

MAHATHIR-INVESTMENT

84 ①
KUALA LUMPUR, APRIL 26 (BERNAMA) -- PRIME MINISTER (DATUK SERI DR MAHATHIR MOHAMAD) HAS CALLED ON INSTITUTIONS AS SYSTEMATIC MOBILISERS OF FUNDS TO PUMP MORE INVESTMENTS INTO THE CAPITAL MARKET.

SPEAKING AT THE ONE-DAY CONFERENCE ON THE SECURITIES INDUSTRY IN MALAYSIA, HE SAID FUNDS FROM INSTITUTIONS HAD YET TO MAKE AN IMPACT ON THE SECURITIES INDUSTRY.

DATUK SER DR. MAHATHIR SAID MOST FUNDS FROM THE INSTITUTIONS WERE INVESTED IN GOVERNMENT SECURITIES.

BUT OF LATE, RULES HAD BEEN RELAXED TO ALLOW A CERTAIN PERCENTAGE TO BE INVESTED IN THE CAPITAL MARKET.

HE FELT THAT HOUSING SOCIETIES, PENSION SCHEMES AND OTHER INSTITUTIONS COULD HELP TO STIMULATE THE RAPID GROWTH IN THE SECURITIES INDUSTRY.

IN THE PROCESS, THE NATION WOULD GAIN THROUGH SAVINGS AND THE CAPITALISATION OF NEW ENTERPRISES OR EXPANSION OF EXISTING ONES.

-- MORE 1543/WS

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DATUK SERI DR. MAHATHIR SAID THE GOVERNMENT HAD URGED THE PEOPLE TO SAVE BECAUSE THE BASIS OF CAPITAL FORMATION WAS SAVINGS.

BUT IN AN INFLATIONARY ENVIRONMENT SAVINGS MAY RESULT IN A DEPLETION RATHER THAN AN ACCUMULATION OF CAPITAL.

IN VIEW OF THIS, THE PRIME MINISTER SAID THE SAVERS MUST THEMSELVES BE SAVED FROM THE INFLATIONARY EFFECTS.

HE SAID THAT PROVIDED THAT ENTREPRENEURS WERE CONSTANTLY STARTING NEW ENTERPRISES OR EXPANDING OLD ONES, SAVINGS SHOULD CONSTITUTE THE MOST RELIABLE AND BENEFICIAL SOURCE OF CAPITAL.

DATUK SER DR. MAHATHIR SAID WHILE THOSE WHO 'PLAY THE MARKET' WERE KNOWLEDGEABLE ABOUT WHEN TO BUY AND SELL, THE SAVERS WERE USUALLY NOT SO WELL-INFORMED.

THE SAVERS, HE SAID, SHOULD BE PROTECTED FROM THEIR TENDENCY TO INVEST IN 'HIGH PLAYERS' AND THIS WAS WHERE A WELL-RUN STOCK EXCHANGE AND GOOD STOCK BROKERS WERE NECESSARY. -- MORE 1546/WS

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THE PRIME MINISTER BELIEVED THAT IF SAVINGS WERE CONSTANTLY LOST IN THE STOCK MARKET, IT WOULD NOT ONLY AFFECT THE SECURITIES INDUSTRY BUT WOULD ALSO CAUSE THE PEOPLE TO BE LESS LIKELY TO SAVE.

THIS, HE SAID, WOULD AFFECT THE PROSPERITY OF THE NATION.

DATUK SERI DR. MAHATHIR CREDITED THE KUALA LUMPUR STOCK EXCHANGE (KLSE) FOR ITS SATISFACTORY PERFORMANCE OVER THE YEARS.

THE NUMBER OF ORDINARY SHARES HAVE RISEN FROM 3.8 BILLION IN 1974 TO 20 BILLION AS OF APRIL THIS YEAR, AN INCREASE OF 414 PER CENT.

TOTAL MARKET VALUATION HAD INCREASED FROM ABOUT \$11.8 BILLION TO ABOUT \$79 BILLION, A RISE OF 565 PER CENT OVER THE SAME PERIOD.

DATUK SER DR. MAHATHIR SAID THIS RAPID GROWTH HAD SERVED TO DISPEL SOME OF THE UNCERTAINTY OR ANXIETY ABOUT THE SUCCESS OF THE MALAYSIAN SECURITIES INDUSTRY.

THE NUMBER OF COMPANIES LISTED ON THE KLSE HAD RISEN BY 10 PER CENT SINCE 1984 FROM 249 TO 273.

-- MORE 1553/WS

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ON COMPLAINTS THAT EXISTING CONDITIONS FOR LISTING WERE RIGID AND SEVERE, DATUK SERI DR. MAHATHIR SAID THEY WERE UNFORTUNATELY NECESSARY IF CONFIDENCE WERE TO BE BUILT IN THE INDUSTRY; . .

HE FELT THAT THE DIFFICULTIES MIGHT BE REDUCED WHEN A LARGE CORPS OF DIRECTORS AND MANAGERS, KNOWN FOR THEIR INTEGRITY AND BUSINESS ACUMENT WAS SUFFICIENTLY BUILT UP.

TOUCHING ON THE NEW ECONOMIC POLICY, THE PRIME MINISTER URGED BROKER FIRMS TO TAKE IN MORE BUMIPUTERAS IN ORDER TO GIVE THEM THE RIGHT EXPOSURE.

HE SAID IT WAS NOT HEALTHY TO HAVE SUCH A CRUCIAL INDUSTRY MONOPOLISED BY ANY ONE RACE.

DATUK SERI DR. MAHATHIR POINTED OUT THAT BUMIPUTERAS WERE STILL UNDER-REPRESENTED IN THE INDUSTRY AND IT WAS NOT EASY TO CORRECT THE SITUATION.

BUT EFFORTS MUST BE MADE TO CORRECT THE IMBALANCE, HE EMPHASISED.

HE FELT THAT BUMIPUTERAS WOULD NOT MAKE THE GRADE IN THE INDUSTRY IF THEY DID NOT HAVE THE EXPERIENCE. -- BERNAMA 1600/WS