH INTERNATIONAL LINKS TO PROVIDE EXPERTISE.

THIS, THE PRIME MINISTER SAID, WAS TO UPGRADE THE SKILLS TO EVALUATE AND ANALYSE PROJECTS WHICH HE DESCRIBED AS THE BIGGEST GAP IN OUR CAPABILITY TO IMPLEMENT PROFITABLE INDUSTRIAL PROJECTS.

DATUK SERI DR. MAHATHIR SAID THAT MERCHANT BANKS COULD ALSO ACT AS MIDDLEMEN BETWEEN FOREIGN AND LOCAL INVESTORS TO ATTRACT FOREIGN INVESTMENTS FOR NATIONAL DEVELOPMENT.

THEY CAN BRING FOREIGN PARTNERS WITH TECHNOLOGY AND MARKETING EXPERTISE, ASSIST IN SECURING NEW MARKETS AND EXPORT FINANCE FACILITIES FOR OUR EXPORTERS, HE ADDED.

THE PRIME MINISTER SAID THAT SUCH VENTURES REQUIRED THE EARNESTNESS OF ALL QUARTERS INVOLVED TO ENSURE THE AVAILABILITY OF THE SERVICES TO INCREASE EXPORT. --BERNAMA 2220/HM